



Research Paper

## **RIBA (USURY) and its Effect on the Global Economy**

Mustapha Sidi Attahiru, PhD

Visiting Lecturer

Department of Business Administration

Faculty of Management Sciences

Usmanu Danfodiyo University Sokoto, Nigeria

---

### **Abstract:**

*The negative impact of Riba (interest or usury) on the global economy remains the topic of discussion to the academicians and businessmen all over the world. Using Islamic approach, this study examines the effect of Riba on the global economy. The sample of this study comprises of Traders, Bank staff and Customers in Sokoto State, Nigeria. Survey questionnaire was administered to 300 respondents through simple random sampling and only 173 were used for analysis. PLS-SEM 3.0 was used for data analysis. The study found that there is significant relationship between Riba and destruction of global economy. This indicates that transaction in businesses associated with any form of Riba would result in higher level of economic devastation. The study suggests the alternative to Riba in solving the economic problem. This research is significant as there is need for continuous research on the effect of Riba and its solution to the economy. While this paper sets the stage, there is however, the need for future research.*

**Keywords:** Riba, Economy, Islam

*Received 04 Jan, 2022; Revised 13 Jan, 2022; Accepted 15 Jan, 2022 © The author(s) 2022.*

*Published with open access at [www.questjournals.org](http://www.questjournals.org)*

### **INTRODUCTION**

*Riba* is an Arabic word which is translated as 'usury' or 'interest' and it refers to unequal exchanges or charges and fees for borrowing that can result in the payment of interest (Ayub, 2021). The concept of *Riba* has attracted passionate attention and been studied by philosophers, religious scholars, lawmakers, administrators, and economists, regarding almost all its economic, social, moral, and religious aspects (Eyerci, 2021). This is because conventional theory of transaction considers *Riba* as back bone of the economy, while Islamic theory of transaction declares *Riba* destructive to the economy (Ahmad, Amjad, & Aslam, 2018), Islam prohibits the receipt or payment of interest on any form of lending or borrowing that includes but not restricted to: bank account, loans taken for property purchases among others (Ayub, 2021).

*Riba* was prohibited by Islam because of its harmful effect on the personal, social and economic life of people, it is also considered dishonourable, disrespectful, uncharitable, unjust and the source of many evils (Eyerci, 2021). Accordingly, Habib (2018) categorized the destructive element of *Riba* as; (1) harmful for the borrower, society and economy in which he operates since the borrower pays interest to the lender irrespective of the profit or loss of the economic activity for which the money was borrowed. If the profit of the business is less than the interest payment, or if there is a loss, then the borrower still needs to pay the interest and may go out of business. (2) The lender is paid a fixed interest amount. If the business does very well, the interest amount still stays the same, so the lender cannot benefit from the high profits. (3) Allocation of resources in the interest-based system is inefficient since it is linked to the creditworthiness of the borrower and any collateral the borrower can provide rather than the productivity of the economic activity or the skills of the borrower.

Another poisonous element of *Riba* was highlighted in the speech of Nigeria's former President Olusegun Obasanjo at the G8 summit in August 2000 as quoted by Komlik (2017, p.1), where he said: "All that we had borrowed up to 1985 or 1986 was around \$5 billion and we have paid about \$16 billion yet we are still being told that we owe about \$28 billion. That \$28 billion came about because of the injustice in the foreign creditors' interest rates. If you ask me what is the worst thing in the world? I will say it is compound interest." Islam as a religion has a solution to all the problems including *Riba* and what is related to it since it covers all aspects of human life. Islam is not only a doctrine of worship but also an integrated system that governs all rules, values, obligations, manners and practices to ensure the integrity and justice between human beings (Ali,

Noordin, & Achour, 2018). In this regard, using content analysis this study highlights the position of Islam on the issues affecting *Riba* and its solution. This paper is divided into six sections. The first section is the introduction, section two is the literature review, while section three is the methodology, section four highlight the findings while section five is the discussion and section six comprises of conclusion and suggestion.

## LITERATURE REVIEW

Islam discourages businessmen from acting immorally and highlights some bad behaviour that may lead to exploitation, so that people avoid it with a view to having a well-behaved society and also to achieve the pleasure of Allah (S.W.T) as follow:

### RIBA (INTEREST)

*Riba* is an Arabic word which is translated as “increase” or “excess” and is, in the strictest interpretation, an amount or rate that is due in excess of the principal of a loan (Schoon, 2016). Jurists have given different definitions to the term *Riba*. For instance, Maududi (2011) defined *Riba* as a predetermined surplus or excess over and above the loan received by the creditor in relation to a specified period. Setiawan (2021) said, it is an increase in wealth that is not related to engaging in productive activity. It is also concerned with exploitative gains made in trade or financial transactions. *Riba* can also mean the pursuit of illegal, exploitative business or trade gains by assessing exorbitant rates of interest (Farook, 2021). Iqbal and Mirakhor (2017) reported that according to Shari’ah, technically, *Riba* refers to the “premium” which must be paid to the lender by the borrower along with the principal amount being a condition for the loan or for an extension of the loan duration. Iqbal and Mirakhor (2017) further highlighted that the prohibited interest rate is defined into at least four characteristics which include: (1) it is positive and fixed ex ante; (2) it is tied to the amount of the loan and time period; (3) its payment is guaranteed not considering the outcome or the reason for which the principal was borrowed; and (4) the state apparatus sanctions and enforces its collection.

#### 2.1.1 Classification of *Riba*

A *Riba* transaction according to Ahmad et al. (2010) features one or both of the following characteristics: a surplus (*al-fadl*) in the amount of one counter-value over the other in barter transactions of specific commodities; and a delay (*al-nasa or Al-nasi’ah*) in the settlement of one or both counter-values. Among the comprehensive classification of *Riba* was the one given by Al Jaza’iri (2000) which says:

*Riba An-nasi’ah*: “This type of *Riba* has two categories. One is the *Riba* of Jahiliyya (Pre-Islamic period of ignorance). This is the type of *Riba* that Allah the Almighty prohibited by saying: “O you who believe, eat not *Riba* doubled and multiplied” Qur’an (3:130). In actuality it is a man owing another man a debt on delayed payment. Then, when its fixed term is due, the lender says to the taker, You may either pay me back or I will increase the amount of the debt (to give you more time). So if he does not repay the debt the lender increases the debt by a percentage of the wealth and he waits for another appointment of time (for him to repay it). This course will continue, until it earns him double compounded interest by passing the fixed term until it is multiplied and so on. Another type of interest of Jahiliyya was when someone lends ten dinars for the payment of fifteen dinars on short or long-term credit.

The second category of *Riba An-Nasi’ah* is selling something which involves *Riba*, like one of the two currencies, or wheat or barley, or dates for another type of dates. This is, for example, if a man sells a weight of dates for a weight of wheat for a fixed term or a man sells ten dinars of gold for one hundred and twenty dirhams of silver for a fixed term” (Al Jaza’iri, 2000. p.214)

*Riba Al Fadl*: “This is selling one type of item for the same type of item that is better in quantity. This is like selling one weight of wheat for one and a quarter weight of wheat, for example. Similarly selling one Sa’ of dates for one and a half Sa’ of dates, or selling one ounce of silver for one ounce and one dirham of silver” (Al Jaza’iri, 2000. p.214)

In addition Ahmad et al. (2010) opined that the literature of *Riba* consist of wide variety of terminologies in common with the various methods that have been used to understand its scope and nature over time. The most common terms and their practical application include; *Riba al-buyu* (the usury of trade) that have the same meaning with *Riba Al Fadl*. Also *Riba al-qurud* (the usury of loans) which connotes that the lender of money contracts to receive more money in return than he initially parted commonly known as an interest bearing loan in western parlance.

#### 2.1.2 Prohibition of *Riba* (Interest)

But, in the opinion of Shahar, Jamlus and Shahar (2016) Islam is not the only religion that prohibits *Riba*, other religions such as Christianity, Hinduism Buddhism and Judaism also prohibit it. In Christianity, both new and old testaments references on usury or *Riba* was even more controversial. In the Bible, it was a reference that “you shall not lend him your money for usury, nor lend him your food at a profit” (Leviticus 25:36-37).

This is also found in Jeremiah 15:10. Prohibition of *Riba* was similarly found in Buddhism and Hinduism. Usury or *Riba* was forbidden in an ancient Indian religious manuscript like Sutra texts. There was a time when a law was made among the highest castes in India (Priest and Warriors) which forbade them from being usurers or lenders. Usury was also regarded as a shameful act and practising it is a hypocritical attitude in Buddhist Jatakas. Judaism is another religion that discourages and outlawed as well as scorned usury. It was classified as an act of "bite" it encourages lending more only to the poor and needy and prohibit money lending with interest (Shahar et al., 2016).

The prohibition of *Riba* is evident in the Holy Qur'an and many Hadith of the Prophet (P.B.U.H). Qur'an (2:275-276) decrees;

"Those who eat *Riba* will not stand (on the Day of Resurrection) except like the standing of a person beaten by Shait'an (Satan) leading him to insanity. That is because they say: 'Trading is only like *Riba*', whereas Allah has permitted trading and forbidden *Riba*. So whosoever receives an admonition from his Lord and stops eating *Riba* shall not be punished for the past; his case is for Allah (to judge); but whoever returns [to *Riba*], such are the dwellers of the Fire – they will abide therein. Allah will destroy *Riba* and will give increase for *Sadaqah* (deeds of charity, alms, etc.) And Allah likes not the disbelievers, sinners".

Qur'an (2:278-279) further said; "O you who believe! Be afraid of Allah and give up what remains (due to you) from *Riba* (from now onward), if you are (really) believers. And if you do not do it, then take a notice of war from Allah and His Messenger but if you repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly (by receiving less than your capital sums)".

Also Qur'an (3: 130):

"O you who believe, eat not *Riba* doubled and multiplied, but fear Allah that you may be successful".

"Gold in exchange for gold, silver in exchange for silver, wheat in exchange for wheat, barley in exchange for barley, dates in exchange for dates, salt in exchange for salt is in the same category and (should be exchanged) hand to hand, so whoever adds or demands increase he has practised usury. The giver and taker are the same" (Sahih Muslim, 1584).

Furthermore, Abu Sa'id al-Khudri narrated that: Once Bilal brought Barni (i.e. a kind of dates) to the Prophet and the Prophet asked him, From where have you brought these? Bilal replied, I had some inferior type of dates and exchanged two Sas (measure) of it for one Sa of Barni dates in order to give it to the Prophet; to eat. Thereupon the Prophet said, "Beware! Beware! This is definitely *Riba* (usury)! This is definitely *Riba* (Usury)! Don't do so, but if you want to buy (a superior kind of dates) sell the inferior dates for money and then buy the superior kind of dates with that money" (Sahih Al-Bukhari: 2312)

Another narration by Abu Sa'id Al-Khudri and Abu Huraira: Allah's Apostle appointed somebody as a governor of Khaibar. That governor brought to him an excellent kind of dates (from Khaibar). The Prophet asked, "Are all the dates of Khaibar like this?" He replied, "By Allah, no, O Allah's Apostle! But we barter one Sa of this (type of dates) for two Sas of dates of ours and two Sas of it for three of ours." Allah's Apostle said, "Do not do so (as that is a kind of usury) but sell the mixed dates (of inferior quality) for money, and then buy good dates with that money" (Sahih Al-Bukhari:2201)

Islam did not only prohibit *Riba*, but also blocked all the avenues leading to the transaction in *Riba*. Islam prohibits the loan giver from receiving any benefit in cash or in kind from the borrower during the loan period unless if they are in the habit of doing so before the loan. This is because the gift given to the loan giver is a way of persuading him to extend the repayment period and thus, accepting it may fall into *Riba*. Moreover, the basic principle regarding loans is that; every loan which brings a benefit is *Riba*. The only loan allowed in shari'ah is benevolent loan. The Messenger of Allah (peace and blessings of Allah be upon him) said in the Hadith reported by Ibn Majah (2432):

"If any one of you borrows something then he gives (the lender) a gift or gives him a ride on his riding-beast, he should not accept the gift or the ride, unless they used to treat each other in that manner beforehand."

Ibn Sireen narrated that 'Umar (may Allah be pleased with him) lent Ubayy ibn Ka'b (may Allah be pleased with him) ten thousand dirhams, and Ubayy ibn Ka'b gave him a gift of some fruit from his land, but he returned that to him and did not accept it. Ubayy came to him and said: "The people of Madina know that I grow some of the best fruit and I have no need of it, so why did you refuse my gift?" Then later on he sent him (some fruit) and he accepted it.

Ibn al-Qayyim commented: 'Umar refused it because he thought that the gift was because of the loan. When he realized that it was not because of the loan, he accepted it.

## 2.2 Conceptual Framework

This section discusses the conceptual framework of this study which is developed under the Islamic approach. Figure 1 shows the research model indicating Economy as dependent variable and *Riba* as independent variable.



Fig. 1. Conceptual framework

## 2.3 Impact of *Riba* on Economy

*Riba* was prohibited in Islam with a view to encourage Muslims in making rightful investments and also protect the wealth of one another from unjust exploitation as well as to avoid hatred, evils and envy among them (Gani, 2020). The prohibition of *Riba* is also to encourage the spirit of mercy and charity among Muslims by willingly lending to each other without any expectation of getting more than the borrowed amount. In addition Yunus, Kamaruddin and Embong (2018) asserted that prohibition of *Riba* is a kind of ritual obedience and the reason for its prohibition by Islam is mainly to develop harmony, equality and pleasure in all human beings. Al-Razi (2005) said Allah forbids usury because it prevents people from engaging in lawful business, since a person can earn excess of what he has without any effort. It also eliminates kindness, charity and sympathy among the people.

Haniffa and Hudaib (2019) highlighted that “*Riba* is condemned as it is against the Islamic spirit of justice and equity. Easy access to loans may encourage individuals to live beyond their means and possibly spend on things that are not essential. Those who default on their loans or mortgages may risk losing their homes if they have used them as collateral. *Riba* may cause companies to be declared bankrupt when they cannot service interest on their loans, which leads to loss of employment for their employees and loss of productive prospects for society as a whole. High interest rates may cause businessmen to be unable or even reluctant to borrow from banks, thus hindering the growth and productivity of the business sector. *Riba* stifles innovation by small businesses, as they may be reluctant to take up loans and get charged high interest rate for new projects which are often perceived as having higher risk. Easy access to global financial institutions may cause governments to borrow, resulting in an accentuation of macroeconomic factors like inflation and external imbalances in addition to squeezing the resources available for development. This leads some poorer countries to over-exploit their earth’s resources, and subsequently to the destruction of their ecological systems. The heavy debt burden held by some countries makes it difficult for them to recover from a depressed economy, causing further suffering to the whole society” (Haniffa & Hudaib, 2019 p.27).

According to Ibn Taymiyya, “Allah has not let the rich without obliging them to give the needy; the benefit of the rich and poor does not go straight except with this. When the rich practices usury with the poor he is like a man who is indebted to another but he prevent him from his right and even wrong him by this increase, while the debtor needs his debt; this is the worst type of injustice” (Ibn Taymiyyah, 2015, p.123). Kettell (2012) categorised the Islamic rationale for banning *Riba* into five: it is unjust, it corrupts society, it implies improper appropriation of other people’s property, it results in negative economic growth and it demeans and diminishes human personality.

H1 *Riba* is significantly related to economy

## METHODOLOGY

Sample of this study comprises of Traders, Bank staff and Customers in Sokoto State, Nigeria. Survey questionnaire was administered to 300 respondents through simple random sampling and only 173 were used as indicated in Table 1. To improve the response rate, the questionnaires were delivered to the respondents by hand and collected by hand on a scheduled pick-up date. PLS-SEM 3.0 was used for data analysis. This study classified responses according to a five-point Likert scale ranging from 1 (strongly disagree) to (strongly agree). Partial least square structural equation model (PLS-SEM) method was used and found suitable by this study because, the research model entails considerable complexity regarding the type of relationships in hypothesis. This study also uses latent variables’ scores in the consequent analysis for predictive purposes. This study concurrently uses SmartPLS 3 software (Hair et al. 2014).

**Table 1** Demographic Profile of the Total Sample

Characteristics	Frequency	Percentage%
<b>Gender</b>		
Male	147	85
Female	26	15
<b>Marital Status</b>		
Married	129	74.6
Single	38	22.0
Divorced	6	3.5
<b>Age</b>		
18-29	14	8.1
30-39	54	31.2
40-49	40	23.1
50-59	65	37.6
<b>Category</b>		
Traders	77	44.5
Bank staff	27	15.6
Customers	69	39.9
<b>Educational level</b>		
Diploma/NCE	61	35.3
Degree/HND	98	56.6
Postgraduate Degree	14	8.1

**RESULTS**

The PLS model analysis covers two stages: (1) assessment of reliability and validity of measurement model and (2) evaluation of structural model.

**4.1 Measurement model**

The reflective measurement model assesses model's reliability and validity which involves indicators item loading, composite reliability, convergent validity and discriminant validity. Convergent validity is the level to which items accurately represent the intended latent construct and certainly correlate with other measures of the similar latent construct is evaluated by examining the AVE of each latent construct, as recommended by Hair *et al.* (2014). To achieve adequate convergent validity, the rule of thumb indicates that only items with loadings between 0.40 and above, and items with Average Variance Extracted(AVE) of 0.50 and above should be retained as suggested by Hair *et al.* (2017) and Chin (1998). Also, Bagozzi and Yi (1988) and(Hair, Ringle and Sarstedt (2011) recommended that the composite reliability coefficient should be at least 0.70 or more.

**Table 2: Measurement Model: Reliability and Convergent Validity**

Construct	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Econ_1	0.713	0.836	0.881	0.556
Econ_2	0.738			
Econ_3	0.792			
Econ_4	0.819			
Econ_5	0.809			
Econ_9	0.688			
Riba_1	0.771	0.913	0.929	0.593
Riba_10	0.697			
Riba_11	0.863			
Riba_3	0.739			
Riba_4	0.733			
Riba_5	0.702			
Riba_7	0.812			
Riba_8	0.837			
Riba_9	0.758			



Result shows that all the requirements were met in assessing measurement model. Firstly, reflective individual items are reliable, because all standardised loadings are above 0.6 as indicated Table 2. Accordingly, the individual item reliability is satisfactory (Hair, Hult, Ringle, & Sarstedt, 2017). Secondly, the composite reliabilities of all reflective constructs are greater than 0.7 indicating that the requirement of construct reliability is met (Leal-Rodríguez, Eldridge, Roldán, Leal-Millán, & Ortega-Gutiérrez, 2015)

**Table 3:** Discriminant Validity

Construct	Economy	Riba
Economy	<b>0.770</b>	
Riba	0.727	<b>0.746</b>

As indicated in Table 2, the convergent validity is achieved by the latent variables since their average variance extracted (AVE) exceeds 0.5 level (Fornell and Larcker 1981). Also, Table 3 confirms that all the variables met the requirement of discriminant validity. This is achieved from a comparison of the square root of AVE versus the corresponding latent variable correlations. For discriminant validity to be satisfactory, diagonal elements should be significantly greater than off-diagonal elements in the corresponding columns and rows (Roldán and Sánchez-Franco 2012). In addition, as stated earlier, discriminant validity can also be achieved by comparing the indicator item loadings with cross-loadings. To ascertain satisfactory discriminant validity, Chin (1998) recommended that all the indicator item loadings should be greater than the cross-loadings. Table 4 below compares the indicator item loadings with other indicators.

**Table 4:** Cross Loadings

Construct	Economy	Riba
Econ_1		0.549
Econ_2	<b>0.738</b>	0.574
Econ_3	<b>0.792</b>	0.489
Econ_4	<b>0.819</b>	0.505
Econ_5	<b>0.809</b>	0.486
Econ_9	<b>0.688</b>	0.576
Riba_1	0.556	<b>0.771</b>
Riba_10	0.553	<b>0.697</b>
Riba_11	0.660	<b>0.863</b>
Riba_3	0.463	<b>0.739</b>
Riba_4	0.542	<b>0.733</b>
Riba_5	0.532	<b>0.702</b>
Riba_7	0.572	<b>0.812</b>
Riba_8	0.539	<b>0.837</b>
Riba_9	0.589	<b>0.758</b>

All indicator item loadings are higher than the cross-loadings as shown in the Table 4 above, recommending acceptable discriminant validity for further analysis. Therefore, in this study, all the criteria for attaining discriminant validity are achieved.

**4.2 Structural model**

The assessment of structural model includes, testing of path coefficient (hypotheses), assessment of R-square, evaluation of effect size and assessment of predictive relevance of the study model. The study achieved all the requirement of structural model. Therefore, bootstrapping procedure was used in assessing structural model. Table 5 indicates the bootstrapping results which provides t-values that permit the assessment of statistical significance relationship in the research model (Ramayah, Cheah, Chuah, Ting, & Memon, 2017). In this situation, the results significantly support the hypothesis, which defines the direct relationship of Riba and Economy (Beta = 0.727; t=19.661).

Table5: Result of Hypothesis Testing

Hypothesis	Beta	Standard Error	T Statistics	P Values	Decision
Riba -> Economy	0.727	0.037	19.661	0.000	Supported

In addition, the  $R^2$  represent the predictive accurateness of the model, it signifies the collective effects of the exogenous latent constructs on the endogenous latent construct as proposed by Hair *et al.*, (2014). Table 6 indicates the variance explained (R2) in the endogenous variable and the path coefficients for the study model.

Table 6: Coefficient of Determination

Construct	R Square
Economy	0.529

Also, in Table 7, the result from blindfolding and Predictive relevance ( $Q2$ ) of the latent endogenous construct is higher than zero. This clearly shows that the model has predictive relevance (Chin, 1998; Hair *et al.*, 2014; Hayes *et al.*, 2009).

Table 7: Predictive Relevance

Total	SSO	SSE	1-SSE/SSO
Economy	660.000	484.416	0.266

### Discussion

This study explores the effect of *Riba* on Economy. Primary data was collected from the respondents who were also the key players in business comprising of Traders, Bank staff and Customers in Sokoto State, Nigeria. The result of the direct relationship between *Riba* and Economy is significantly positive. This indicates that the negative impact of *Riba* that include; injustice, corruption, improper appropriation of other people’s property, negative economic growth and it demeaning of human personality increases with the increase in transactions associated with *Riba*. Therefore, adapting to Islamic ethics at all level of business is the only solution to the destructive impact of *Riba* to the economy.

### Conclusions and suggestions

The aims and objectives of Islamic business ethics are to eliminate injustice, inequality, negative economic growth and misappropriation of wealth in the society. This study therefore discusses and examines the effect of *Riba* on the economy. The significant positive relationship indicated that transaction in businesses associated with any form *Riba* would result in higher level of economic destruction. Therefore, Muslims are expected to have knowledge of what constitute *Riba* and its consequences so as to avoid it for the betterment of the economy. Government and business people should collaborate in finding a solution to *Riba* by blocking all avenues that may lead to *Riba* and also making accessible the shariah compliant businesses in the society. The findings also suggest that, to attract the reward of this world and hereafter, people at all levels should fear God in conducting their businesses. Furthermore, this study suggests that there is a need for more research on the impact of *Ribato* the global economy.

### References

- Ahmad, S., Amjad, M., & Aslam, E. (2018). Types of Interest in Islamic Law Analysis and Application. *Pakistan Journal of Islamic Research*, 18(2), 168–170.
- Ahmad, T., Fazel, A., Al-Haddad, H., Hasan, S., Ismail, S., Kholwadia, M., ... Zainuddin, S. (2010). *Islamic Banking and Finance: What it is and what it could be*. (T. El-Diwany, Ed.) (First). United Kingdom: 1st Ethical Charitable Trust.
- Al-Razi, M. (2005). *Tafseer Al Kabir* (First). Beirut-Lebanon: Dar El-Fikr.
- Al Jaza'iri, A. J. (2000). *Minhaj Al Muslim* (Fourth). Madina K.S.A: Darussalam Printing and Distribution.
- Ali, A. R. A. H., Noordin, K. Bin, & Achour, M. (2018). The Islamic approach of obligations in mutual relations between employee and employer. *International Journal of Ethics and Systems*, 34(3), 338–351. <https://doi.org/10.1108/IJOES-12-2017-0227>
- Ayub, M. (2021). What Is Riba in Islam?
- Bagozzi, R. P., & Yi, Y. (1988). On the Evaluation of Structural Equation Models. *Journal of the Academy of Marketing Science*. <https://doi.org/10.1177/009207038801600107>
- Chin, W. (1998). The partial least squares approach to structural equation modeling. *Modern Methods for Business Research*, 295(2), 295–336. <https://doi.org/10.1016/j.aap.2008.12.010>
- Eyerci, C. (2021). *The Causes and Consequences of Interest Theory*. Switzerland: Palgrave Macmillan.
- Farook, S. (2021). What Is Riba—and Why Is It Haram in Islam?
- Fornell, C., & Larcker, D. F. (1981). Structural Equation Models with Unobservable Variables and Measurement Error: Algebra and Statistics. *Journal of Marketing Research*, 18(3), 382–388. <https://doi.org/10.2307/3150980>
- Gani, I. M. (2020). Interest (Riba) and Its Consequence on the Economy. *Journal of Islamic, Social, Economics and Development*, 5(30), 13–22.
- Habib, S. F. (2018). *Fundamentals of Islamic Finance and Banking* (First). United Kingdom: John Wiley & Son’s Ltd.

- [14]. Hair, J. F. J., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)* (second). Los Angeles: SAGE Publications.
- [15]. Hair, J. F. J., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. *Long Range Planning* (Vol. 46). <https://doi.org/10.1016/j.lrp.2013.01.002>
- [16]. Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a Silver Bullet. *Journal of Marketing Theory and Practice*, 19(2), 139–152. <https://doi.org/10.2753/MTP1069-6679190202>
- [17]. Hair Jr, F. J., Sarstedt, M., Hopkins, L., & Kuppelwieser, G. V. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106–121. <https://doi.org/http://dx.doi.org/10.1108/BIJ-10-2012-0068>
- [18]. Haniffa, R., & Hudaib, M. (2019). *Islamic Banking and Finance: An Introduction* (1st EMEA E). United Kingdom: Cengage Learning EMEA.
- [19]. Hayes, A. F. (2009). Beyond Baron and Kenny: Statistical Mediation Analysis in the New Millennium. *Communication Monographs*, 76(4), 408–420.
- [20]. Ibn Taymiyyah, A. I. A. A.-H. (2015). *The Fatwa Collections on Financial Transactions and Monetary Rulings* (First). Kuala Lumpur: IBFIM.
- [21]. Kettell, B. (2012). *Introduction to Islamic Banking and Finance* (First). United Kingdom: Wiley Finance.
- [22]. Komlik, O. (2017). The Burden of Nations: Debt and Compound Interest.
- [23]. Leal-Rodríguez, A. L., Eldridge, S., Roldán, J. L., Leal-Millán, A. G., & Ortega-Gutiérrez, J. (2015). Organizational unlearning, innovation outcomes, and performance: The moderating effect of firm size. *Journal of Business Research*, 68(4), 803–809. <https://doi.org/10.1016/j.jbusres.2014.11.032>
- [24]. Maududi, S. A. A. (2011). *First Principles of Islamic Economics*. United Kingdom: The Islamic Foundation.
- [25]. Ramayah, T., Cheah, J., Chuah, F., Ting, H., & Memon, M. A. (2017). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using SmartPLS 3.0 An updated and practical guide to statistical analysis* (First). Kuala Lumpur Malaysia: Pearson Malaysia Sdn Bhd.
- [26]. Roldán, J. L., & Sánchez-Franco, M. J. (2012). Variance-Based Structural Equation Modeling: Guidelines for Using Partial Least Squares in Information Systems Research. In *Research Methodologies, Innovations and Philosophies in Software Systems Engineering and Information Systems* (pp. 193–221).
- [27]. Schoon, N. (2016). *Modern Islamic Banking Products and Processes in Practice* (First). United Kingdom: John Wiley & Son's Ltd.
- [28]. Setiawan, R. A. (2021). Why an Interest-Free Economy was Instituted from Early Religious Zeal. *Australian Journal Of Islamic Studies*, 2(2), 31–48.
- [29]. Shahar, W. S., Jamlus, N. B., & Shahar, W. S. (2016). The Implication of Usury (RIBA) in Economic: a Critique. *Proceeding of the 1st International Conference on Management and Muamalah (1st ICoMM)*, 1(November, 13-14), 1–11. Retrieved from [www.kuis.edu.my](http://www.kuis.edu.my)
- [30]. Yunus, S. M., Kamaruddin, Z., & Embong, R. (2018). The Concept of Islamic Banking from the Islamic Worldview. *International Journal of Academic Research in Business and Social Sciences*, 8(11).