

ISLAMIC PANACEA TO THE IMPLICATIONS OF *RIBA* ON NIGERIAN ECONOMY

By

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Abstract

Riba (Usury) is Prohibited as far as Islamic injunction is concerned. This is due to unnecessary pain it inflicts on men as they engage in socio-economic activities. Meanwhile many people tend to involve in this act due to its temporary benefits which is always attained at the detriment of the masses, and most especially, the less privileged. Many people, including Muslims engage in *riba* out of ignorance. The main focus of this work was to examine the implications of *riba* on socio-economic activities, and its implications for economic stability in Nigeria. It was also aimed at providing Islamic alternatives as possible solution to this problem. The work was library based, using qualitative methodology to expatiate the views of various scholars on the subject matter. Exposing people to more knowledge and understanding of the implications of *riba* in the society would be of great value and advantage to economic advancement. Thus, Islam provides series of welfare packages that serve as alternative measures to *riba*, which would be of great benefits to the masses and as well encourage the entrenchment of an egalitarian society. It is concluded that economic instability in Nigeria is aggravated by inappropriate policies and practices such as *riba* based transactions that are rampant in the Nigerian society and that adopting Islamic alternatives would enhance economic stability in the country. The fact remains that *riba* is prohibited by Allah and this is strictly emphasized by the Prophet. Muslims should therefore shun this act in all ramifications in order not to incur the wrath of Allah in this world and the hereafter.

Keywords: *Riba*, Implications, Economic Stability.

Introduction

Riba in Islamic Jurisprudence connotes usury. It simply means exploitative and unjust gains as a result of any trade or business transactions. In the perspective of Islam, the term refers to interest charged on loans which can also be translated to all forms of conventional bank loans and interests. *Riba* is categorized into two, the first is the interest or other increase on a loan of cash, and the second one is the simultaneous exchange of unequal quantities or qualities of a given commodity. Although the fact remains that *riba* is generally prohibited in Islam, many Islamic Scholars still believe that not all forms of interests are *riba* and many are sceptical on whether it is a major sin or simply discouraged. Many scholars have also expressed their opinion on whether it is punishable under Islamic Jurisprudence or that the case should be left for Allah to judge. However, the impediments and implications of *riba* are adversely affecting socio-economic engagements and stability in Nigeria.

The crux of this paper was to examine the implications of *riba* on socio-economic stability, and provide Islamic alternative as possible solutions to economic instability in Nigeria. Thus, the possible solution in this work is based on Islamic injunction which maintains social equilibrium and economic balance amongst the people. It has been observed that *riba* is just an unjust means of acquiring wealth by wealthy men at the detriment of the less privileged ones. Muslims should abstain from the practice of *riba* and embrace lawful means of acquiring wealth as stipulated in Islamic alternative measures which can serve as a good model for others in the society. The instability of economic development in Nigeria is due to the inappropriate policies like *riba* which is very rampant in our society, and there is no doubt that using Islamic alternative will enhance economic stability in Nigeria if it is properly implemented.

Economic Engagements and Stability in Nigeria

Ali and MohdShahril (2017) opined that Nigeria has the potential to become one of the most prosperous countries in the world given its natural endowments. Having the 11th largest oil reserves in the world, it also possesses vast agricultural and water resources and has a huge and highly diversified population of over 167 million people (National Bureau of Statistics, 2016). In spite of those enormous human and material resources, Nigeria is yet to undergo the necessary structural changes that would facilitate sustainable economic development and secure acceptable minimum standard of living for its citizens. The growth rate, as stated by Ali et al. (2017) is shown in major economic indicators, such as the Gross Domestic Product (GDP) and per capita income which continue to be very low compared to the growth rate of the population. Capacity utilization in the manufacturing sector hovers around 48.5 percent, while inflation and unemployment remain very high (Ali, et al., 2017).

According to the United States Agency for International Development (USAID), Nigeria's economic potential is constrained by many structural issues, including inadequate infrastructure, tariff and non-tariff barriers to trade, obstacles to investment, lack of confidence in currency valuation, and limited foreign exchange capacity. In the view of Chinedu (2022), Nigeria's economic outlook remains uncertain and threatened by many issues. Nigeria's ability to attract domestic and foreign investment is low and declining compared to its peers. Private sector investment's contribution to growth has declined due to macro-economic and financial policies constraining exports and foreign investment. Rafiq (2023), submits that the Nigerian economy has deteriorated over the past 8 years, inflation has soared, growth has slowed, and unemployment is rife.

Obviously, this situation needs to be reformed, but so many policies have been adopted over many years to revive the Nigeria economy, yet the problem continues. However, there is no doubt about the fact that alternative measure needs to be adopted effectively. Though there are other factors responsible for economic decadence in Nigeria, it has been observed that many of these factors centred on monetary policy which promote the use of interest in financial practices which portend negative effects on Nigeria economic stability. This is due to the fact that the practice enriches the wealthy at the detriment of the less privileged. Therefore, the general attitude of people towards *riba* need to be examined with a view to recommending the Islamic alternatives.

Islam and the Prohibition of *Riba*

Riba is regarded as one of the evil means to acquiring wealth and this is stated in the Qur'an: "That they took usury, although they were forbidden and that they devoured men's property wrongfully. We have prepared for those among them who reject Faith a grievous punishment" (Q.4:161). Literally, *riba* means excess, increase, augmentation, expansion or growth; it means increased and the addition to a thing (Rahman, 1986). It is the additional sum of money that must be paid by the borrower to the creditor along with the principal amount as a condition for the loan or for an extension in its maturity. This simply means the increase in capital at the expense of the wealth of others through means which are false and wrong. In the perspective of Islam, any slight addition slight over and above the principal sum lent is referred to as *riba* (Ahmed, 2014). This system prevailed among the Arabs, before Islam, and the entire economic system was based on it. The *Quraysh* undertook a considerable trade with Syria in the summer and Yemen in the winter. The caravan of Abu Sufyan that the Muslims ambushed at the battle of *Badr* indicate the constancy of this business transaction, those commercial activities were based on the system of *riba*. The Qur'an condemns *riba* in this term:

Those who consume interest will stand on Judgement Day like those driven to madness by Satan's touch. That is because they say, "trade is no different than interest". But Allah has permitted trading and forbidden interest. Whoever refrains-after having received warning from their Lord-may keep their previous gains, and their case is left to Allah. As for those who persist, it is they who will be the residents of the Fire. They will be there forever, (Q.2:275).

This verse of the Qur'an declared distinction between *riba* and trade (*Bay'*), attributing trade with prosperity and blessings, and *riba* with wrath and war. *Riba*, according to the jurists implies that money is loaned for self-generating value which is not a form of sale and this growth or increase of money is inequitable (Engku, n.d.). In trade, there exists purchase and sale which is a lawful economic activity; a productive movement is exchanged for something, such as money for goods (Ahmed, 2014).

Al-Maududi, in his views gave four fundamental differences between Trade and *Riba* (Maududi, 2019). Firstly, in trade the purchaser and vendor exchange on the basis of equality, the purchaser derive profit from that which he has purchased from the vendor, while the later gets profit in consideration of labour and time which he spends in procuring that commodity for the purchases. But in *riba* transactions, there is no division of profits between the two parties on the basis of equality. The creditor gets for himself a definite amount of money for his loan, but all the debtor gets is certainly the time to use the money, whilst time does not necessarily procure him profit. Secondly, in trade, any profit the vendor might demand from the purchases is done only once, but in *riba*, the creditor does not cease to demand his interest as long as the principal is not returned. Thirdly, the moment a commodity is exchanged for its price, the transaction comes to an end in trade and the purchase does not give anything after that transaction to the vendor. In hire purchase transaction, whether of house, land or any other material, the original remains intact and is returned to the owner afterwards. In the case of *riba* transactions, the debtor actually spends the amount borrowed from the creditor and has to return the same amount with an addition by way of interest. Fourthly, in trade, professions and crafts, a person derives benefit after undergoing labour, hardship or by his surplus amount and becomes without any personal labour or hardship a prominent partner in the earnings of his debtor. These explanations made clear the difference between *riba* and

trade and Qur'an in an unambiguous term puts trade against the concept of *ribah* and made trade permissible while prohibiting *Riba*.

According to the *hadith* of the Prophet, 'Ubadah ibn al-Samit reported Allah's messenger as saying:

Do not sell gold for gold, or silver for silver, or wheat for wheat, or barley for barley, or dates for dates, or salt for salt, except for equal, kind for kind, payment being made on the spot; but sell gold for silver, silver for gold, wheat for barley, barley for wheat, dates for salt and salt for dates, payment being made on the spot, as you wish (sunah.com, n.d)

The question by the Islamic jurist is whether or not the law is also applicable as in the commodities in the above *hadith* to other commodities of similar characteristics. The *hadith* as stated mentioned six items, four foodstuffs and two precious metals representing currencies but the Islamic school of thoughts have generalised the rule and extend it to the other items. Although the generalisation differs across schools based on their perceptions of the underlying principles of the injunction and it has been made using analogical deduction of resemblance which is a weak juridical methodology (Paramole, 2016). The Hanafis extend *riba* in sales to items sold by either weight or volume and Shafihi's are of the injunction applicable to all foodstuffs and currencies. The Maliki School consider all storable foodstuffs and currencies as the purpose of this rule while Hanbalis consider all measurable and weighable foodstuffs as the subject of *riba* in sales. According to the *Shi'ah* school of thought, the prohibition is applicable to goods that are traded by either weight or volume, which is also synonymous to the opinion of Hanafis in spite of the fact that in *Shi'ah* analogy of resemblance as a juridical method is not adopted (Prjman, 2017).

In *Zahiri* School, the application of *qiyas* (analogical deduction) to determine the scope of *riba* is rejected. They uphold the opinion that the scope of illegality is limited to the six commodities mentioned in the *hadith*. Meanwhile, other schools consider the items mentioned in the *hadith* as just examples of similar items that have the same characteristics under the law. The reason for the prohibition is based on scale or weight, thus, any item, article or commodity measurable or weighable is liable to be usurious whether it is small or big, so far, there is increment in the means of exchange (Prjman, 2017). Paramole(2016), however opine that anything countable cannot be usurious. It is lawful to sell one egg for two eggs, one knife for two knives, one apple for two apples and so on, homogenous though, they differ in sizes and shapes. Abdul-Rahman (2008) submits that the selling of silver with silver in direct exchange, in which one of the parties gives more than he receives, is also considered as *riba*. Also to sell gold with gold, yet again one of the parties giving more than he received is *Riba*. It is not lawful to exchange silver with silver or exchange gold with gold except in equal quantities in direct and immediate exchange. The exchange of silver with gold shall be considered usury, except when done with immediate effect. Regarding foodstuffs such as cereals, legumes and similar things which can be stored, he asserts that all kind of foodstuffs and condiments are unlawful to exchange those of the same type, except by giving equal quantities and with immediate effect (Abdul-Rahamn, 2008).

In monetary aspect, bank interest can be interpreted in form of a determination of the value of the currency that has a maturity/grace period. Then the bank gives to the owner or withdraws from the borrower a fixed additional interest of a few percent, such as five or ten percent (Genjar& Muhammad, 2021). Bank interest is a system applied by conventional banks (as

financial institutions) which aims at collecting fund and then channels them to those who need funds. Thus, this bank interest includes usury which is forbidden in Islamic injunction. The difference between usury and interest is that usury is for consumptive loans, while interest is for productive loans. In the purview of Islam, both the usury, interest and the like are the same in practice and burdensome for borrower adverse effect on the economic and financial life of the people (Genjar& Muhammad, 2021). It is quite surprising that usury is still being practised and it serves as the bedrock of conventional economic practice. Many usurious institutions have crept into our present economic system to the extent that no one can do without them (Paramole, 2016). This is expressed in the following hadith of the Prophet Prophet:

Narrated by Abu-Hurayrah, the Prophet said; a time is certainly coming to mankind when only the receiver of usury will remain, and if he does not receive it, some of its vapour will reach him. Ibn Isa said; some of its dust will reach him (Abu Dawud, 2008).

These institutions are in form of banks, insurance companies, both local and international trading associations and so on. They issue and dictate world economic system and have financial control over many countries especially those who are left with no other option (Paramole, 2016).

The two predominant economic systems, the conventional and Islamic models operates differently, while the conventional one exists more in theory than in reality and more of the exception than the rule, the Islamic economy is rooted in faith in the Qur'an and Sunnah as the basic sources of generating law that guides the business activities which thus make it shariah compliant. Qur'an does not provide details of fiscal policies but there are some economic teachings and guiding principles which determine such policies (Liman, et al., 2022). In Islam, the concept of work is fundamental and it is the rationale behind the prohibition of *riba* which is one of the themes that differentiate Islam from other religions and other economic engagement in the world system (Hesham, 2001). All activities that permit an individual to acquire wealth in a forbidden (*haram*) way are strictly prohibited in Islam: hoarding, betting in any form, gambling, cheating in both quality and quantity, trade malpractices, and all fraudulent acts and the likes are included in this prohibition. Islamic law prohibits interest because it fosters the accumulation of wealth that is not a product of work.

The concepts of work and unlawful gain in Islam are central to the life of every Muslim which cannot be disputed. Thus, the accumulation of wealth from interest is contrary to these fundamental ideals and it is difficult for non-Muslim and even many Muslims to grasp the importance of the prohibition because they may not have a clear understanding of its origination and what it refers to (Hesham, 2001). Scholars have thus divided *riba* into two, firstly, *riba an-Nasiyah*, it is also known as *riba al-Jahiliya*. It is the real and primary form of *riba* (Muhammad, 2012). This kind of *riba* occurs when the specified increase is in return for postponement of or waiting for the payment (Engku, n.d.). There is consensus among the jurists about its prohibition. It is one of the major sins which is decisively banned by the *Shari'ah* with no controversies and the verses of the Qur'an directly rendered this type of *Riba* as *haram* (forbidden) (Paramole, 2006).

Secondly, *Riba al-Fadl* is an increment agreed upon by the two parties on homogenous articles, in measurement or weight, on gold, silver or foodstuffs without substitute. This type of *Riba* does not have substantial effect on transactions because of the rarity of its occurrence.

It is not the objective of people to buy or sell one thing in exchange for the same thing unless there is something extra from which each of the party may benefit (Engku, n.d.). However, this has been prohibited because it might lead to defrauding of less sophisticated persons. A trader may claim that a quantity of a specific brand is equivalent of the other brands due to the excellence of its quality or a unique piece of gold ornament is equivalent in value to twice its weight in gold. These transactions are no doubt defrauding to the ignorant party and may eventually cause harm to them (Ahmed, 2014). The major reason behind the prohibition of *riba al-Fadl* by the Prophet is to serve as precautionary measure and prevention from actions that may lead to *riba al-Nasa'ah*. This is clearly stated in this *Hadith*:

Narrated Abu Sa'id al-Khudri: Once Bilal brought *Barni* (a kind of dates) to the Prophet asked him, "From where have you brought these?", Bilal replied, "I had some inferior type of dates and exchanged two *sas* 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)! 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 (Ismail, 1997).

The effect of Riba on Nigeria's Economy

The prohibition of *riba* by the Qur'an and hadith of the Prophet was made after the dawn of Islam which leaves no room for any part in the Islamic transaction (Abdul-Rahman, 2008). The fact remains that the practice of *riba* is almost as old as man which reflects in an innate tendency of man to acquire wealth and own property. In a society where material achievement is the yardstick for measuring one's success instead of morality and righteousness like the case in Nigeria, there would be no doubt that greed and fraudulent acts will be the order of the day (Paramole, 2016). Thus, the attitude of many people which include some Muslims in Nigeria are geared towards inordinate acquisition of wealth and this could serve as foundation for participating in crimes of theft, robbery, human and drug trafficking, embezzlement and so on. This has made many Muslims to be non-challant of the injunctions on *riba* due to the prevailing decadence in the society despite its condemnation in the Qur'an and *hadith* of the Prophet.

More importantly, the lack of adequate knowledge and education about the Islamic injunctions on *riba* has also made many Muslims to fall victims. The widespread adoption of the practice of *riba* by many local and international financial institutions in many cases confused many Muslims and non-Muslims to find it very difficult to determine whether a particular transaction is *halal* (permissible) or *haram* (forbidden). Based on these facts, many Muslims neglect the injunctions of *riba* in Islam and become involved in many usurious practices which are observable in many small and large scale businesses in Nigeria.

The Almighty Allah has clearly warned against the implication of *riba* in Qur'an which is the primary sources of Islamic injunctions:

We forbade the Jews certain foods that had been lawful to them for their wrongdoing, and for hindering many from the way of Allah, taking interest despite its prohibition, and consuming

people's wealth unjustly. We have prepared for the disbelievers among them a painful punishment. (Q.4:160-161)

This verse, according to Al-Maududi (2019) is categorically complimented in the Bible; for example (Exodus 22: 25-27) and many passages in the Old Testament embody the prohibition of usury (Maududi, 2019). Meanwhile the Jews are mostly engaged in transactions involving interest and have become notorious in the world regarding meanness and hard-heartedness in monetary matters. The severe punishment which has befallen the Jews in this world is unique and should serve as a lesson for others. After two thousand years, they are still scattered all over the world and have been treated everywhere as outcasts. There has been no period when they have not been looked on ignominiously and there is no part of the world where they are respected despite their enormous riches (Chritopher, 2014).

The Prophet of Allah cursed the receiver of interest, the clerk who writes the bond, the two witnesses thereof and declared all as culpable (Abdul-Rahman, 2008). Thus, the adverse impact of *riba* can be viewed from spiritual, moral, economic and social angles. It is obvious that the evil of usury is based on greed, selfishness, stinginess, hard-heartedness, narrow-mindedness which all result in evil nature, cruelty, money-worship etc that kill the spirit of fellow-feeling and co-operation in the society (Ahmed, 2014) which is conspicuous among Nigerians. These are harmful to spiritual and moral system of the Muslims. They are thus warned by Allah in the Qur'an:

O believers, fear Allah and give up that interest which is till due to you, if you are true believers, but if you do not do so, then you are warned of the declaration of war against you by Allah and His Messenger, but if you repent you shall have your capital sum. Deal not unjustly, and you shall not be dealt with unjustly. And if the debtor is in a hard time, you grant him time till it is easy for him to repay, but if you remit it by way of charity, that is better if you only knew it. (Q.2:278-280).

In view of this verse, no society can become stable and strong if the individual members base their socio-economic engagement on selfishness and self-interest. If the rich believes that poor people exist just to afford them an opportunity for exploitation, there will be a clash of interests that can result in the disintegration of the society due to class struggle. Economically, *riba* kills the interest of the majority of the poor people in their respective businesses and transactions. The fruits of borrowers' hard work are taken away by the selfish money-lenders, and definitely, they cannot fully concentrate on their work. This can affect the chain of production and hinder self-development. This may also lead to the destruction of nation's economy (Ahmed, 2014). According to Muhammad and Rifyal (2020), *riba* is nothing but the deprivation of the rights of others without any balances of value. It is prohibited because it prevents people from participating in active profession; if a person earns income from *riba*, he will depend on this easy means of making money and eliminate the thoughts of hard work or earning money legally. He would become discouraged from trading, engaging in craft, and other *halal* businesses, thus; hampering human progress and prosperity.

The adoption of usury creates a strained relationship among human beings. Encouraging *riba* leads to borrowing at very high interest rates which cause disunity, disequilibrium, disagreement and prevent the community from attaining prosperity and development. *Riba* which is *haram* according to the teaching of Islam is against the spirit of justice and equality. It is also the reason why the rich always become richer and the poor becomes poorer in the

Nigeria society. It is sacrosanct to note that *riba* is prohibited by the Almighty Allah and this is emphasized in many verses of the Qur'an and authentic traditions of the Prophet due to its negative implications on socio-economic life of people. The avoidance of *riba*-based transactions and practices will promote a life of tranquillity and prosperity. It will promote peaceful and harmonious relationship and engender socio-economic development.

The Islamic Alternative to the Practice of *Riba*

In a normal circumstance, every economic system needs to focus on adequately propelling well-being of the people and that is why Islamic economic system enjoin Muslims to engage in lawful and wide range of trade and commerce and this is stipulated in Islamic injunctions. One of the best alternative to *riba* provided by Islam is *Mudarabah* (co-partnership) which simply means a contract that contains property or stock (*Ras al-Maal*) offered by the money owner or proprietor (*Rabbul-Maal*) to the other party, to form a joint partnership in which both parties participate in profit-sharing (Paramole, 2006). The other party (*Mudarib*) is entitled to a profit in lieu of his labour since he is given the property to manage. This contract of co-partnership forms the nucleus of Islamic banking and economic system. Islam permits *Mudarabah* for man to ensure convenience dealings. Money owners who are unable to utilize and invest their capital will give the money to those who have no money but possess the skill for investment. The transaction must be a written agreement between the two parties on the nature of business and how the profit would be proportionally shared (Paramole, 2006).

This kind of agreement affords the less privileged in the society the opportunity of earning money. The system will promote job creation and poverty alleviation. *Mudarabah* is an alternative to *Riba* in the conventional banks, it was introduced in Islam to replace the lending on interest in banks. The system of profit sharing stated that any interest to be charged on a loan should be based on the outcome of the production process, which implies that after the money has been used, the profit derived from it shall be shared according to the agreed terms between the parties involved in the contract and if there is loss, they shall both share it accordingly.

There is also a considerable emphasis on helping the poor and the needy in the Qur'an, which is also another best alternative to *riba*. This can be in different forms such as *Zakat* (alms giving), *sadaqat* (charity), *Infaq* (disbursement), *Qard al-Hassan* (benevolent lending), (Pejman, 2017). All these are forms of charity that serve as panacea to the implications of *Riba* in Islam. Without adopting usury, the economic survival of people is very possible through trade, *Zakat* and other lawful business transactions (Paramole, 2016). *Zakat* is part of the main pillars of Islam and the most important duty of Muslim after *Solat* (obligatory prayer). In most cases, Islam encourages charity and emphasises that alms giving and helping the poor in the cause of Allah is of great value which is also a pre-requisite for attaining righteousness. It is stated in the Qur'an: "Never will you attain the good (reward) until you spend (in the way of Allah) from that which you love. And whatever you spend-indeed, Allah is knowing of it" (Q.3:92).

Allah inspires believers to always participate in charity in different ways. For instance, people are enjoined to purify their properties by charity (Q.9:103); they are enjoined to give charity in order to earn reward from Allah (2:110, 262, 274, 272); so as to multiply their reward (2:245-261); so that their reward will not perish (35:29); so that charity will keep them away from hell (70:15-25). A person who considers the financial need of the poor as a profit-making lending opportunity instead of religious obligation has attempted to reject the

command of Allah and has thus discouraged others from observing one of the principles of Islam (Pejman, 2017).

The Islamic system of distribution of wealth through *Zakat* helps in discouraging accumulations and concentrations of wealth in few hands (Abdul-Rahman, 2008). It ensures that in the process of distribution, none of the factors of production exploit the other. The parties jointly share the proceed of production. Islam also retains a portion of the produced wealth for those who are refrained from contributing their share in production due to any social, physical or economic handicap (Abdul-Rahman, 2008). This is encouraged in *Infaq* which is another alternative measure to *riba*, it is a type of charity in Islam that is given without any expectation of reward or return. It is given for the betterment of the society, family, and to please Allah (zakat.org, n.d). *Qard al-Hassan* is another direct alternative to *ribah* provided by Islam. It is a loan extended on a goodwill basis, mainly for welfare purposes. The borrowers only pay back the amount they borrowed with no interest. In case the borrowers encounter difficulty, the lender must extend the repayment time or may voluntarily waive repayment of the part of the loan or all of it (Islamic-relief.org, n.d). Thus, it is obvious that the Islamic injunction on *riba* is to correct its adverse implications on individuals and the society. Hence, the alternative measure in Islamic system is to maintain peaceful and harmonious environment. It is also meant to promote equality, justice and fear of Allah in all dealings in order to engender an egalitarian society.

Conclusion

The Qur'an deterred prohibition of *Riba*, it is an evil means of acquiring wealth at the detriment of the poor masses. Many verses of the Qur'an and *hadith* of the Prophet attested to its prohibition. The views of different scholars in the four Sunni schools had been given attention in this study. Though they differ in their rulings but all of them agreed with the injunctions that *riba* is forbidden as far as Islam is concerned. Islam permits trade and all other lawful means that is not harmful to people and the society. Thus, all activities or transactions channelled towards acquiring wealth in a forbidden way are strictly prohibited in Islam. The adverse implication of *riba* further indicates that no individual or society can prosper if the socio-economic engagement is based on *riba* transactions. This is because *riba* creates deprivation of the rights of others without any balance of value. It is against the principle of equality. It makes the rich to become richer and the poor to be poorer. Thus, Islam provides alternative measures inform of *mudarabah*, *Zakat*, *sadaqat*, *infaq* and *Qard al-hasan* to ameliorate poverty in any given society in order to discourage accumulation of wealth in the hands of few people in the society. It has been established that *riba* is totally prohibited by the Almighty Allah and strictly disallowed by the Prophet, Muslims should desist from this act in all ramifications in order not to face the severe punishment of Allah in this world and hereafter. This will be a good model for Nigeria government in the area of economic policy formulation so as to create room for economic sustainability and development.

Recommendations

The fact remains that *riba* is prohibited by Allah and this is strictly emphasized by the Prophet, Muslims should therefore shun this act in all ramifications in order not to incur the wrath of Allah in this world and the hereafter. Islamic scholars who are more knowledgeable about Islamic finance should be afforded the opportunity to impact people with more knowledge about *riba* and its implications so that Muslims will not engage in *riba* transactions out of ignorance. People need more knowledge about the benefits and

advantages of Islamic finance system both in this world and hereafter in order to promote egalitarian society so that everyone will live a peaceful life and gain reward in the life beyond.

The rich Muslims, especially in Nigeria, should always fear Allah and always remember that they will be accountable for their wealth in the presence of a Sovereign Omnipotent. This will help reduce their lust and desire for money and properties. This will spur them to act in accordance with the injunctions of Islam in any transactions and avoid *riba* in their dealings, so that the Islamic financial system can serve as a model for other non-Muslims.

It is not a gain-saying that *riba* is harmful to the progress and prosperity of the society, the rich and the poor should be conscious of this and fear Allah who forbade *riba* due to its implications so that there would be easier avenue for progressive and prosperous society with faith and fidelity devoid of greediness and waywardness.

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