

USURY AND ITS IMPLICATION ON THE ECONOMY OF MUSLIM CIVIL SERVANTS IN NASARAWA STATE, NIGERIA

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Tefeciliğin, Nijerya Nasarawa eyaletindeki Müslüman devlet Memurlarının İktisadi durumuna Olan Etkisi

ÖZ

Faiz ve faizle yapılan işlemler, İnsanların iktisadi durumuna olan olumsuz etkileri nedeniyle İslam dini tarafından kınanmaktadır. Bu makalenin amacı Nijerya'nın Nasarawa eyaletinde kooperatif topluluklarının uyguladığı faizin Müslüman devlet memurlarının refahına olan etkisini araştırmayı amaçlamaktadır. Bu amaçla literatür taraması ve saha araştırması yapılmıştır. Bu araştırma, Müslümanlara faizli işlemlerden kaçınmalarını öğütlemesi açısından önem arz etmektedir. Müslümanlar, dini kurallar ve iktisadi durumlarına olan olumsuz etkileri nedeniyle faizli işlemlerden uzak durmalıdır.

Araştırma, Nasarawa eyaletindeki devlet memurları faizli işlem yapan kooperatif ve bankalardan dolayı zor duruma düştüklerini ve finansal dalgalanmalardan olumsuz etkilendiklerini ortaya koymuştur. Müslüman devlet memurlarının işyerlerinde faizsiz işlem yapan kooperatifler kurmalarını veya bu kooperatiflere katılmaları tavsiye edilmektedir.

Anahtar Kelimeler: Faiz, Müslümanlar, Memurlar, İslâm, Ekonomi, Nasarava.

Usury and its Implication on the Economy of Muslim Civil Servants in Nasarawa State, Nigeria

ABSTRACT

The practice of interest among Muslims is a condemnable act by Islam because of its logical consequences on the economy of people. This paper aims to survey the implication of interest on the economy of Muslim civil servants of Nasarawa state, to be specific the interest charges by the cooperative societies when a member collect any facility. The methodology used is both library and fieldwork where books were consulted and interviews were equally conducted. This research is significant as it would serve as a clarion call to the Muslims who are either consciously or unconsciously involved in the transactions that have an interest or any of its elements, to speed up and desist from partaking in the interest. Muslims should avoid the consumption of interest in their financial transaction. The findings revealed that most Muslim civil servants in Nasarawa state, use to collect loans from the cooperative societies or banks that charge interest and continue to suffer from financial volatility until they have paid off and their economy is not in an equilibrium position. It is recommended that Muslim civil servants should join Islamic cooperative societies in their places of work and where there is none at all, they should hasten in establishing one.

Keywords: Interest, Muslims, Civil Servants, Islam, Economy, Nasarawa st.

repent, you shall have your capital sums. Deal not unjustly, and you shall not be dealt with unjustly (Q2: 278-279).

Taking of interest is tantamount to war against Allāh and His Apostle (Abubakar 35). By implication any person who becomes acquainted with interest but confidently persisted in taking it after knowing the Islamic ruling on it, he/she is, therefore, waging a war against Allāh and His Apostle Muhammad (S. A. W).

Definition of Interest and Its Types

Interest is known as interest and *ribā* in the Arabic language. Ajani defined it as any extra money paid over the principal by a loanee to the loaner (Ajani xviii). It is prohibited in *Sharī'ah* (Ajani xviii). It is an additional money charge by the debtor for the creditor. Interest is commonly known as interest which is an excess additional increase in repayment of a loan or any facility collected and enjoyed by a person or member from any financial provider, be it a bank or cooperative society. It is also defined as an increase or growth. *Ribā* is an Arabic word that means increase, addition, growth or augmentation (Farooq 2).

According to Ibn Rushd, jurists agreed that Interest is found in two things: sales and that which is established as a liability through sale, credit or other transactions (Ibn Rushd 158). The sources of funds for any cooperative society is through the businesses and other transactions such as loan given out to members, facilities distribute to members and non-members especially food items during festivities. The money accrued is joint and share as a dividend at the end of the financial year.

Although, it should be known that Islamic Cooperative Societies accept profit and reject the interest in their mode of operation. Interest is of two types these are:

- 1- The delayed one (*Ribāan-nasī'a* or *al-nasā'*) (Ibn Rushd 158).

According to Sahar et al, it refers to the boost or growth due to delay. It can be at the beginning of the transaction or on the maturity of the debt. In the case when the debtor is unable to default in payment of debt on maturity and the creditor gives additional time for the additional amount in return (Sahar et al 335).

- 2- Stipulated Excess (*Ribā al-fadl* or *tafādul*) (Ibn Rushd 158).

This type of interest happens when two things that are the same in nature and value are exchanged unevenly. For example, a kilo of barley is being exchanged for ten kilos of barley (Sahar et al 335).

The Practice of Interest among Muslim Civil Servants

It is unarguable that conventional cooperative society is vehemently sustained by the interest charges from individual members and from what is generated from the various businesses engaged in. Olotu, categorically in an interview stated that it is the interest that sustained the conventional cooperative societies while the Islamic cooperative society model relies solely on the lawful business transactions carried out by the management team of the cooperative society. Buhari Murjanatu, have clearly expressed that the practice of Interest among Muslim civil servants can only be stopped if the loan and facilities are given without interest charges. If not she said in one way or the other the civil servants are into the active participation of consuming interest except and until one is not willing to collect the loan.

Cooperative societies are commonly known among civil servants in the Ministries as (CTLS) Cooperative Thrift & Loan Society. Most of the Muslim civil servants in Nasarawa state are members

of either one or two cooperative societies particularly in an institution like Nasarawa State University, Keffi where there are several cooperative societies in existence. Some of these cooperative societies registered with the former Ministry of Commerce and Industries but later the name of the Ministry was changed to Ministry of Trade, Industry and Investment include among others:

1. ASUU Multipurpose Cooperative Society (ASMCSL) Nasarawa State University, Keffi, branch.
2. NSUK Health Services Multipurpose Cooperative Society Limited
3. *Al-Qiraad* Multipurpose Cooperative Society (Zero Interest)
4. NSUK Muslim *Ummah* Multipurpose Cooperative Society (NUM-CS)
5. NSUK Staff Cooperative and Thrift Society
6. SSANU-PROIFED Cooperative Society
7. High Court of Justice CTLS, Lafia
8. Nasarawa State Hospital Management Board Staff Cooperative, Thrift and Society Limited, Lafia
9. Ministry of Education Staff CTLS (MOECTLS)
10. NBS Multipurpose Cooperative Society Limited
11. Ministry of Commerce and Industries (MCIC) Multipurpose Cooperative Society Limited
12. Nasarawa State Transport Service (NTS) Staff Multipurpose Cooperative Society Limited
13. Staff Audit Department CTLS Limited
14. Office of the Secretary to the State Government Staff Multipurpose Cooperative Society Limited
15. Ministry of Local Government and Chieftaincy Affairs CTLS
16. Agency for Adults and Non-Formal Education Multipurpose Cooperative Society Limited
17. Nasarawa State Sports Academy Staff Welfare Cooperative Society Limited
18. College of Agriculture Registry Department CTLS
19. The staff of History Department College of Education Akwanga CTLS Limited
20. Judicial Service Commission CTLS
21. Ministry for Rural and Community Development CTLS
22. Nasarawa State University Faculty of Agriculture CTLS.

Source: Nasarawa State Ministry of Trade, Industry and Investment

Ansari, while commenting on the prohibition of Interest as it contained in verse 130 of *sūrat Āl-‘imrān* where Allāh says:

چہہ نا نا نہ نہ نو نوئو نوئو نو نوئو نو چال عمران: ۱۳۰

O you who believe! Eat not *Ribā* (Interest) doubled and multiplied, but fear Allāh that you may be successful (Q3:130).

He highlighted two important points that are worthy of being noted:

with others during his activities to get these means of living and since he lives within a society with which he must interact, there must be, therefore, a rule which will make the interaction flow well among the society because total freedom cannot be guaranteed in every society otherwise there will be disorderliness therein. The struggle to get the necessities of life falls under the Islamic economy and all that it entails must be *Shari'ah* compliant before it is called Islamic economy, to which everybody should submit (Ajani 82).

According to Ajani, the Islamic economy is established on the Islamic belief ('*aqīdatul – Islāmiyyah*) since there is a connection between life on the earth and the hereafter. Whoever comes to this world must engage in one economic activity or the other to survive whereas his survival in the hereafter depends on how he manages his life on the earth which compels him to comply with the dictates of *Shari'ah* in his economic dispensation and other activities (Ajani 82). Muslims should believe that every wealth which is the result of economic activities belongs to Allāhand that He is its Core Possessor. This is followed by the fact that Allāh created everything for the benefit of man and that is why man is required to exploit them in a way laid down by Islam and sought for and utilised in a way to attract Allāh's pleasure. The result of this is that this world is only a means and not the end (Abdul-Karim 40).

Islam is fully aware of human nature as regards the love for gathering wealth and does not oppose this idea, but requires fair play in wealth gathering and dispensation. It is with this regard that Allāh described the immense love that human beings have for wealth where He says:

چَوُّ ثُوِّ وِ وِ جَالْفَجْرِ: ٢٠

And you love wealth with much love (Q. 89:20).

Application of moral character in economic activities is also inevitable in the Islamic economy especially, when it involves dealing with others in a society where love and cooperation are needed for the survival of such society. Islam makes it that every capable individual is required to be a worker in Islam and should not be an idle human being. *Imām* Hasan Al-Bannā had suggested compulsory ten points for a Muslim who wants to reform his personality these are health, fine character, skill in reflection, capability to work for earning (Al-Bannā 14).

Effect of Interest in the Civil Servant's Economy

In any prohibition, there is safety for humanity and also any commandments of Allāh consist of benefits to the people. Shahata, stated that *ribā* should be excluded from all transactions whether in cash or in-kind, accomplished or suspended and intended for investment or consumption (Shahata 51). Muslim civil servants actively participate in the monetary contribution of cooperative societies in Nasarawa state, based on this, they are also not exempted from enjoying the benefits gained through the activities of the cooperative societies.

However, even though there is benefit in the services rendered for co-operators, there is still a negative aspect of it. In a time of financial needs to undertake a project that requires funds and a member can't do it with his/her earnings, there is no option but rather to succumb and face the consequences of overpayment of what has been credited to his/her account. That is where the interest issue arises in a conventional cooperative society. The following can be said to be among the effect of interest in the economy of Muslim civil servants who collect loans/facilities from the interest-based cooperative society:

servants and the rest of Muslims can refrain from involvement in the practices of Interest in their financial activities by following the steps below:

1. Total implementation of Qur'ānic verses which caution them to abstain from *ribā*
2. To have the sincere fear of Allāh as the lawgiver by obeying Him.
3. To disengage themselves in any cooperative societies and businesses that operate based on Interest derivation as its way of sustainability.
4. To join the existing Islamic cooperative societies which are known for zero interest operation and to establish more of its type.
5. To promote the lawful earning and forbid unlawful earning and transactions in their places of work.

Conclusion

Since the practice of Interest among Muslims is a condemnable act by Islam because of its logical consequences in the economy of people Muslims should avoid consumption of Interest in their financial transactions so that they can comply with the law of Allāh. However, even though a lot of texts in both the Qur'ān and *Ahādith (annuṣūṣ)* on the prohibition of consuming interest human beings refuse to cease from a transaction that is mixed with interest. Muslim civil servants as an ambassador of Islam in their different places of work can be the vanguard of change in the public service where gradually and strategically the law that allows for Interest charges can be replaced with the one that prohibits the use of Interest.

Recommendations

The following are part of the recommendations for this paper:

1. Muslim civil servants should try as much as possible to join hands with those that have established a zero interest cooperative societies in their departments, units and ministries so that they can also initiate the financial institution that operates without Interest;
2. Islamic scholars should be consulted by the Muslim civil servants to explain to them the wrath for those who consciously or unconsciously consume Interest;
3. Muslim civil servants should desist from participation in any interest-based cooperative society;
4. The body like the International Institute of Islamic Banking and Finance and other related organizations should organize seminars for Muslim civil servants on the advantage of free interest monetary transaction;
5. Muslim civil servants should sincerely accept and implement the law of Allāh completely and abstain from the path of the devil (*Shaytān*).

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Table of Interviewees

| S/N | Name | Place of Work | Age | L. G. A | Date of Interview |
|-----|-------------------------|--|-----|----------------|-------------------|
| 1 | Ismaila Olotu Abdullahi | Nasarawa State University, Keffi | 45 | Nasarawa | 14/01/2021 |
| 2 | Hajaratu Bawa Ajegena | Ministry of Land | 30 | Nasarawa Eggon | 10/08/2021 |
| 3 | Angulu Umar Suleiman | Ministry of Health | 48 | Toto | 10/08/2021 |
| 4 | Habiba Ibrahim | Ministry of Health | 28 | Wamba | 10/08/2021 |
| 5 | Abubakar Muhammad Ahmad | Nasarawa State Judiciary | 56 | Obi | 10/08/2021 |
| 6 | Buhari Murjanatu | Ministry of Lands and Urban Development, Lafia | 29 | Nasarawa | 10/05/2021 |
| 7 | Alhassan Ahmad Atiku | Nasarawa State University, Keffi | 37 | Keffi | 18/11/2020 |
| 8 | Rabi Mudi Dikko | Office of Head of Service, Lafia | 30 | Lafia | 07/10/2021 |
| 9 | Maryam Ahmad Maikasawa | Ministry of Education, Lafia | 25 | Lafia | 07/10/2021 |