

Muslims, Money & Mayhem – Part II

A Difference of Great Interest

We continue our investigation into the faith-based differences between fundamental Islam and the Western world and how these have contributed to an intractable rise in global tensions and terrorism. As our research reveals, the Western world — what Islam still sees as Christian — is not without complicity. Next in importance to the issues surrounding God's promises to Israel, is modern materialism and money that is pouring fuel on the "arc of fire" in the Middle East.

A Different Self-Image

Crucially, Muslims generally have a very different view of the modern world than do the high-income, Western nations. (*In the last column, I explained that these nations are largely comprised of formerly Christian countries.*) In fact, Islam is deeply critical of the Western world's fixation with money, wealth, and materialism. Though there exist significant differences within Islam, in general, Muslim groups or societies remain committed to the central messages of Muhammed. Islam considers most of the Western world — who are considered to mostly have originated from the People of the Book (*the Pentateuch, therefore meaning Christians and Jews*) — to be unbelievers who do not honor the commandments of Allah. Since Mohammed endorsed the teachings and writings of Moses and the prophets, the Koran even holds a special disdain for Jews and Christians. The Koran and the Hadiths (*Muslim commentaries on the Koran*) are deeply critical of Christians as they are seen as not being obedient to their own scriptures and teachings.

This condemnation has become even deeper in our day as there is evident a deep suspicion and hatred of the present *Age of Global Capital* that has swept much of the world — an era of rampant materialism and humanism. Islam is expressly not in conformity with this globally-integrated financial system for several reasons. Its teachings are directly contrary, stressing the struggle against poverty, and also prohibit the concentration of wealth, hoarding (*kenz*), waste (*tabthir*), extravagant spending (*israf*) and miserliness (*bukhl*). However, by far, Islam's most ardent conflict with the Western world's financial powers stems from the fact that it is largely based on "*al-riba*" — the charging of interest. Muslims are prohibited from doing so. (*We will yet explore this concept more fully.*)

For this reason, it is not possible for Islam to ever have any financial power in the modern world of global capital. Islam recognizes this and is therefore prepared to endure holy hardship because of this. Quoting a Muslim commentary on this point, "*The Prophet has foretold us of a time when the spread of riba would be so overwhelming that it would be extremely difficult for the Muslim to avoid it. This situation calls for Muslims to be extra cautious before deciding on what money payment of financial methods to use in any personal or business transaction.*"¹ As a result, Islamic nations find themselves oppressed

by “non-believers” — “infidels” as they are called — who command and control global commerce and financial capital today.

Religious Differences on Money

It is important that we understand the reasons why a great financial chasm exists between predominantly Muslim nations and the Western worlds. As already mentioned, more than anything, it stems from significantly different religious views, in this case on “money issues” such as financial interest, lending and trade. Therefore, from this and other perspectives, financial market capitalism is seen as an enemy by Islam. Topple or shake the globe’s financial system — that being essentially represented today by the prosperous and materialistic high-income nations — and the infidels will be immobilized. Even better, lukewarm Christendom — the corrupted followers of “the Book” — might even be subdued.

Given today’s state of the world’s financial systems, this is not as far-fetched as it may appear.

Recognizing this, we begin to see how Islamic-inspired terrorism can be connected with an endtime rise in wealth and materialism. And, as we already know, this recent development is largely found in the Western nations ... what were historically Christian countries. In these two statements we discover a “hot zone” of great significance.

A Significant Chafing Point

A key point of friction between Christians and Muslims in our modern *Age of Global Capital* is the concept of interest (*financial interest*). The impact that this different perspective on the charging of interest has upon the world today cannot be overemphasized. Therefore it is important that we investigate this point of disagreement very closely.

As we already mentioned, charging interest on loans is expressly and clearly prohibited in the Koran. All interest charges or any transaction that incorporates the spirit of an interest charge is considered usury according to mainstream Islamic interpretation.

The Bible also speaks against usury. However, interest is not in itself a sinful activity. The main difference here lies in the definition of usury. Whereas only excessive interest rates and financial slavery is considered usury in the Bible, all interest is usury or “riba” according to the Koran.

The Islamic View on Interest

The Koran condemns the practice of charging interest — referred to as *Al-Riba* — in a number of Suras (*the Arabic term for books.*) For example, in Sura Aal-Imran, Allah is quoted as saying, “*Oh you who believe! Devour not usury doubled and multiplied; but fear Allah that you may prosper.*” Moreover, a harsh judgment comes to those who practice “riba.” Says Allah, according to Surah Al-Nisaa’ verse 161, “*That they took usury though they were forbidden and they devoured people’s wealth wrongfully; We have prepared for those amongst them*

who reject faith a grievous chastisement.” There are more commandments in the Koran that leave no doubt that the charging of interest is sinful and severely punishable. Therefore, fundamentalist Islamic nations take care to avoid this practice.

Actually, the concept of “riba” is much more complex than the charging of interest on loans. Rather, “riba” includes the whole notion of effortless profit or earnings that comes without work or value-addition production in commerce. In short, riba seems to be any charge that relates to the time value of money and capital. Money is not allowed to earn its keep other than through the means of facilitating trade and commerce. This is a very crucial point of difference with the rest of the world’s major religions. In the Western world, money has two uses — transactional as in buying and selling, and interest-bearing due to its time value. Idle money held by one party can earn income by simply being lent to someone else for a period of time. Very few people in our society would ever stuff their money into mattresses as they would forgo the time value (*or interest income*) of money.

But why did Mohammed expressly prohibit “riba”? Islamic scholars offer several reasons. Firstly, there was an awareness that the practice of charging interest would eventually stratify wealth in their society and lead to the oppression and enslavement of the poor. They understood the power of compound interest, that a modest amount of money can grow to very large sums over time without any trade or work being done. After all, the Arabs were amongst the world’s foremost mathematicians, having imported and popularized the decimal system of the Hindus in India that we use today. It was Arabs that later discovered the concept of zero.² This discovery was a necessary step, giving rise to the mathematical expertise that today is used to underpin the modern-day explosion of global financial wealth. Without the necessary math to capture the time-value of money, the Western world could not have experienced the modern-day boom in capitalism and financial markets, the impetus it has given to excess-consumption, nor the unprecedented chasm between the world’s rich and the “have-nots.”

Another reason why riba is forbidden in the Islamic faith is because it is sometimes understood to infringe upon Allah’s sovereignty. In this view, the charging of interest is seen to guarantee a rate of return in the future. This is considered blasphemy since only Allah alone can guarantee or know the future. To set a fixed interest rate upon a loan is to put oneself in the place of Allah. Since the fate and security of mankind rests in the will of Allah, only an “unbeliever” relies on the future obligations of mankind.

Considering these Islamic views of “riba,” concentrated wealth, waste, extravagant spending and miserliness, most Christians would probably agree with the supporting sentiments we have just reviewed. The first time that the Islamic concept of riba was explained to me was by a Muslim intellectual I met on a trip to Egypt. I was touched by the pious motivations behind its prohibition; its logic seemingly displayed high ideals. Practicing Muslims can only be admired

for their commitment to such principals. Of course, such differences of opinion, no matter how admirable, do not justify terrorism nor the validity of their faith.

The Bible's View on Interest Rates

The Bible's view on interest is somewhat different. As mentioned, usury — the excessive charging of interest — is warned against in scripture. But what is excessive interest? No clear definition is given. However, in the case of the poor or needy, any amount of interest was unlawful. *35*"If one of your countrymen becomes poor and is unable to support himself among you, help him as you would an alien or a temporary resident, so he can continue to live among you. *36*Do not take interest of any kind from him, but fear your God." (**Leviticus 25:35-36**) As these verses make clear, lending money to those who do not have the means to repay the loan is really an act of human slavery ... usury at its worst. Instead, charity is called for in situations such as these. There are other forms of usury, as well, for example, the charging of high interest rates to unsuspecting or gullible people (*precisely the thing that the success of many lending institutions depends upon*). Ezekiel also confirms this interpretation, saying: "Suppose there is a righteous man who does what is just and right. He does not lend at usury or take excessive interest." (**Ezekiel 18: 5, 8**)

We see that the paying of interest in Jewish society for regular commercial pursuits was a normal practice. Jesus Christ referred to interest without condemning its practice. In the Parable of the Talents found in Matthew 25, the master rebukes the last of the three servants who had buried his money saying, "You wicked, lazy servant! [...] you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest." (**Matthew 25:26-27**) Without pursuing a lengthy review of the topic, suffice it to say that charging interest rates is not frowned upon in the Bible as long as no usury is involved. Christians have the liberty to charge interest — to use the concept that money lent today will be worth more in the future. But with that liberty also comes the duty of charity and considerate application.

All the same, Jewish society of earlier times was aware of the ultimate consequences of a debt-based society (*approximately 2000 years earlier than reflected by the writings of Mohammed*)³. Eventually, humankind left to its sinful nature, would end up with a highly stratified society of a ruling super-rich and an oppressed, enslaved underclass of the poor. Partly to protect against this outcome, the Jubilee Year was observed. Every 50 years, the clock was set back to the starting point in terms of human financial obligations ... particularly those that were a consequence of poverty. For example, if an individual was required to sell his property because he had fallen upon hard times, it would be returned to his family during the Year of Jubilee. In this year, all debt had to be forgiven, bond-slaves released, and property returned to their original owner. In this way, wealth transfer through lending and compounding interest could not lead to a perpetually unjust society.

Points to Ponder

In conclusion, both Islamic and Christian faiths speak against usury. Muslims, however, go one step further. They condemn all forms of interest or any transaction that assign a time value to capital. It is this differing perspective between Muslims and Christians that is causing a major rift in the modern world.

More than anything else, the concept of *riba* explains why Muslim nations are not part of the present financial power structure of the world. This is a significant source of tension behind the instabilities that the world is facing today. Yet, nowhere is this explained in the popular media. This is not surprising. We live in a day and age where materialism reigns in isolation of spirituality ... even further removed from scriptural fidelity.

To the Western world, the Islamic attitude of wishing harm upon those that choose to remain “unbelievers” in Allah and the Prophet is a clear and present evil.

On the other hand, is there merit in the Muslim view that the Western world's idolatry with materialism and modern-day financial wealth also is evil? We'll search the facts for an answer in the next issue.

Wilfred J. Hahn is senior partner with *Hahn Investment Stewards & Company Inc.* a global portfolio management firm. For more perspectives and resources on world economic and financial trends of interest to Christians, visit his website www.eternalvalue.com for additional resources and subscribe to the free newsletter *Eternal Value Review: World Review and Market Monitor*.

¹ Riba According to Quran and Sunnah. Source: <http://muttaqun.com/riba.html>.

² The number zero was perhaps the most important discovery ever for the field of mathematics, paving the foundation for the development of modern-day financial systems and technology. In a sense, zero was a philosophical concept, opening the door into the abstract application of mathematics. The world really had no need of a “zero” to this point. Only what existed needed to be counted. If there was indeed nothing, why require a number to account for it? The invention of the zero was of importance in three ways: a. It allowed a huge contraction in the number of numerical symbols (10 symbols from 0 to 9). b. It greatly advanced the decimal system's power of mathematics science — a necessary forerunner to the numerical systems of the financial endtimes. c. It opened the door to the concept of negative numbers.

³ The Koran only came into existence in the mid-600s, approximately 15 years after the death of Mohammed, Islam's Prophet (632 AD). It is not clear what were the normal practices in the “Age of Ignorance”, the period before the religion of Islam was founded. The principle of the Year of Jubilee is found in Leviticus, a book considered to be written by Moses between the years of 1445 to 1406 BC.