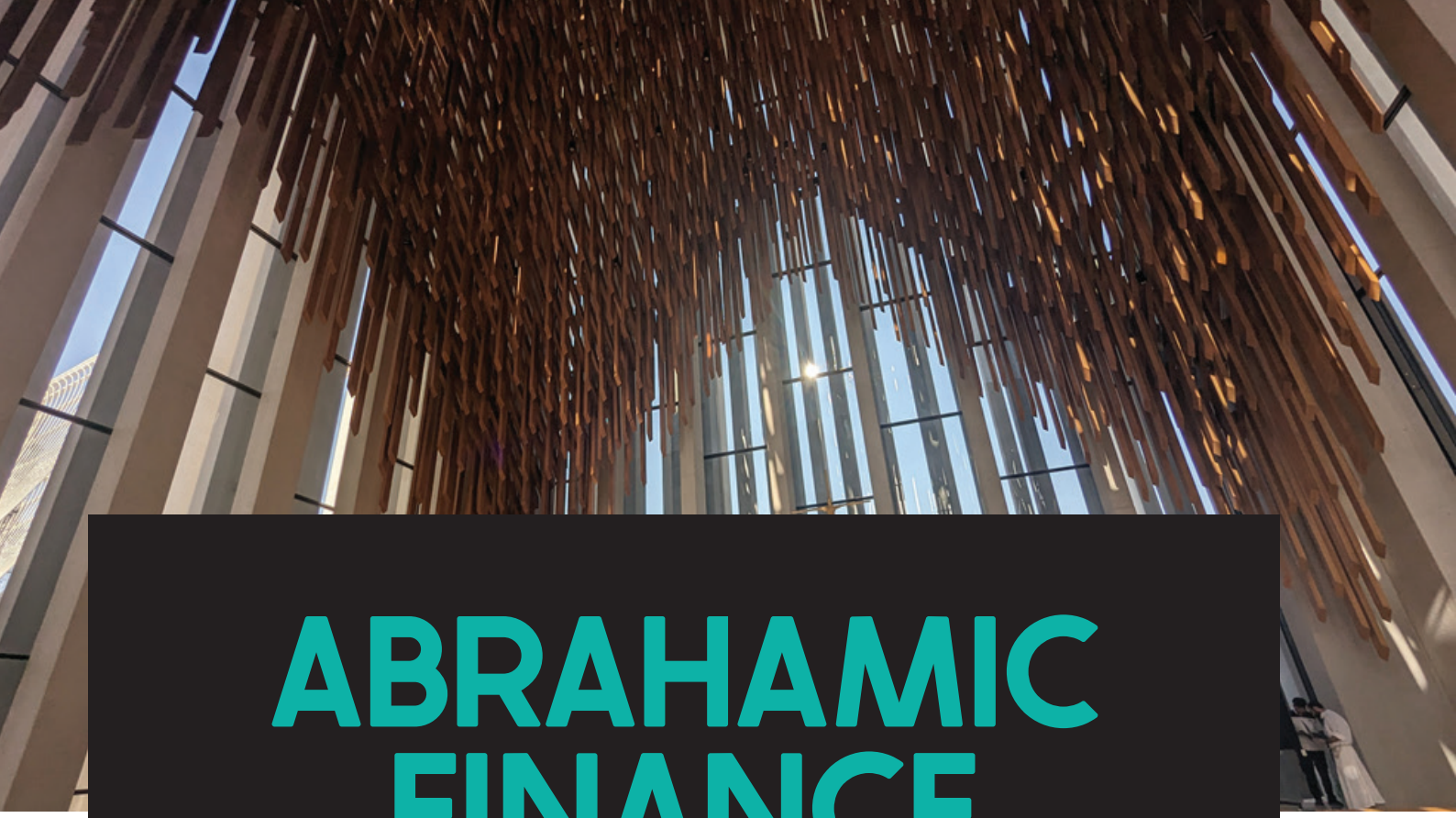


ABRAHAMIC FINANCE

THE PATH FORWARD?

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In finance, should the monotheistic religions of Judaism and Islam and the arguably monotheistic religion of Christianity unite forces to create Abrahamic finance or a source of finance independent of the traditional banking sector and the US Federal Reserve System? The traditional banking sector and/or the US Federal Reserve System may be the root cause of division, war, environmental degradation, poverty and other social and structural problems. Instead of focusing on whom to elect for President of the United States or trying to find solutions within politics, perhaps it might be wise to join forces at a grassroots level in an inter-religious dimension to tackle the most pressing and threatening issues of the day.

One may have noticed that the Islamic finance industry has declined in recent years. This may be due to several factors including war, division, and an anti-Islamic climate clouding the world. Let's just say it might be realistic to acknowledge that hostility towards Islam is on the rise and might only increase in the future. Therefore, it could be wise to alter the trajectory of Islamic finance into a more encompassing structure such as Abrahamic finance, which would also be inclusive of Jews and Christians. This might perhaps even save Islamic financial principles and sustain them into the future as many of the same or similar concepts can be found in Judaism and Christianity. Abrahamic finance would in turn build-up Jewish and Christian financial principles into a strong and alternative system on the same or even greater level of the current Islamic financial industry.

Would it be possible for Jews, Christians, and Muslims to join forces in Abrahamic finance? My answer is 'yes.' In these difficult times, it is possible to find people in all three religions who would be willing to embark on such an endeavour. In fact, in my opinion, it is the duty of Muslims to lead such an endeavor. Let's explore the structural basis of Abrahamic finance in Christianity, Judaism, and Islam.

Christian Financial Principles

The Bible lacks a comprehensive teaching on economics. Andre Habisch points out that "The silence of the biblical scriptures in this regard (economics) marks a clear difference to the Holy Scriptures of the other monotheist religions Judaism and Islam, which both contain explicit wisdom thought about different aspects of day-to-day life including Economic practices." (Habisch 2023: 47) Habisch states, "There are multiple reasons for the striking fact. The most important factor is the eschatological horizon of the Jesus movement itself, which dominates the New Testament writings. As exegetical research has elaborated, the historical Jesus of Nazareth movement expected the end of history for the immediate future." (Habisch 2023: 47) Habisch says, "Jesus himself refrained from reflections or exhortations on 'good' economic practices." This is opposite from the Prophet Muhammad (PBUH) in Islam, who professed economic advice regularly. (Habisch 2023: 47) However, according to Beed and Beed, the bible is not completely devoid of economic principles. Beed and Beed state that, "The Bible emphasises 'stewardship, useful work, protection for the disadvantaged and the preservation of institutions such as marriage and family life' (Hay 1989: 140) as of primary importance to economic life." (Beed and Beed 2006: 101) Similar features can be found in Islam. Beed and Beed also point out that "Christianity is a supernatural belief system in which people are called to practice certain behaviour toward the unseen entity of God (including Jesus Christ) who responds to them. God as the creator and owner of the earth's resources, maintaining continual and explicit recognition of this belief, praying to God and waiting on His responses, seeking God's guidance, acknowledging Jesus as God's Son, accepting Jesus as the way to God, and loving and obeying God and Christ. These normative principles of spiritual behaviour are intended to guide people in their material life." (Beed and Beed 2006: 102) Through the extraction of spiritual principles of the Bible, one can find guidance in the material world. God is seen as the Creator of all things including natural resources and people must utilise resources for the benefit of God's will and protect family through various institutions such as marriage, which can be seen as a divine and economic institution.

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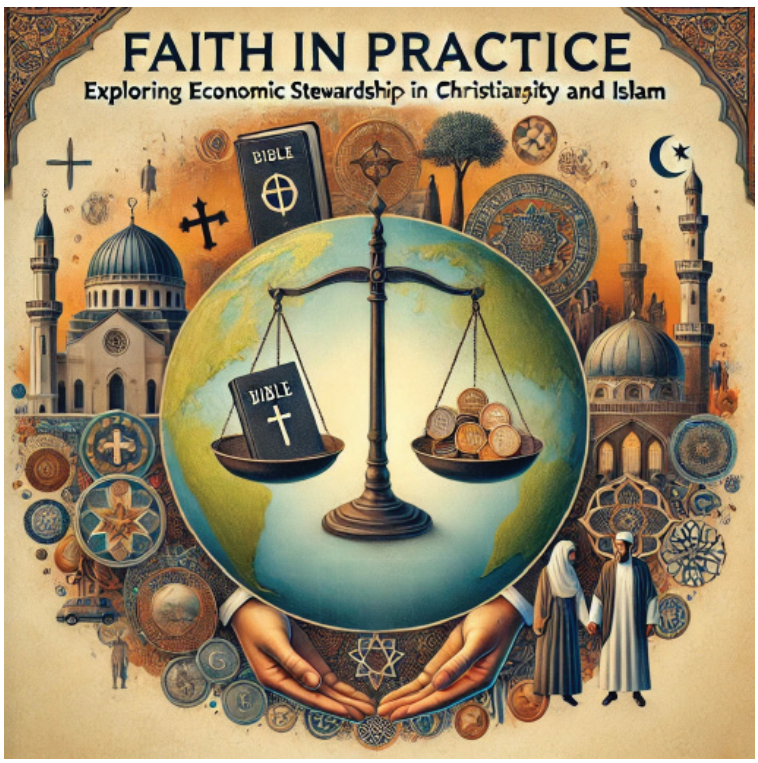
Christian economic thought is based on several Biblical principles including but not limited to 'Love thy Neighbor,' service to God, and people as being made in the image of God or imago dei. The concept of neighbour includes the widow, the wayfarer, the orphan, the needy, the poor, and the people in general. According to Meeks, "Neighbour love is the chief identifier of human participation in the economy of God and is the experience of salvation." (Meeks 2014: 8) Meeks points out that, "God's love is immediately connected with the needs of the neighbour. The neighbour may be the one in closest proximity, but according to the Gospel Jesus proclaims, that the love of neighbour is nothing less than the love of all human beings. Love of God and love of neighbour are inseparable." (Meeks 2014: 8) Therefore, by loving thy neighbour, one is, in essence, worshipping God. "The Christian conception is that people should love God with all their hearts and minds and their neighbours as themselves." (Beed and Beed 2006: 107) According to Beed and Beed, "...

> The Christian concept of man encapsulated in the biblical text,' endowed by God with whatever is required for us to be representatives of God's will to the rest of creation' is similar to the concept of Khalifah in Islam, where mankind is on earth to serve God's will and which also has social, financial, and economic responsibilities and outcomes

believers are called to have their dealings with people influenced as much by altruism as by self-interest, to 'love your neighbour as yourself (Mt. 22:39)" (Beed and Beed 2006: 102) As much as one would take care of oneself, one should also care for one's neighbour.

Furthermore, service to God is central in Christianity and may at times have economic motivation as well as produce economic outcomes. Meeks vociferates, "Economy in the Christian Scriptures, however, entails more than physical means of life. It also includes questions of the relations of those within the household and those without, relations that serve God's purposes for life in the whole of creation." (Meeks 2014: 3) Beed and Beed elaborate, "For God wants people to act in communion with Him – to follow certain spiritual principles – and He wants people to be at least as altruistic as they are selfish in all situations, in short, to serve God in all situations." (Beed and Beed 2006: 107) Hence, there is a connection between the spiritual and material, and between serving God and economic outcomes, which must be preserved in Christian economics.

According to Wikipedia, "The history of the Christian interpretation of the image of God has included three common lines of understanding: a substantive view locates the image of God in shared characteristics between God and humanity such as rationality or morality; a relational understanding argues that the image is found in human relationships with God and each other; and a functional view interprets the image of God as a role or function whereby humans act on God's behalf and serve to represent God in the created order." (Wikipedia 2024) For the purpose of Christian economics, this article emphasises the functional and relational definition of the Image of God. "The functional view interprets the image of God as a role in the created order, where humankind is a king or ruler over creation/the earth." (Wikipedia 2024) Meeks also explores the Christian economy and imago dei or the image of God. Meeks emphasises, "The biblical view, moreover, is that we are not only creatures sharing finitude in solidarity with all other creatures and a bent toward greed but that we are also created in the 'image of God' and endowed by God with whatever is required for us to be representatives of God's will to the rest of creation (Gen. 1:26-31)." (Meeks 2014: 5) This reminds me of the concept of Khalifah in Islam, where mankind is on earth to serve God's will and which also





has social, financial, and economic responsibilities and outcomes. Meeks purports that, "Being human is an economic commission to join God the Creator in doing the righteousness by which the world may live." (Meeks 2014: 5) Meeks points out that, "What separates being human beings from the rest of creation is that they are called to be God's stewards in representing and obeying God's will for the creation." (Meeks 2014: 5) Again, man as steward of God's resources and man as vicegerent of God on earth are important and omnipresent concepts in Christianity (and Islam). Stewardship is emphasised again over God's resources for all those made in God's image, which is ALL of humanity. According to Beed and Beed, who take a more relational approach to the image of God, "God, the trinitarian, omnipotent creator, and sustainer of the universe, is spirit who seeks a personal relationship with each human being, who, in some way, is made in the image of God." (Beed and Beed 2006: 97). "The relational view argues that one must be in a relationship with God to possess the 'image' of God. Those who hold to the relational image agree that humankind possesses the ability to reason as a substantive trait, but they argue that it is in a relationship with God that the true image is made evident." (Wikipedia 2024) Thus, one can fulfil one's role in the Christian economy through one's relationship with God and each other.

Usury in the Bible is depicted as a tool of the wealthy to usurp the land and wealth of the people, which may lead to imminent slavery. Meeks himself says, "The central biblical problem with interest is that it leads to debt and debt leads to poverty and poverty leads to slavery." (Meeks 2014: 17) Meeks states, "Through the inability to pay interest, the borrower in debt becomes trapped in an involuntary servitude for life." (Meeks 2014: 17) People then might become debt-slaves or physical slaves to the landowner or the money-lending class. Usury is not only frowned upon in the Bible but there is also in the bible an emphasis on forgiving debts. (Matt. 6:25; Matt. 18:23-25) (Meeks 2014: 18) Usury wasn't always condoned by the Church and accepted in Western society as a vein of capitalism as it is in modern times. Historically speaking, Harper and Smirl state that, "By the year AD 800, the Capitularies of Charlemagne banned even the lay people from taking interest and by AD 1100 convicted usurers were excommunicated from the Church. Usury was declared a form of robbery, a sin against the Seventh Commandment, which required restitution as well as excommunication (Frierson 1969:120)" (Harper and Smirl 2014: 566) Harper and Smirl elaborate, "Thus, by the twelfth century, attitudes toward usury had evolved from denunciation of taking interest on loans to the poor, through prohibition of interest on loans to all fellow Jews, of universal prohibition enforced by strict penalties." (Harper and Smirl 2014: 566) Harper and Smirl add, "The anti-usury movement continued to gain momentum during the Early Middle Ages and reached its peak perhaps in 1311 when Pope Clement V placed an absolute ban on usury and declared all secular legislation in its favour null and void in the eyes of the Church. (Birnie 1958, cited in Visser and MacIntosh 1998)" (Harper and Smirl, 2014: 566) This amounted to a total ban on usury by the Church. However, Harper and Smirl say this changed, when "From 1400 a pro-usury movement developed as Europe entered the High Middle Ages, trade increased and commercial enterprises grew in both number and size. Europe needed interest-bearing loans for commercial purposes and the Church reconsidered its position. (Frierson 1969)" (Harper and Smirl 2014: 566). Thus, usury moved from being banned by the Church to being allowed for commercial purposes from the High Middle Ages onwards to stimulate economic growth and expansion in a Capitalist system, mainly in Europe.

Jewish Financial Principles

It is clear that the Torah prohibits usury between Jews, however, in Judaism, the interpretation of the Torah or the Oral Torah

> “The Torah is understood to directly forbid loans in which the recipient is liable to pay a known sum for the use of money...This is known as apportioned interest or ribbit ketsutsa.” (Tamari 2014, 192)
> "Rabbinic Interest is distinct from that (interest) defined by the Torah, and so is considered ‘rabbinic interest.’ The levying of rabbinic interest is forbidden...” (Tamari 2014, 193)

carries more weight than what is clearly written in the actual Torah as Judaism is an interpretative tradition. Therefore, in order to analyse these few passages about usury in the Torah, one would have to examine the Mishnah and possibly the Gemarra and the Midrash amongst other things.

“The Written Torah is the primary source of Judaism transmitted from God to Prophet Moses (PBUH) on Mt Sinai. However, there were gaps in the Torah, which needed explanation, especially to connect the words of the Torah to modern-day life, as Judaism is also an ethos or spirit of the Jewish people. Therefore, sages interpreted the Written Torah into an Oral Torah and formulated the Mishnah Gemara (Talmud) and midrash, which have just as much if not more clout than the written Torah and are also considered the word of God. “Although the Written Torah, as a physical object, has greater iconic significance...Jewish life (especially halakhic) life is much more based on the Oral law than on the Written Law. (Fraade 2012, 39)””(Paldi 2023)

According to Meir Tamari, “It is quite clear that almost all authorities follow the Mishnaic ruling permitting interest-bearing loans involving non-Jews: ‘It is not permissible to receive assets [to operate with them, e.g. sheep given to a shepherd under the condition that the owner and shepherd share in the wool, lambs, and milk] with responsibility, [where the full responsibility in case of theft or death of the flock falls on the receiver] from a Jew, since this is interest. [It is rabbinic interest, according to Maimonides, since the owner has no share in the risk. Other authorities, like Tosafot, see this as ribbit mideoraita as the profit accrues to the shepherd, who pays a fixed sum annually to the owner for the use of his capital]. It is permissible, however, to accept such assets from a Gentile. It is permitted to borrow from Gentiles and to lend to them interest-bearing loans. This ruling also applies to a ger toshav [a Gentile who lives in the Land of Israel and accepts the seven Noahide laws].’” (Tamari 2014, 194-195)

Meir Tamari says that in terms of punishment for usury, “all parties to the transaction are guilty of violating religious injunctions.” (Tamari 2014, 191) According to Tamari, this includes the lender, the agents and go-betweens, and the receiver of the loan with interest. (Tamari 2014, 191) Tamari says, “The halakha distinguishes between that interest forbidden directly by the Torah (ribbit mideoraita) and that which is forbidden according to rabbinic law (ribbit miderabbanam).” (Tamari 2014, 192) Tamari explains, “Although both of them are forbidden to Jews, the religious implications of the former are more stringent.” (Tamari 2014, 192) In terms of the first category, “The Torah is understood to directly forbid loans in which the recipient is liable to pay a known sum for the use of money...This is known as apportioned interest or ribbit ketsutsa.” (Tamari 2014, 192) In terms of rabbinic interest, “The easiest example to cite is the hire-purchase (instalment plan) system. In this case, Reuven does not formally loan Shimon the thousand dollars. Rather, he sells him goods that are valued at the time of sale at a thousand dollars and gives him sixty days' credit. In exchange for this credit, Shimon will pay Reuven



an additional, agreed-upon fee over and above the purchase price. However, Reuven is receiving a payment in exchange for waiting for his money, which is in the economic sense considered interest. Halakhically, too, this is considered interest. Yet, it is distinct from that defined by the Torah, and so is considered 'rabbinic interest.' The levying of rabbinic interest is forbidden…" (Tamari 2014, 193)

"One Mishnah says, "Moreover Hillel used to say, "A woman may not lend a loaf of bread to her neighbour unless she determines its value in money, lest wheat should rise in price and they are found to be engaging in usury." (Mishnah Bava Metzia 5:9) (Sefaria) In Islam, this can be seen as a kind of riba (usury) of excess or riba al fadl. If the woman wants to avoid usury, she should determine the price of the bread in money at the time of delivery to avoid riba of excess in case the price of wheat should rise and she might receive back something worth more than what she lent.

Islamically speaking, "If there is exchange among the same species of ribawi goods, it has to be done on the spot and should be of equal quantities. If the quantities exchanged differ, even in spot transactions, then it will constitute riba of excess (Riba al fadl) or surplus riba. Rules of riba of excess also prohibit the exchange of dissimilar quantities of a genus with different qualities (such as exchanging one unit of high-quality dates with two units of low-quality dates). (Habib Ahmed) According to Visser, there is a ban on exchanging, for example, two low-

"If a woman (lending a loaf of bread) wants to avoid usury, she should determine the price of the bread in money at the time of delivery to avoid riba of excess in case the price of wheat should rise and she might receive back something worth more than what she lent. In Islam this kind of interest is known as riba al fadl.

“Either the woman should give the bread a monetary price upon loaning it or exchange the bread for money and then give the money as a loan. As I have demonstrated, the concept of riba corresponds and correlates between the Abrahamic religions and this connection deserves to be explored further. (Paldi 2023)

quality dates for one high-quality date, even if it is permitted to sell the low-quality dates for money and use the receipts for buying a high-quality date.” (Paldi 2014, 252) “Zuhayli says that ‘Surplus riba is the sale of similar items with a disparity in amount in the six canonically-forbidden categories of goods: gold, silver, wheat, barley, salt, and dry dates.’ It is the violation of the ‘equal for equal’ rule in spot transactions of the same goods of a particular genus. Zuhayli explains that “This type of riba is forbidden to prevent it being used as a pretext to committing credit riba, such that a person sells gold, for example, on credit, then pays back in silver more than the equivalent of what he had taken in gold.” To



avoid riba, the commodity has to be exchanged with some other genus and then traded with the desired commodity (high-quality dates with wheat or silver and then wheat or silver with low-quality dates). (Habib Ahmed)””(Paldi 2014, 252).

“Narrated by Abu Said 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, Oh Allah’s Apostle! But we bartered one Sa of this type (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 this is a kind of usury) but sell the mixed dates (of inferior quality) for money, and then buy good dates with that money’” (Bukhari, vol. 3, book 34, no. 405; see also Muslim, book 10, number 3875) (Paldi 2014, 252).

Either the woman should give the bread a monetary price upon loaning it or exchange the bread for money and then give the money as a loan. As I have demonstrated, the concept of riba corresponds and correlates between the Abrahamic religions and this connection deserves to be explored further.” (Paldi 2023)

Conclusion

The time is now to transition from Islamic finance to Abrahamic finance. Let’s extract the financial principles from the Bible and Torah in a communal effort with Jews and Christians and mix it with Islamic finance to create Abrahamic finance. It is the duty of Muslims to lead this movement.

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