USURY: A MORAL CONCERN FOR JEWS, CHRISTIANS AND MUSLIMS

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A little over four months ago I made an appearance one Sunday afternoon on the PBS Weekend News Hour with Hari Sreenivasan. Eight of the fifteen minutes of fame that the late Andy Warhol said all of us would eventually have passed very quickly, once my balding head had been sufficiently powdered up not to shine under the TV lights. Sreenivasan’s first question concerned the just issued Apostolic Exhortation of Pope Francis, Evangelii gaudium. He wanted to know whether the economic opinions expressed in that document were a new and even shocking departure from past papal teaching. My response was that Pope Francis was continuing economic themes already enunciated in earlier papal documents, and especially in the third and final encyclical of Pope Benedict XVI, Caritas in veritate (2009). But my answer to Sreenivasan, as it finally appeared, made me appear to ignore his question. What I had actually said was excised, and I seemed to change the subject. I am no economist but rather a historian of religion. This evening I want to pursue the moral implications of one economic practice, the charging of interest on loans, sometimes called usury. I dedicate my lecture to my credit card company over the past eighteen years that recently tried to charge me $24.34 in interest and late fees on a bill for $2.00.

Michael Hudson, a historian of economics in antiquity, maintains that the imagery involved in describing interest accruals refers symbolically to the reproduction of cattle; heads (capita in Latin) of cattle seem to have contributed their name to what we call ‘capital’ today. Parallel terms were used for interest accrued in Bronze Age Sumer (third millennium BCE), Classical Greece (first millennium BCE) and Classical Rome (last two centuries BCE and first three centuries CE). Thus the Sumerians called interest on an investment or a debt más, the Greeks called it tokos and the Romans called it faenus—all three terms originally meaning offspring. Hudson denies that such interest actually refers to the offspring of cattle loaned by a creditor to a debtor. An earlier historian of economics had assumed that cattle were lent by creditors to debtors, and the productivity of the cattle enabled the borrowers to pay the stipulated interest. In most traditional economies, however, the transfer of livestock usually goes in the opposite direction, from the debtor to the creditor, as Hudson notes. “Such usury,” he writes, “is a pure loss to debtors on the land. It is not paid out of income generated by a loan, not out of profits earned on investing the loan’s proceeds, but out of the debtor’s own stock pledged as collateral. That is why, once ancient cultivators fell into debt, they rarely could get out of it without a royal Clean Slate proclamation.”

The philosophers in the Greek tradition held various opinions about the life of commerce. Plato, living and working about a century after the first development of gold and silver coinage, approved of commerce up to a point, but he worried that adulteration of coinage and goods might corrupt not just the market but also the city. Plato especially disliked the practice of charging interest on loans, denouncing those who “by lending money . . . exact as interest many times the principal sum, and so create a considerable number of drones and beggars in the city” (Republic...
Aristotle in his Politics admires the gaining of wealth by what he calls the manager of a household or oikonomos (Politics i.1 1252a), but he looks askance at money creating more money by the charging of interest on loans. Once again, the ancient notion of interest as offspring returns, with Aristotle insisting that silver, unlike cattle, is barren. In The Merchant of Venice, Shakespeare has Antonio, the merchant of the title, refer to this barrenness of coinage when negotiating a loan from Shylock, ostensibly a friend: “As to thy friends, for when did friendship take / A breed for barren metal of his friend” (Act I, scene 3).

Interest on loans was called usura in late Latin, a word derived from the participle (usus) of the Latin deponent verb utor/uti/usus, “to use.” Formed into a noun, usura, on the model of natura and censura, eventually usura became in English usury. Basically it denoted something to be used or enjoyed. It was taken for granted that if you borrowed your neighbor’s ox or plow to help in tilling your fields, your neighbor would gain something for the use of his or her ox or plow, at least by the time of the next harvest. But this profit from the use of a neighbor’s ox or plow was not equated with profit made from the use of a neighbor’s money, conceived of as a static or barren reality. This understanding of money, and the more general antipathy to interest on loans, possibly derived from the relatively recent introduction of gold and silver coinage into the Hellenic world. It will, as I shall demonstrate below, return in medieval scholastic understanding of interest on loans condemned as usury.

The Lord of Israel and the Market

Abram (later Abraham), the ancestor of the faith tradition of Israel, began his career, according to the Hebrew Bible, as a migrant herdsman in southern Mesopotamia. With his father and other family members, Abram eventually migrated from southern Iraq today (Ur) to southern Turkey today (Haran), and finally moved to the territories of present-day Israel and Palestine (Gen 11:31-12:6). The migrant herding cultural origins of Abram/Abraham divorced him from earth cults, local gods and sanctuaries; it also divorced him from the stability of a town-centered market economy.

Even if they may have bartered meat and milk with local peasants for agricultural produce, these ancient Mesopotamian herder migrants who settled in Canaan did not engage in what we today would call commerce. One central element of a market economy specifically forbidden in the Book of the Covenant (Ex 20:22-23:33), datable to several centuries later than Abraham, is the charging of interest on loans made to fellow Israelites. “If you lend money to my people, to the poor among you, you shall not deal with them as a creditor; you shall not exact interest from them” (Ex 22:25). The context is intra-Israelite dealings and the Israelites are commanded not to operate economically like their non-Israelite neighbors, whether pastoralists or agriculturists, in whose milieu they originally herded their flocks. Neshekh, the word used for interest in this context, literally means ‘a bite’ and came to indicate a percentage of the credit extended removed at source from the very beginning of the transaction; this may well reflect the distrust the non-Israelites felt towards their itinerant Israelite neighbors.

Among the Israelites themselves trust was demanded by God, not only trust in God, but trust as well in one’s fellow migrant herders. Pledges for repayment of loans must be returned in
short order by people called to imitate the compassionate and neighborly God who had called them: “If you take your neighbor’s cloak in pawn, you shall restore it before the sun goes down; for it may be your neighbor’s only clothing to use as cover; in what else shall that person sleep?” (Ex 22:26-27).

The law against charging interest on loans in the Book of Deuteronomy, dated in literary terms approximately to the reign of Josiah in the southern kingdom of Judah (641-609 BCE), may be as ancient in oral form as the Book of the Covenant. This version of the covenant took shape in a period when the descendants of Abraham were more engaged in agricultural pursuits than they had been in the patriarchal period. By the seventh century BCE, they also lived in cities such as Samaria and Jerusalem. Despite these changes in social and economic environment, interest on loans to fellow Israelites was still forbidden, even if it was allowed to charge interest of foreigners.11

The Holiness Code in Leviticus, a priestly document that may have been reduced to writing only in the era during and after the Babylonian Exile (587-539 BCE), may also reflect much older oral tradition in Temple circles. Given the collapse of the Davidic monarchy in the period of the Babylonian Exile, the Priestly class came to dominate subsequent Jewish life until the destruction of the Temple in 70 CE. The Priestly Code recorded in the Book of Leviticus gives as the motivation for all it commands the holiness of God, the separateness and uniqueness of the Lord who makes unique demands on those who claim to belong as a people to that only Lord: “If any of your kin fall into difficulty and become dependent on you, you shall support them; they shall live with you as though resident aliens. Do not take interest in advance or otherwise make a profit from them, but fear your God; let them live with you. You shall not lend them your money at interest taken in advance, or provide them food at a profit. I am the Lord your God, who brought you out of the land of Egypt, to give you the land of Canaan, to be your God” (Lev 25:35-38). The context of this command in Leviticus is the proclamation of every fiftieth year as a jubilee, a multiplied Sabbath, as it were, from ordinary years and ordinary business (Lev 25:1-45), including ordinary indebtedness.

One peculiarity of this passage just cited is its comparison of a poor Israelite relative to a “resident alien” (ger toshav), a technical term indicating non-Israelites who lived in ancient Israel with some but not all of the rights of Israelites. In this the resident aliens differed dramatically from foreigners (zarim or nokhrim) who were thought to have come from somewhere else and were only temporary residents in or even invaders of Israelite territory. The kindness mandated towards gerim—as opposed to foreigners, pure and simple—puts them in a special position, one mandated by God because of their resemblance to the situation in which the children of Israel once found themselves in times past: “You shall not wrong or oppress a resident alien, for you were aliens in the land of Egypt” (Ex 22:21; see also Ex 23:9).12 The implications of the partial identity of the Israelites in Egypt with resident aliens living in Israel opens up perspectives of universality for all of humankind, although those perspectives still await full realization.

It would seem that until the tenth century BCE, and perhaps much later, indigenous Canaanites and other non-Israelites in the land of Canaan constituted the merchant class in Israel.
The word *Kna’niy* ("Canaanite") is used in biblical Hebrew to refer to a merchant or merchants in the Book of Proverbs (31:24), the Book of Job (41:6) and, perhaps most dramatically, in the apocalyptic vision that ends the post-Exilic Book of Zechariah. There the apocalyptic poet envisions the coming of all peoples, not just Israelites, to worship at the restored temple in Jerusalem. “There shall no longer be traders in the house of the Lord of hosts on that day” (Zech 14:21). It is also possible the word for ‘traders’ in that passage could be translated as ‘Canaanites,’ but the inclusion of Egyptians among those who will be welcomed, and indeed commanded, to approach the restored Temple in Jerusalem (Zech 14:18-19) favors the interpretation of *Kna’niy* in this context as ‘trader.’

With the creation of the united monarchy under David, however, and especially under Solomon, all this antipathy to merchants began to change, although most mercantile behavior seemed at first, for better or worse, to be a royal prerogative. The prophets contemporary with the royal successors of David and Solomon in both the Northern and Southern Kingdoms took a rather dim view of Israelite involvement in the marketplace. In the eighth century BCE the prophet Amos rants on God’s behalf against the enslavement of debtors for nonpayment of what they owe and the prophet Micah, almost contemporary with Amos, spoke with some vehemence against the manipulation of weights and measures in the market. Hosea, another contemporary working in the Northern Kingdom, returns to the theme of the Canaanite/trader who typifies the careless wealthy of Ephraim (the Northern Kingdom): “A trader, in whose hands are false balances, / he loves to oppress. / Ephraim has said, ‘Ah, I am rich, / I have gained wealth for myself; / in all of my gain / no offence has been found in me / that would be sin.’” (Ho 12:7-8).

The psalms, often described as the prayer book of Second Temple Judaism (after 515 BCE), congratulate people “who do not lend money at interest” (Ps 15:5) and the prophet Ezekiel, herald of the return from the Babylonian Exile, lauds the virtuous one “who does not take advance or accrued interest” (Ezek 18:8) and condemns the opposite number who “takes advance or accrued interest” (Ezek 18:13).

The Roman devastation of Jerusalem in 70 CE and the crushing of the Jewish revolt led by Simon bar Kokhba (132-135) led to the most complete diaspora of the people of Israel. Although some Jews remained in parts of the territory once reconnoitered by Abraham, most departed for the Mesopotamian valley (Babylon), Egypt (especially Alexandria) and north Africa, as well as parts of Europe and south Asia. No longer having land of their own on which to herd or to farm, Jews found themselves economically circumstanced into the life of trade and even into banking and the lending of money for interest. The ability of Jews to lend at interest to non-Jews facilitated this particular form of financial survival.

Starting out as the faith of wandering Mesopotamian herders settling among indigenous Canaanite peasants, the cultural and religious tradition of Israel went through a period of sedentarization and the temptations which followed. With the collapse of the various kingdoms that sedentarization had fostered, the people of Israel identified once again with a different type of transhumancy: crossing borders now not as herders but for the sake of the market. The sense of Jewish identity as a people uniquely consecrated to God proved stronger than the possession of a common land to bind Jews together as one of several notable “diasporic merchant minorities, social networks [that] induced trust across wide distances.” Other such landless
merchant minorities over the centuries have included groups as diverse as Armenians, Parsees, Huguenots and Quakers.\textsuperscript{16}

The God of Israel, who called Abraham out of Mesopotamia into the Land of Promise, still calls Jews to heed the words of the prophets on the dangers inherent in the life of the market. But the Lord does not despise the market, as long as the merchant who belongs to God’s People remembers to do justice, to love kindness, and to walk humbly with his God (see Micah 6:8). Furthermore, when it comes to lending money, the moneyed merchants among God’s people are only to charge interest on loans to non-Jews. Shakespeare’s Shylock, mentioned above, was constructed out of a late medieval and Renaissance-era anti-Semitic caricature of such Jewish money-lending to Gentiles. It is interesting to note, however, that even though Jews have achieved great prominence in the world of business and finance,\textsuperscript{17} at least some Jews have reacted against that world and embraced a Marxist critique of the market. One such Jewish Marxist was Leon Trotsky, born Lev Davidovich Bronstein. The decidedly non-Marxist Chief Rabbi of Moscow contemporary with the Russian revolution, Jacob Mazeh, ruefully remarked that “the Trotskys make the revolutions, and the Bronsteins pay for it.”\textsuperscript{18}

\textbf{Jesus in the Marketplace}

Jesus, like many of the prophets before him, took a somewhat dim view of the market and the values associated with it. His driving of the money changers from the Temple, however, may not be a critique of legitimate financial transactions in the Temple. The money changers provided non-idolatrous Temple shekels for offerings in exchange for idolatrous Roman coins, as well as suitable animals for sacrifice. Much more radically, that incident may indicate a basic antipathy in the apostolic community in the last decades of the first century CE to the continuance of Jewish Christians in the Temple cultus, even though early accounts of Jewish Christians indicate that they continued to frequent the Temple in Jerusalem in the years immediately after the lifetime of Jesus (Acts 2:46). Jesus gathered his disciples from petty businessmen (fishermen) and at least one collaborator in the Roman imperial system of tax farming (Levi or Matthew). Jesus called his disciples away from those forms of gainful employment, inviting them to take up a life of poverty and itinerant preaching. Famously, Jesus invited a rich man of gallant aspirations to follow him, but the man drew back when he discovered the full implications of that following: “Go, sell what you own, and give the money to the poor, and you will have treasure in heaven” (Mk 10:21).

It is not so much poverty itself but poverty of spirit—a spirit of reliance solely on God rather than on one’s own resources, material or personal—that lies behind the beatitude uttered by Jesus blessing the “poor” (Lk 6:20) or the “poor in spirit” (Mt 5:3). In the highly symbolic beginning of Luke’s Gospel, Mary proclaims the greatness of the God who has chosen her to mother God’s Son, and in the process voices some distinctly anti-chrematistic themes: “He has brought down the powerful from their thrones, / and lifted up the lowly; / he has filled the hungry with good things, / and sent the rich away empty” (Lk 1:52-53).

The most primitive Christian community in Jerusalem seems to have “had all things in common; they would sell their possessions and goods and distribute the proceeds to all, as any
had need” (Acts 2:44-45), but this economic arrangement did not long survive the burgeoning and internationalization of the Christian community. Such common ownership seems to have been replaced by inter-communal solidarity and charity. Paul raised funds among Gentile Christians throughout the eastern Mediterranean to support the impoverished Jerusalem Christian community, calling on the Corinthians, for instance, to imitate the generosities of Jesus himself: “For you know the generous act of our Lord Jesus Christ, that though he was rich, yet for your sakes he became poor, so that by his poverty you might become rich. And in this matter I am giving my advice: it is appropriate for you who began last year not only to do something but even to desire to do something—now finish doing it, so that your eagerness may be matched by completing it according to your means” (2 Cor 8:9-11).

The negative view of bourgeois life typical of parts of the New Testament says much about the poverty (and resentment?) of the communities that underwrote its various documents. Such communities thought that the world as they knew it was passing away and that there was no point to piling up money. The Epistle of James notably excoriates the rich, and especially heartless employers: “You have laid up treasure for the last days. Listen! The wages of the laborers who mowed your fields, which you kept back by fraud, cry out, and the cries of the harvesters have reached the ears of the Lord of hosts” (Jas 5:1-4).

Although the Christian community early on found a way to justify ordinary commercial activities carried on by its membership, there came to be a disjunction between the community and the ordinary laity. The fact that Christians accept the Hebrew Bible as well as the New Testament as God’s revelation can account for why not all Christians have followed the most radical economic patterns of Jesus and his disciples. The Wisdom literature—Psalms, Proverbs, Ecclesiastes and the like—find much of value in ordinary economic life. “Happy is everyone who fears the Lord, / who walks in his ways. / You shall eat the fruit of the labor of your hands; / you shall be happy, and it shall go well with you” (Ps 128:1-2). Even as ascetic a New Testament figure as Paul knew how to live with both poverty and prosperity, supporting himself on his apostolic journeys by working as a tent-maker (Acts 18:3).

Christian hostility to interest on loans, inherited from the Hebrew Bible, sometimes proved more theoretical than practical, and ignored the fact that in a famous New Testament parable, royal servants are given a mina each, a coin said to be worth 100 drachmas. One entrepreneurial servant made 10 minas with his one mina, one made five, and one poor fool wrapped his mina in a cloth and buried it, returning it with no profit at all made on it. The royal master in the parable reproves the fool: “Why then did you not put my money into the bank? Then when I returned, I could have collected it with interest” (Lk 19:23). Is the parable only describing a de facto rather than a de jure interest structure? Whatever may be the case, Christian authorities remained officially hostile to interest until the sixteenth century, repeating frequently the words of Jesus: “If you lend to those from whom you hope to receive, what credit is that to you? Even sinners lend to sinners, to receive as much again.” (Lk 6:34).

Evidently some of the Jewish contemporaries of Jesus in the first century—and perhaps some Jewish Christians as well—had worked out elaborate schemes to avoid the accusation of
charging interest on loans to their coreligionists by expressing the loans in terms of essential
food commodities rather than in monetary terms. In the parable of the dishonest manager, unique
to Luke’s Gospel, we are given the example of the man who is about to be fired by his master for
malafeasance in office. But the manager manages to ensure his further employment with different
masters by embarrassing his former master into foregoing the interest he was charging on loans,
loans expressed not in monetary terms but in terms of wheat and oil. The dishonest manager
paves his own way to a new job by cutting out his master’s interest, and possibly his own
commission as well (Lk 16:5-7). It is very possible that the debts that are discounted by the
clever but dishonest manager are an example of what is called in Jewish tradition heter iska, “a
legal fiction that disguised loans as investments in a business partnership.”

The theological writers of the first Christian centuries shared the hostility of many New
Testament authors to the market and its values. They were particularly antagonistic to the
charging of interest on loans, as can be seen from the commentary by Clement of Alexandria (ca.
150-215) on the forbidding of interest on loans in Exodus 22:25. Ambrose (337-397), the
bishop of Milan who baptized Augustine, comments on the condemnation of charging interest in
Deuteronomy 23:19: “It is a sign of a hard nature to extort more than one has given.” This
negative evaluation of interest on loans prevailed until the end of the medieval period, with the
Church repeatedly forbidding the charging of interest on loans, defining all interest as usury.
Since Jews interpreted Exodus 22:25 to mean that they need exempt only fellow Jews from the
paying of interest, they came to be identified in the Christian Middle Ages as money lenders,
even when they de facto were allied with various Christian bishops and nobles as bankers.

Christian writers in the Middle Ages proved fairly unanimous in condemning the
charging of interest on loans, a condemnation that was based originally less on the critique of
usury in the Bible than it was on the writings of the Fathers of the Church. The fact that Church
Councils eventually had to condemn clergy involved in charging interest on loans demonstrates
that human nature—even in its clerical sub-variety—hungered for profit and many people, and
especially the educated, had come to realize that money tended to lose value over time.

Thomas Aquinas (1225-1274) decried the injustice he perceived in charging interest on a
loan, claiming that it involves selling the same thing twice: the money loaned and the use of that
money. He proffers a homely analogy for this process. “Were a man to sell both the wine and its
use separately, he would be selling the same thing twice over, that is, would be selling what does
not exist, and would clearly be sinning by an unjust action.” Thomas relies finally not so much
on Scripture for his criticism of loans as on the authority of “the Philosopher,” his honorific title
for Aristotle. Dante (1265-1321) consigned usurers to the circle of hell reserved for those who
had misused nature: “In the will of Providence, man was meant / to labor and to prosper. But
usurers, / by seeking their increase in other ways, / scorn Nature in herself and her followers”
(Inferno xi:108-111).

In the era of the Protestant and Catholic Reformations, Martin Luther and John Calvin
embraced opposite viewpoints on the charging of interest on loans. Luther continued with the
medieval Catholic hostility to usury, as can be seen in his Long Sermon on Usury (1520) in
which he describes the lending of money to a renter to use it to make a profit. Whether or not a
profit is made, however, the renter must return the money with interest.\textsuperscript{27} What Luther doesn’t like about this business is that the renter of the property takes all the risks, and, even if the crop or the business the renter undertook fails, the renter, even in bankruptcy, still has to pay back five percent more than was actually borrowed from the lender. John Calvin, on the other hand, thought five percent interest on a loan reasonable, although he banished from Geneva those who worked as professional money-lenders.\textsuperscript{28} Max Weber in his early twentieth-century work \textit{The Protestant Ethic and the Spirit of Capitalism} postulated an intimate link between the rise of Calvinist Christianity in the sixteenth century and the development of a sense that the sign of one’s predestination to justification by God could be glimpsed in this-worldly work and the prosperity such work generates.\textsuperscript{29} Unlike Lutheranism and Catholicism in the sixteenth century, both still rooted in a rural economic imaginary, Calvinism, as R. H. Tawney points out, “was largely an urban movement” and “was carried from country to country by emigrant traders and workmen.” As a result, “its leaders addressed their teaching . . . to the classes engaged in trade and industry.”\textsuperscript{30} Interest on loans in such a setting was recognized as normal, but Calvin still taught that “loans must be made \textit{gratis} to the poor.”\textsuperscript{31} Catholics were not all as rooted in that rural imaginary as Tawney suggests. The sixteenth-century Spanish Jesuit theologian, Luis de Molina (1535-1600), famous for his controversial defense of free will against predestinarian thought in debate with contemporary Dominicans, also defended the freedom of the entrepreneur to charge interest on loans. As such Father de Molina has become something of a hero to modern liberal economic theorists.\textsuperscript{32}

In any case, both Protestant and Catholic and Orthodox Christians of the East eventually overcame their hostility to interest on loans as money came increasingly to be recognized as a commodity that fluctuated in value, like fresh fruit and vegetables, and that its use as a loan involved a risk for the lender, a risk that had to be shared with the borrower. Today most Christian churches would only define as usury the charging of excessive interest on loans; some form of reasonable interest is more or less taken for granted. The life of the market became respectable for Christians—perhaps entirely too respectable.

\textbf{Muhammad on the Caravan Routes of Arabia}

One of the principal misunderstandings of Islam expresses itself in the romantic notion that Islam is in some radical sense a religion of the desert. Muhammad and the first Muslims grew up in the market town of Mecca that lay astride the great caravan routes of Arabia that connected two major empires, Byzantine and Persian. It was not only trade that passed through that \textit{entrepôt}. Revolutionary ideas, including radically new views of the Transcendent, migrated along those caravan routes as well. Jews and Christians were known among the pre-Islamic Arabs, and at least some Arabs before Muhammad’s time had embraced one or another version of those faith traditions, but the majority had not. Even before Muhammad began to experience revelatory locutions when he had retired ca. 610 CE from an active trading career, he and some of his contemporaries in Mecca had rejected the polytheistic idolatry of their setting. They had also reacted against certain rapacious trade practices of the less scrupulous among their mercantile neighbors in Mecca.\textsuperscript{33}
The muezzin who chants the call to worship five times a day in a Muslim setting provides us with an outline of the principal matters that Muhammad, and faithful Muslims following him, consider as central religious concerns: the oneness of God and the message from God delivered by Muhammad. The call to worship concretizes these two themes by issuing two invitations to the faithful: 

Hayy ‘ala-l-salat (“Wake up for worship!”) and Hayy ‘ala-l-falah (“Wake up for flourishing!”). The second invitation reminds Muslims that they are called to live a life of moral choices that alone can foster human and societal flourishing (falah).

Falah may be taken to symbolize the opposite of the raiding life of the desert, ghazwah, or the sometimes even more rapacious push-and-pull of the market. Falah suggests a reward in this world as well as in the world to come for those who do such economic good deeds as “paying their poor-due (zakat)” and keeping “guard over their trusts and covenants” (Qur’an 23:4, 8). Although the word falah does not appear as such in the Qur’an, verbs or participles derived from the same root do appear. In a wonderful introduction to Islam written for Christians more than fifty years ago, the late Bishop Kenneth Cragg (d. 2012), uses the summons to falah as an introduction to what he calls “the Islamic order for human society.”

The message that Muhammad received from God became more complicated, however, when he finally migrated from his hometown of Mecca to Medina in 622 CE as a result of the persecution unleashed in Mecca against him and his followers. Central to the message of the Qur’an in its later portions is the obligation incumbent on everyone to be generous, especially to the poor, and to strive for moral purity by sharing one’s wealth with the poor through the annual poor-due (zakat). The word zakat at its root suggests not a tax but the purification of one’s profits through charitable giving. Eventually Muslims came to regard the annual payment of zakat as one of the five pillars of Islamic faith. In constitutionally Muslim countries today zakat of at least 2.5% of one’s profits in a particular year must be paid into a central fund to support charitable projects. Muslims living elsewhere in the world have to find other ways to fulfill this obligation, and certain mosque communities in the Muslim diaspora provide the opportunity to fulfill this command.

The teaching of God and of God’s messenger, Muhammad, had to be applied in very diverse cultural and economic circumstances as the Islamic empire expanded. What is not legislated in the Qur’an—and much is not—can be derived in some sense from the customary practice of Muhammad, what is called his sunnah, the path he trod. Legal analogies were made from the words of the Qur’an and from Muhammad’s sunnah in order to respond to the many problematic moral questions that arose with the expansion of Islamic rule throughout what is now the Middle East, North Africa and southwestern Asia. Eventually, this historical process led to a certain systematization of what was revealed in the Qur’an, what could be derived from the best accounts of Muhammad’s customary practice, and legal analogies worked out in subsequent generations. This large body of legal thought evolved into what is today called shari’ah, a word suggesting a path that leads to a water source. Not every Muslim is agreed on the parameters of shari’ah or the relevance of ancient formulations of it for modern times. But there is a distinctively Islamic sense that being Muslim means ardent faith in one God alone and the molding of one’s daily life on a given model, a message lived out concretely in the seventh century by Muhammad.
With regard to economic morality, the Qur’an recognizes greed as a major problem, one not untypical of undisciplined Arab warriors but also notable in the contemporary lives of certain mercantile wheelers and dealers. At the Battle of Uhud (625), the second great military encounter between the Meccans exiled to Medina and their erstwhile Meccan neighbors, the archers in Muhammad’s army—against his precise orders—started to seize plunder immediately after an initial victory. Their greed proved their undoing. “God had proven true to his promise. You were shooting at them by his leave until you fell to quarreling about the command given. You disobeyed once [God] let you catch sight of that which you love [booty]. Among you are some who love this world, and also some who love the world to come. Then [God] put you to flight from them in order to test you. But still [God] has forgiven you: God is All-Bountiful for those who keep faith. Then you ran uphill, paying no notice to anyone, while the Messenger [Muhammad] in the rear was calling on you [to fight]. [God] rewarded you with disaster on disaster then so that you would not grieve over [the booty] you lost, nor even for what hit you. God is aware of everything you do” (Qur’an 3:152-153).

Greed of enormous proportions seems to have characterized as well the charging of interest on loans in pre-Islamic Arabia. In an early passage of the Qur’an in terms of time and place of revelation, the charging of *riba* (interest) is contrasted vividly with the obligatory annual Muslim payment of the poor-due, *zakat*: “Whatever you pile up as interest on other people’s money will not amount to much with God; but what you—as one of those who seek God’s face—give away as purifying charity will be doubled for you” (Qur’an 30:39). A later passage (in time of revelation) in the Qur’an refers to some of the worst aspects of pre-Islamic Arab business dealings, including the doubling and redoubling of interest on loans that are not paid on time: “O you who keep faith, do not devour usury [*riba*], doubling and redoubling it. Fear God, so that you may flourish [*tuflihuna*]” (Qur’an 3:130). The root of the word for interest in Arabic, *riba*, can refer to any elevation at all, including a small hill, but, not unlike the words above mentioned for interest in Sumerian, Greek and Latin, it can also refer to something that is raised or bred, like children or cattle.

In a late passage of the Qur’an, received by Muhammad in the last weeks of his life, more detail is added to the prohibition of usury and the punishment that will befall Muslims who engage in it: “Those who devour usury will not rise [from the dead] except as someone rises [from the dead] whom Satan has struck with his touch. This is because they claim that trade is the same thing as usury. But God approves of trade but has forbidden usury. For the one who has received a warning from his Lord, and stops practicing usury, that person can keep [the interest] earned in the past; his situation is for God [to judge]. But for those [Muslims] who relapse [into charging usury], they are the true inhabitants of hell, and they will stay there. God annihilates usury and makes charity grow” (Qur’an 2: 275-276).

Just as the Hebrew Bible, until the era of the united monarchy, considered buying and selling to be more characteristically Canaanite than Israelite, so too some later passages of the Qur’an seems to regard *riba* as a practice typical of non-Muslims, principally the Jewish merchants who lived in Medina. Although Muhammad and his fellow emigrants from Mecca to Medina in 622 CE had originally found allies among the Jews who lived in the oasis of Medina, as the ‘Constitution of Medina’ demonstrates quite clearly, eventually the business interests of
these Jewish merchants suffered as a result of Muhammad’s wars with Mecca. The Qur’an takes them to task “for their charging usury, when it had been forbidden to them, and for their devouring other people’s wealth” (Qur’an 4:161). In this context, at least, the Qur’an ignores the Biblical tradition that Jews could charge interest on loans to non-Jews. But the Qur’an still recognizes at this point, at least, that some Jews remain vitally allied with the Muslim community in Medina, even providing the Muslims with what may be construed as theological support for their nascent Muslim community of faith: “But those among them [the Jews] who are well versed in learning and who live faithful lives—they put their faith in what has been sent down to you, and what was sent down before you, especially those who establish worship and pay the poor-due (zakat). They keep faith with God and the Last Day. Such people We [God] will grant a great reward” (Qur’an 4: 162).

Although Christians over the last five centuries have overcome their aversion to charging interest on loans, Muslims have not, and this is particularly noticeable in the wealthy oil states of the Gulf, but also in poorer countries like Egypt and Pakistan. The Muslim Brothers since their founding in Egypt in the early twentieth century have opposed the automatic charging of interest on loans or the automatic paying of interest on monetary investments. Sayyid Qutb, the quintessential Sunni Muslim militant of the twentieth century until his execution under Nasser in 1966, summed up what an interest-free society would look like:

Suppose that the state decrees the abolition of interest on funds in banks, companies, public enterprises, and private loans, what will happen then? What will happen will be that capitalists will find themselves unable to increase their wealth except by two general methods. First, they may put it to a profitable use themselves in manufacture or trade or agriculture. Or second, they may put it to a profitable and helpful use by investing it in share-issuing companies, where the share values may rise or fall. Both these methods are sanctioned by Islam, and neither of them will work the slightest injury to economic life.

Islamic banking so described and practiced is much more like an investment scheme than a bank, and especially a savings bank, as those institutions have been normally conducted.

Will there be changes in future Muslim attitudes towards this critical element in a market economy? Not every Muslim individual, or every Muslim-conducted economy, is equally committed to the economic rules explicit in various versions of shari’ah. But one of the most interesting exponents of modern Western Islam, the Swiss lecturer at Oxford, Tariq Ramadan (b. 1962), the grandson as well through his mother of Hasan al-Banna’, founder of the Muslim Brothers, has challenged the usual Western dismissal of an interest-free economy, noting how much of economics as usual is based on exploitative investment in the Third World:

We are well and truly on the way to opposing the world economic order. It could not be clearer. The rich countries, like the wealthy merchants of Mecca in times past, cannot fail to see a danger in local and national movements whose aim it is to remove themselves from the “classical” economic system. Nothing could be more normal. But we now know that the Northern model of development is unexportable: a billion and a half
human beings live in comfort because almost four billion do not have the means to survive. The terms of exchange are unequal, exploitation is permanent, speculation is extreme, monopolies are murderous. The prohibition of *riba*, which is the moral axis around which the economic thought of Islam revolves, calls believers to reject categorically an order that respects only profit and scoffs at the values of justice and humanity. By the same token, the prohibition obliges them to consider and to work out a model that comes closer to respecting the prohibition. In the West, as in the East, we must think of a global alternative, and local projects must be implemented with the idea of leaving the system to the extent possible and not affirming it through blindness, incompetence, or laziness.  

Ramadan’s eloquent expression of discomfort with the interest-based economy of the West was shared as well, if on a less profound scale, by the 29-year-old Senegalese soccer player Papiss Cissé, who recently complained that he could not play with his team, Newcastle United, if it meant that he would have to wear a jersey promoting Wonga.com, a loan company that charges exorbitant rates of interest in its exploitation of poor people, many of them soccer fans, who run short of money earlier than their monthly or fortnightly pay-day. In the online version of the British tabloid, *The Daily Mail*, Graeme Yorke reported this story on June 8, 2013, noting that a Newcastle fan who would seek to get a loan from Wonga.com to buy a £50 club shirt would have to repay £71.92 a month later at the rate of interest charged by Wonga.com. This comes down to an annual rate equivalent to 4212 % per year. Papiss Cissé’s courage failed him, however, and by July 30, 2013, *BBC Sport* reported online that Cissé had agreed to wear the Wonga logo on his jersey.  

Towards An Economy of Gratuitousness

On June 29, 2009, Pope Benedict XVI issued his third encyclical letter, known by its opening Latin words as *Caritas in veritate*. Within eight days of its publication, the American Catholic neoconservative George Weigel, a great admirer, adviser and biographer of the late Pope John Paul II, issued a stinging critique of the encyclical which he characterized as an odd blend of genuine thought of Benedict XVI with what Weigel characterizes as the leftist opinions of the Pontifical Council on Justice and Peace. The result, according to Weigel, is “an encyclical that resembles a duck-billed platypus.” What Weigel likes in the encyclical are the thoughts of Benedict that conform with the thought of John Paul II, “particularly . . . [the] strong emphasis on life issues (abortion, euthanasia, embryo-destructive stem-cell research) as social justice issues.” What Weigel hates in the encyclical are the parts on the economy: “Some of these [ideas] are simply incomprehensible,” Weigel writes, “as when the encyclical states that defeating Third World poverty and underdevelopment requires ‘a necessary openness, in a world context, to forms of economic activity marked by quotas of gratuitousness and communion.’”  

What does Benedict in this document mean by an economy of gratuitousness? “Gratuitousness,” he writes, “is present in our lives in many different forms, which often go unrecognized because of a purely consumerist and utilitarian view of life. The human being is
made for gift, which expresses and makes present his transcendent dimension.” Animals are incapable of genuine generosity; human beings are. Gratuitousness means that the economy must take into account not only commutative justice between partners to a transaction but also “distributive justice and social justice.” Sounding very like Pope John Paul II, Benedict emphasizes that “without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function.”

Benedict notes with chagrin, in light of the 2008 economic meltdown, that “today it is this trust which has ceased to exist and the loss of trust is a grave loss.” Furthermore, Pope Benedict insists that “the poor are not be considered a ‘burden,’ but a resource, even from the purely economic point of view. It is nevertheless erroneous to hold that the market economy has an inbuilt need for a quota of poverty and underdevelopment in order to function at its best.”

Gordon Gecko of Wall Street I and II would demur; Ayn Rand is turning in her grave. Pope Benedict declares that “the great challenge before us, accentuated by the problems of development in this global era and made even more urgent by the economic and financial crisis, is to demonstrate . . . that in commercial relationships the principle of gratuitousness and the logic of gift as an expression of fraternity can and must find their place within normal economic activity.”

The critique of aspects of the market economy, and especially the charging of interest on loans, that is found in Greek philosophy and in the Jewish, Christian and Muslim traditions of faith, needs to be taken into account in any evaluation we might make of the purpose of business or of the morality of a market economy. On the subject of usury, and especially payday loan sharks in Italy, let me end by quoting brief remarks of Pope Francis addressed last January 29 at the Vatican. He was greeting at a public audience members of the Italian National Council of Anti-Usury Foundations. “I hope that these institutions,” the Pope said, “may intensify their commitment alongside the victims of usury, a dramatic social ill. When a family has nothing to eat, because it has to make payments to usurers, this is not Christian, it is not human! This dramatic scourge in our society harms the inviolable dignity of the human person.”

Take that, my credit card company!
NOTES

1 *Faenus* usually means interest on a loan or investment but is related to the word *fecundus*, meaning fecund or fertile in human terms.


7 “While expertise in exchange is justly blamed since it is not according to nature but involves taking from others, usury is most reasonably hated because one’s possessions derive from money itself and not from that for which it was supplied. For it came into being for the sake of exchange, but interest actually creates more of it. And it is from this that it gets its name: offspring are similar to those who give birth to them, and interest is money born of money. So of the sorts of business this is the most contrary to nature” (*Politics* i.10 1258 bl). Ibid., 49-50.

8 I wish to thank my friend and former student, Dolapo Fakeye, for drawing my attention to this motif in *The Merchant of Venice*.

9 All quotations from are from the NRSV.

10 The other word for interest in the Hebrew Bible besides *neshekh* is *tarbit* or *marbit* and it seems to refer to interest charged on food products, a reflection of a later period when the Israelites had become sedentary farmers.

11 “You shall not charge interest on loans to another Israelite, interest on money, interest on provisions, interest on anything that is lent. On loans to a foreigner you may charge interest, but on loans to another Israelite you may not charge interest, so that the Lord your God may bless you in all your undertakings in the land that you are about to enter and possess” (Deut 23:19-20).
That reference to the time when Israelites “were aliens in the land of Egypt” recalls the story in the Book of Genesis about Joseph and his brothers. Joseph had been enslaved in Egypt through the malice of his own brothers, but later on he rose to high office in the court of Pharaoh. There Joseph, at first unrecognized by his brothers, received and fed them when they came down to Egypt to escape famine in Israel. After Joseph revealed himself to his brothers, he made it possible for them to live in the land of Goshen, a part of Egypt, as resident aliens. Joseph himself, despite his high office in Egypt, was also, in some sense, a resident alien in Egypt. A modern commentary on this passage underlines its paradoxical nature: “The link between law and narrative explains the curious notion in the rule that sometimes Israelites in their own country are to be regarded as resident aliens. In Egypt, that odd relationship is the one that prevails between Joseph and his estranged brothers. Putting aside their estrangement, together they constitute the first Israelites.” Calum M. Carmichael, *Illuminating Leviticus: A Study of Its Laws and Institutions in the Light of Biblical Narratives* (Baltimore: Johns Hopkins University Press, 2006), 131.


The land of Israel and especially its ports served as an ideal midway point between Arabia and Egypt on the south and northern markets in the area of contemporary Lebanon. Solomon’s harbor built at Ezion-geber, not far from Eilat on the northern end of the Gulf of Aqaba, gave him access to the Red Sea. Hiram, king of Tyre (in what is today southern Lebanon) seems to have cooperated with Solomon in this venture of port-building and sea-trade, providing the King of Israel with Tyrian “sailors who were familiar with the sea” (1 Kgs 9:27).


See Georg Simmel, *The Philosophy of Money*, 3rd ed., ed. David Frisby, tr. Tom Bottomore, David Frisby and Kaethe Mengelberg (London and New York: Routledge, 2004), 221-2. This influential book was first published in German in 1900 and was several times revised before the author died in 1918.

Muller, especially Chapter 2: “The Jewish Response to Capitalism” (72-132).

As quoted in Muller, 140.

20 Muller, 84.

21 “The law does not deem it right to collect interest on the capital. It seeks to enable free giving to those in need, with hands and minds wide open. God is the creator of this free gift. If it is he who shares his goods, exacting as the only reasonable interest the most precious things human beings possess: gentleness, goodness, high-mindedness, repute, glory.” See Clement, Stromateis 2.84 as cited in Ancient Christian Commentary on Sacred Scripture: Old Testament III: Exodus, Leviticus, Numbers, Deuteronomy, ed. Joseph T. Lienhard, S.J., in collaboration with Ronnie J. Rombs (Downers Grove, IL: InterVarsity Press, 2001), 116. Henceforth, Lienhard and Rombs.

22 Duties of the Clergy 3.3.20, as cited in Lienhard and Rombs, 315.

23 This was not without risk to the Jews who loaned money at interest to Christians, as the German economic historian Hermann Kellenbenz (d. 1990) noted: “From the 12th century popes and princes exploited the financial capacity of the Jews by frequent remissions of debts or forced loans. The Black Death and consequent persecution of Jews gave rulers an opportunity forcibly to seize property and to restore pawns and letters of credit to debtors. The liquidation of Jewish debts by King Wenceslas IV of Bohemia around the end of the 14th century is a well-known example of such royal rapacity.” Hermann Kellenbenz, “Banking and Bankers,” Encyclopaedia Judaica, 2nd ed. (Detroit: Macmillan Reference USA/Keter Publishing House, 2007), 111-119.


25 “Money, however, according to the Philosopher . . . has been invented for the making of exchanges; and thus the proper and principal use of money lies in its consumption or in parting with it, according to its expenditure in exchanges. For which reason, then, it is unlawful to charge a price for the loan of a sum of money, which is called usury” (Summa Theologiae, Ia-Ilae, q. 78). Translation from Eric Kerridge, Usury, Interest and the Reformation (Aldershot, UK/Burlington VT: Ashgate, 2002), 82. Henceforth, Kerridge.


27 “Interest—That grand, precious, delicate little word runs in German much as this: If I have a hundred guilders with which I might earn with my toil and trouble in trade, in a whole year, five, six or more guilders, I put it out to someone, on a productive landed property, so that
not I but he may trade with it on his own account, and for this I take from him five guilders, which I might have earned, and so he sells me the rent, five guilders in the hundred, and I am buyer and he seller.” As quoted in Kerridge, 146.


29 Some disciples and allies of Calvin, like Theodor Beza, went even further in this direction than did their master. Thus, according to Weber, “Wherever the doctrine of predestination was adhered to, the question could not be avoided of whether infallible signs (Merkmale) existed that allowed one’s membership among the electi [chosen] . . . Work without rest in a vocational setting was recommended as the best possible means to acquire the self-confidence that one belonged among the elect. Work, and work alone, banishes religious doubt and gives certainty of one’s status among the saved.” Max Weber, The Protestant Ethic and the Spirit of Capitalism with Other Writings on the Rise of the West, 4th ed., tr. Stephen Kalberg (New York/Oxford: Oxford University Press, 2009), 110-111.


31 Ibid., 106.


33 On the pre-Islamic ‘League of the Virtuous’ in Mecca, see The Life of Muhammad: A Translation of [Ibn]Ishaq’s Sirat Rasul Allah, tr. A. Guillaume (Lahore/Karachi/Dhaka: Pakistan Branch of Oxford University Press, 1955), 57. This work will henceforth be cited as Guillaume. See also W. Montgomery Watt, Muhammad at Mecca (Oxford: Clarendon Press, 1953), 6.

34 Kenneth Cragg, The Call of the Minaret (Oxford University Press, 1956), 140-171.

35 Thus the message Muhammad brought became a civilizing code for a people, the Arabs, who had embraced no unitary moral code antecedent to Muhammad’s commissioning by God. After the death of Muhammad in 632 CE, the Arabs, no longer morally permitted to raid each other across tribal boundaries within their home peninsula, diverted their energies into the
conquest of the territory of the neighboring empires. Much of the Byzantine Empire and nearly all of the Persian empire came under Muslim Arab sovereignty within a generation of Muhammad’s death.

36 In a lengthy comment on these verses, a twentieth-century Indo-Pakistani commentator on the Qur’an, Sayyid Abu’l-A’la Mawdudi (d. 1979), sounds almost Marxist in his contempt for the capitalist system and its banking based on interest-bearing: “There is not one country in the world where financiers and financial institutions are not sucking the blood of poor labourers, peasants and ordinary low-income people through interest on consumption loans.” It is interesting to note that in this critique Mawdudi, never a man to mince his words, makes no exception for the Islamic republics and monarchies where what has been called Islamic banking is practiced in modern times. For this interpretation, see the Qur’an commentary by Sayyid Abu’l-A’la Mawdudi on Qur’an 3:130 in *Towards Understanding the Qur’an*, ed. and tr. Zafar Ishaq Ansari (Leicester, UK: The Islamic Foundation, 1988/1408 A.H.), I: 286, n. 98.

37 This and other translations from the Qur’an in this text are my own.


41 I wish to thank my colleague Peter Bwanali, S.J., for bringing these recent events to my attention.


43 Ibid.

44 Ibid.

45 *Caritas in veritate: Encyclical of His Holiness Benedict XVI*, § 34, available online at www.vatican.va.

46 Ibid., § 35.

47 Ibid.
48 Ibid.

49 Ibid.

50 Ibid., § 36.

51 “Pope Francis: Usury, an Affront to Dignity” (Vatican Information Service, 29 January 2014).