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THE QURANIC PRINCIPLES OF THE SOCIAL FINANCES IN SURAH AL-BAQARAH: AN OVERVIEW OF SELECTED MUFASSIRIN INSIGHT

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Abstract: The concepts of the Quran function as a vital ethical and practical guide in contemporary living. They offer enduring counsel to address intricate worldwide issues, guarantee societal equity, and enhance personal welfare. This research seeks to articulate the Qur'anic principles of social finance based on the revealed verses in Surah Al-Baqarah. This library research employs a qualitative methodology, providing insights from both classical and contemporary mufassirin relevant to this topic. This research indicates that Surah Al-Baqarah encompasses four themes relevant to Islamic social finance: (zakat, sadaqah, prohibition of riba, and fiscal transparency and ethical standards. Both classic and contemporary mufassirin interpret verses pertaining to social finance with a profound understanding and thorough analysis, consistent with the knowledge available in their respective eras. There are four Qur'anic principles regarding social finance in Surah Al-Baqarah are: (1) the prohibition of riba in Islam asserts that money functions as a medium of exchange rather than a commodity that merely appreciates over time; (2) Zakat and sadaqah constitute the essential mechanisms for wealth circulation; (3) compassionate debt management regulations are mandated; and (4) the principles of documentation, accountability, and justice govern financial transactions.

INTRODUCTION

The Qur'an functions as an enduring framework for human life, providing essential principles that direct personal behavior and society progress. The implementation of these principles is imperative due to the pressing ethical issues, systematic inequities, and mental health epidemics confronting contemporary society.

The Qur'an functions as the principal scripture of Islamic social finance, offering the ethical underpinning and legal directives for wealth redistribution. The Qur'an specifically forbids capital exploitation and mandates charity contributions, hence establishing a socioeconomic system aimed at diminishing inequality and eliminating poverty (Tika Widiastuti et.all, 2022).

The Holy Quran places tremendous emphasis on Islamic social finance, offering a sophisticated structure aimed to redistribute wealth, reduce poverty, and empower communities. These ethical financial principles—anchored in empathy and equity—revolve around certain fundamental instruments that serve as a spiritual and economic safeguard.

When the holy Qur’an addresses the financial and economic system, five fundamental procedures are established. They are:

1. Zakat is the mandatory pillar of Islam through which eligible Muslims designate a portion of their surplus resources to aid the underprivileged, disadvantaged, and other vulnerable groups. Surah At-Tawbah (9:60) specifies the particular individuals eligible for these rewards.
2. Sadaqah as a discretionary charitable contribution. The Quran encourages believers to voluntarily support the community, specifically praising those who donate their valued things.
3. Waqf, signifying endowments. The Quranic notion of continuous charitable contributions and the strategic utilization of wealth to create a permanent legacy, as further detailed in the Sunnah, forms the foundation of the concept of Waqf.
4. Qardh Al-Hasan as altruistic loans. The Quran promotes interest-free, charitable loans as a kind of religious micro-finance to aid the economically disadvantaged in alleviating poverty.
5. The Quran unequivocally forbids both usury and hoarding, mandating that wealth must circulate to benefit society collectively. (Solikin M. Juhro et.all, 2025).

Surah Al-Baqarah extensively addresses social finance throughout the Quran. This surah functions as the fundamental theological and practical framework for Islamic social finance. It delineates the fundamental procedures for wealth redistribution—zakat (mandatory almsgiving) and sadaqah (discretionary charity)—while clearly forbidding *riba* (usury) to avert financial exploitation and uphold economic justice (Ahmad Muzaffar et.all, 2015). Consequently, it is essential to encapsulate the Quranic ideas pertaining to social finance from this surah.

This research seeks to elucidate Qur'anic principles pertaining to social finance in Surah Al-Baqarah, commencing with the following inquiries:

1. Which passages in Surah Al-Baqarah pertain to social finance?
2. What are the interpretations of these passages by classical mufassirin, along with contemporary mufassirin?
3. What Qur'anic principles pertaining to social finance may be distilled from scholarly readings of the relevant verses in Surah Al-Baqarah?

RESEARCH METHODS

This research constitutes a library study, integral to a qualitative approach framework. This research will reference several works of Quranic exegesis, encompassing both classical and contemporary interpretations. The classical interpretations mentioned include Tafsir al-Tabari, Tafsir Ibn Kathir, and Tafsir al-Qurtubi. Simultaneously, the modern exegeses cited include the Tafsir of Sayyid Qutb, Ibn Ashur, and Quraish Shihab.

This research utilizes a thematic interpretation approach, concentrating the discussion exclusively on verses that are explicitly considered to directly relate to social finance concerns, restricted to the analysis of Surah Al-Baqarah. A comparative interpretative technique is employed, juxtaposing diverse remarks from both classical and contemporary researchers.

RESULTS AND DISCUSSION

1. Social Finance Verses in Surah Al-Baqarah

Surah Al-Baqarah addresses four themes that can be classified as verses pertaining to Islamic social finance.

This surah addresses the obligatory charity gift called as *zakat*. The surah continuously links the establishment of prayer with the supply of *zakat*, framing it as a fundamental principle of Islam and an essential means of economic redistribution.

This surah contains two verses that address *zakat*:

a. In verse 43, Allah said:

وَ اَقِيْمُوا الصَّلٰوةَ وَ اٰتُوا الزَّكٰوةَ وَارْكَعُوْا مَعَ الرّٰكِعِيْنَ

In this verse, Allah almighty instructs adherents to perform prayer and dispense zakat, thereby fostering the communal responsibility to support the disadvantaged.

b. In verse 277, Allah said:

اِنَّ الَّذِيْنَ اٰمَنُوْا وَعَمِلُوا الصّٰلِحٰتِ وَ اَقَامُوا الصَّلٰوةَ وَ اٰتَوُا الزَّكٰوةَ لَهُمْ اَجْرُهُمْ عِنْدَ

رَبِّهِمْۚ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُوْنَ

In this verse, Allah almighty guarantees spiritual reward and salvation for those who execute this obligation, associating financial accountability with ultimate achievement.

Secondly, this surah addresses altruistic altruism, which may manifest as sadaqah, infaq, and waqf. Surah Al-Baqarah elucidates the psychological, spiritual, and economic benefits of altruistically distributing wealth without expecting material compensation.

This surah contains three verses that address selfless generosity:

a. In verse 261, Allah said:

مَثَلُ الَّذِيْنَ يُنْفِقُوْنَ اَمْوَالَهُمْ فِيْ سَبِيْلِ اللّٰهِ كَمَثَلِ حَبَّةٍ اَنْۢبَتَتْ سَبْعَ سَنَابِلَ فِيْ كُلِّ سُنْۢبُلَةٍ

مِّائَةُ حَبَّةٍۗ وَاللّٰهُ يُضٰعِفُ لِمَنْ يَّشَاۤءُۗ وَاللّٰهُ وَاسِعٌ عَلِيْمٌ

Allah almighty delineates the "multiplier effect" in Islamic philanthropy, likening a solitary act of expenditure in the service of Allah to a seed that yields \(700\) grains.

b. In verse 271, Allah said:

اِنْ تُبْدُوا الصَّدَقٰتِ فَنِعِمَّا هِيَۚ وَاِنْ تُخْفُوْهَا وَتُؤْتُوْهَا الْفُقَرَاۤءَ فَهُوَ خَيْرٌ لَّكُمْۗ وَيُكَفِّرُ

عَنْكُمْ مِّنْ سَيِّاٰتِكُمْۗ وَاللّٰهُ بِمَا تَعْمَلُوْنَ خَبِيْرٌ

Allah almighty elucidates that public and private charitable donations fulfill distinct social functions, with private contributions safeguarding the recipient's dignity.

c. In verses 264-267, Allah said:

يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْا لَا تُبْطِلُوْا صَدَقٰتِكُمْ بِالْمَنِّ وَالْاَذٰىۙ كَالَّذِيْ يُنْفِقُ مَالَهٗ رِئَاۤءَ النَّاسِ

وَلَا يُؤْمِنُ بِاللّٰهِ وَالْيَوْمِ الْاٰخِرِۗ فَمَثَلُهٗ كَمَثَلِ صَفْوَانٍ عَلَيْهِ تُرَابٌ فَاَصَابَهٗ وَابِلٌ فَتَرَكَهٗ

صَلْدًاۗ لَا يَقْدِرُوْنَ عَلٰى شَيْءٍ مِّمَّا كَسَبُوْاۗ وَاللّٰهُ لَا يَهْدِى الْقَوْمَ الْكٰفِرِيْنَ. وَمَثَلُ الَّذِيْنَ

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يُنْفِقُوْنَ اَمْوَالَهُمُ ابْتِغَاۤءَ مَرْضَاتِ اللّٰهِ وَتَثْبِيْتًا مِّنْ اَنْفُسِهِمْ كَمَثَلِ جَنَّةٍۢ بِرَبْوَةٍ اَصَابَهَا وَابِلٌ فَاٰتَتْ اُكُلَهَا ضِعْفَيْنِۚ فَاِنْ لَّمْ يُصِبْهَا وَابِلٌ فَطَلٌّ ۗ وَاللّٰهُ بِمَا تَعْمَلُوْنَ بَصِيْرٌ. اَيَوَدُّ اَحَدُكُمْ اَنْ تَكُوْنَ لَهٗ جَنَّةٌ مِّنْ نَّخِيْلٍ وَّاَعْنَابٍ تَجْرِيْ مِنْ تَحْتِهَا الْاَنْهٰرُۙ لَهٗ فِيْهَا مِنْ كُلِّ الثَّمَرٰتِۙ وَاَصَابَهُ الْكِبَرُ وَلَهٗ ذُرِّيَّةٌ ضُعَفَاۤءُۚ فَاَصَابَهَآ اِعْصَارٌ فِيْهِ نَارٌ فَاحْتَرَقَتْۗ كَذٰلِكَ يُبَيِّنُ اللّٰهُ لَكُمُ الْاٰيٰتِ لَعَلَّكُمْ تَتَفَكَّرُوْنَ ࣖ. يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْٓا اَنْفِقُوْا مِنْ طَيِّبٰتِ مَا كَسَبْتُمْ وَمِمَّآ اَخْرَجْنَا لَكُمْ مِّنَ الْاَرْضِ ۗ وَلَا تَيَمَّمُوا الْخَبِيْثَ مِنْهُ تُنْفِقُوْنَ وَلَسْتُمْ بِاٰخِذِيْهِ اِلَّآ اَنْ تُغْمِضُوْا فِيْهِ ۗ وَاعْلَمُوْٓا اَنَّ اللّٰهَ غَنِيٌّ حَمِيْدٌ.

Allah almighty highlights the significance of contributing from one's finest and lawful income, dissuading the provision of inferior commodities or donations made for ostentatious purposes.

This surah additionally addresses the prohibition of usury (riba). The fundamental tenet of Islamic social finance is the ban of interest-based funding, seen socially harmful and contrary to human welfare as articulated in the surah.

This surah has two verses addressing the prohibition of *riba*:

a. In verses 275-276, Allah said:

اَلَّذِيْنَ يَأْكُلُوْنَ الرِّبٰوا لَا يَقُوْمُوْنَ اِلَّا كَمَا يَقُوْمُ الَّذِيْ يَتَخَبَّطُهُ الشَّيْطٰنُ مِنَ الْمَسِّۗ ذٰلِكَ بِاَنَّهُمْ قَالُوْٓا اِنَّمَا الْبَيْعُ مِثْلُ الرِّبٰواۘ وَاَحَلَّ اللّٰهُ الْبَيْعَ وَحَرَّمَ الرِّبٰواۗ فَمَنْ جَاۤءَهٗ مَوْعِظَةٌ مِّنْ رَّبِّهٖ فَانْتَهٰى فَلَهٗ مَا سَلَفَۗ وَاَمْرُهٗٓ اِلَى اللّٰهِ ۗ وَمَنْ عَادَ فَاُولٰۤىِٕكَ اَصْحٰبُ النَّارِۚ هُمْ فِيْهَا خٰلِدُوْنَ. يَمْحَقُ اللّٰهُ الرِّبٰوا وَيُرْبِى الصَّدَقٰتِۗ وَاللّٰهُ لَا يُحِبُّ كُلَّ كَفَّارٍ اَثِيْمٍ.

Allah almighty proclaims hostilities against those who engage in usury, juxtaposing it with generosity, asserting that Allah removes blessings from usury while augmenting the riches derived from charity.

b. In verses 278-280, Allah said:

يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوا اتَّقُوا اللّٰهَ وَذَرُوْا مَا بَقِيَ مِنَ الرِّبٰوٓا اِنْ كُنْتُمْ مُّؤْمِنِيْنَ. فَاِنْ لَّمْ تَفْعَلُوْا فَأْذَنُوْا بِحَرْبٍ مِّنَ اللّٰهِ وَرَسُوْلِهٖۚ وَاِنْ تُبْتُمْ فَلَكُمْ رُءُوْسُ اَمْوَالِكُمْۚ لَا تَظْلِمُوْنَ وَلَا تُظْلَمُوْنَ.

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Allah almighty mandates the forgiveness or reorganization of debts for individuals experiencing financial distress, establishing a compassionate and humane financial framework.

Fourth, this surah also talks about fiscal transparency and ethical standards. Surah Al-Baqarah encompasses the longest verse in the Quran, which thoroughly addresses the intricacies of debt, contracts, and financial transparency.

This issue discussed in verse 282, Allah said:

يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْٓا اِذَا تَدَايَنْتُمْ بِدَيْنٍ اِلٰٓى اَجَلٍ مُّسَمًّى فَاكْتُبُوْهُۗ وَلْيَكْتُبْ بَّيْنَكُمْ كَاتِبٌۢ بِالْعَدْلِۖ وَلَا يَأْبَ كَاتِبٌ اَنْ يَّكْتُبَ كَمَا عَلَّمَهُ اللّٰهُ فَلْيَكْتُبْۚ وَلْيُمْلِلِ الَّذِيْ عَلَيْهِ الْحَقُّ وَلْيَتَّقِ اللّٰهَ رَبَّهٗ وَلَا يَبْخَسْ مِنْهُ شَيْـًٔاۗ فَاِنْ كَانَ الَّذِيْ عَلَيْهِ الْحَقُّ سَفِيْهًا اَوْ ضَعِيْفًا اَوْ لَا يَسْتَطِيْعُ اَنْ يُّمِلَّ هُوَ فَلْيُمْلِلْ وَلِيُّهٗ بِالْعَدْلِۗ وَاسْتَشْهِدُوْا شَهِيْدَيْنِ مِنْ رِّجَالِكُمْۚ فَاِنْ لَّمْ يَكُوْنَا رَجُلَيْنِ فَرَجُلٌ وَّامْرَاَتٰنِ مِمَّنْ تَرْضَوْنَ مِنَ الشُّهَدَاۤءِ اَنْ تَضِلَّ اِحْدٰىهُمَا فَتُذَكِّرَ اِحْدٰىهُمَا الْاُخْرٰىۗ وَلَا يَأْبَ الشُّهَدَاۤءُ اِذَا مَا دُعُوْاۗ وَلَا تَسْـَٔمُوْٓا اَنْ تَكْتُبُوْهُ صَغِيْرًا اَوْ كَبِيْرًا اِلٰٓى اَجَلِهٖۗ ذٰلِكُمْ اَقْسَطُ عِنْدَ اللّٰهِ وَ اَقْوَمُ لِلشَّهَادَةِ وَاَدْنٰىٓ اَلَّا تَرْتَابُوْٓا اِلَّآ اَنْ تَكُوْنَ تِجَارَةً حَاضِرَةً تُدِيْرُوْنَهَا بَيْنَكُمْ فَلَيْسَ عَلَيْكُمْ جُنَاحٌ اَلَّا تَكْتُبُوْهَاۗ وَاَشْهِدُوْٓا اِذَا تَبَايَعْتُمْۖ وَلَا يُضَاۤرَّ كَاتِبٌ وَّلَا شَهِيْدٌ ەۗ وَاِنْ تَفْعَلُوْا فَاِنَّهٗ فُسُوْقٌۢ بِكُمْۗ وَاتَّقُوا اللّٰهَۗ وَيُعَلِّمُكُمُ اللّٰهُۗ وَاللّٰهُ بِكُلِّ شَيْءٍ عَلِيْمٌ

Allah almighty requires the documentation, observation, and clarity of financial transactions to avert conflicts, establishing the foundation for ethical corporate governance and institutional confidence.

2. Mufassirin Insight Related to Social Finance Verses in Surah Al-Baqarah

Verses 43 and 277 of Surah Al-Baqarah constitute the fundamental basis for Islamic social finance. By combining ritual prayer (representing vertical submission) with *zakat*/charity (denoting horizontal fairness), these verses command the eradication of poverty, the bridging of economic inequality, and the elimination of exploitative wealth practices.

Imam al-Thabari (2001) emphasizes that the payment of *Zakat* constitutes the paramount bodily examination of faith, indicating a believer's preference for divine injunction over temporal possessions. Ibn Kathir (1998) underscores the ethical equilibrium between bodily worship (*Shalat*) and financial worship (*Zakat*). Scholars of this era emphasized *Zakat* as the fundamental socio-economic instrument to mitigate individual avarice and alleviate communal poverty.

From a contemporary standpoint, Quraish Shihab (2002) emphasizes that *Zakat* must be performed impeccably, without diminution or postponement, to serve as a catalyst for social cohesion and comprehensive economic development. Ibn Ashur (1984) underscores the positioning of verse 277 directly following the stringent denunciation of *riba* in verse 276 ("Allah destroys interest and grants increase for charities"). He elucidates that a usurious economic system depends on artificial wealth extraction, resulting in capital concentration within a limited number of individuals and hindering genuine economic circulation. The Quran establishes a viable model for income transmission by prescribing *Zakat* and extolling generous deeds in verse 277. Social finance systems serve as active economic stimulants, directly injecting liquidity into the hands of under-consumers (the impoverished), rather than merely facilitating passive accumulation.

Next, verses 261 and 271 of Surah Al-Baqarah delineate the micro-level ethical parameters and macro-level operational frameworks of Islamic Social Finance. Classical mufassirin examine these passages through the lens of individual ethics, emphasizing the amplification of spiritual rewards and the psychological maintenance of dignity. Modern mufassirin broaden this reach by utilizing the text to develop frameworks for sustainable institutional wealth redistribution, effective endowment management, and programmatic financial transparency.

Ibn Kathir (1998) emphasizes the structural prerequisite of *Ikhlas* (perfect truthfulness) in his commentary on verse 261. He asserts that the 700-fold return is a metaphysical truth governed by the spiritual essence of the capital and the psychological condition of the donor. Conversely, Al-Qurtubi (1964) analyzes the text from a jurisprudential (*fiqh*) standpoint. He contends that "spending in the way of Allah" (*fi sabilillah*) principally pertains to jihad and public defense, although encompasses any charity endeavor that supports the survival and wellbeing of the Muslim community.

From a modern standpoint, Ibn Ashur (1984) reinterprets the expression "in the way of Allah" (*fi sabilillah*). While recognizing its historical association with military defense (jihad), he contends that its principal legal reach includes any collective benefit that fortifies the cohesion of the Muslim community. He specifically encompasses public infrastructure, healthcare, institutional education, and poverty alleviation initiatives within this framework. Investing capital here is not simply a moral obligation; it is an essential macroeconomic requirement for the establishment of a self-sustaining social safety net. Sayyid Qutb (2004) emphasizes systemic macroeconomic equilibrium. He observes that the verse offers a psychological counterbalance to the feeling of shortage. By seeing expenditure as a tool for exponential expansion, Islam transforms the human perspective from accumulating cash to circulating liquid capital, directly opposing interest-based, debt-driven economies (*Riba*).

Concerning verse 271, Al-Thabari (2001) distinguishes depending on legal classification. He articulates that disclosing charitable contributions is preferable for Zakat (mandatory almsgiving) as it fosters public responsibility, motivates peers, and absolves the individual from allegations of tax evasion or non-compliance. Conversely, concealing voluntary Sadaqah mitigates the moral hazard of Riya (ostentation). Ibn Kathir (1998) emphasizes the safeguarding of human dignity. Discreetly assisting the impoverished preserves the recipient's ma'ruf (social status/honor) and safeguards them from the psychological distress of public poverty.

M. Quraish Shihab (2002) examines modern media and "flexing culture" from a contemporary perspective. He observes that disseminating information about donations through digital media platforms (e.g., social media campaigns, viral charity films) is fundamentally valid only if the aims are institutional accountability, verification of cash allocation, or systemic motive. Should it transition into personal branding, the spiritual and societal utility diminishes. Ibn Ashur (1984) emphasizes the structural composition of the stanza. Allah affirms public philanthropy as commendable ("it is well") prior to extolling private charity as superior ("it is better for you"). He contends that this dual validation arises because both strategies fulfill essential, unique roles within a functioning economic environment.

Verses 264-267 of Surah Al-Baqarah delineate the ethical basis of Islamic social finance. Classical and contemporary mufassirin emphasize that these verses necessitate unwavering sincerity, the safeguarding of human dignity, economic equity, and the redistribution of legitimately gained riches to rectify societal disparities.

The traditional *Asbabun Nuzul* of verse 267 signifies that this verse was revealed to admonish certain early Muslims for contributing inferior dates, like to dried branches. Classical academics saw this as an imperative to honor the recipient and foster reciprocal empathy. Contemporary scholars contend that this verse functions as a stringent regulatory benchmark for Islamic social finance mechanisms like as Zakat and Waqf. It promotes economic fairness by guaranteeing that the disadvantaged acquire things that are actually beneficial and valuable, rather than serving as a repository for the donor's discarded stuff.

Surah Al-Baqarah verses 275–276 delineate essential tenets of Islamic social finance by explicitly forbidding usury/interest (*riba*) and vigorously advocating for wealth circulation via charity (*sadaqah*). Collectively, they function as a theological and ethical framework that substitutes exploitative debt systems with equitable and altruistic wealth distribution.

Classical scholars concentrated chiefly on the theological, moral, and legal aspects of the verses, characterizing *riba* as a socioeconomic malady and charity as a means of purification. In his *Tafsir al-Qur'an al-'Azim*, Ibn Kathir (1998) observes that the consumption of *riba* deprives wealth of its divine blessing (*barakah*). He underscores that verses equating *sadaqah* with *riba* caution against exploitative, pre-Islamic lending practices (*riba al-jahiliyyah*) that ensnare the vulnerable in perpetual cycles of debt. Al-Qurthubi (1964), in *Al-Jami' li Ahkam al-Qur'an*, emphasizes the unequivocal prohibition of *riba*, contending that it engenders significant economic injustice by enabling one party to gain without effort, resulting in the financial devastation of another. He emphasizes that charity (*sadaqah*) reinstates equilibrium and social cohesion.

Conversely, contemporary scholars analyze these verses through the framework of modern Islamic economics, emphasizing social justice, poverty reduction, and financial system reform. Sayyid Qutb (2004) emphasizes the striking Qur'anic imagery of the usurer ascending as if possessed by madness induced by Satan. He contends that this delineates a tangible psychological reality. A *riba*-based economy fosters perpetual anxiety, avarice, egotism, and a fear of destitution, undermining tranquility of mind. He contends that an interest-based economy engenders two antagonistic classes: exploitative lenders and impoverished borrowers. This system obstructs reciprocal affection and social cohesion (*takaful*). Ibn Ashur (1984) elucidates that the intrinsic defect of *riba* lies in the lender obtaining a guaranteed profit, while the borrower assumes all operational risk and adversity. This engenders an inequitable structural disparity within society. He analyzes the psychological rationale of the pre-Islamic Arabs who asserted that trade and usury were synonymous. He also notes that trade involves the exchange of goods and mutual utility where both parties can gain or lose. *Riba*, however, is exploitation disguised as trade, where money exploits time to extract unearned wealth from the vulnerable. Analyzing the phrase "Allah destroys *riba*," Ibn Ashur (1984) argues that this destruction operates on a societal level. A *riba*-based financial system concentrates wealth in fewer hands, which eventually leads to systemic economic failure, criminality, and social deterioration.

Moreover, Surah Al-Baqarah verses 278-280 impose a stringent restriction on usury, delineate penalties for exploitation, mandate the provision of deferments, and advocate for the forgiveness of debts (qardhul hasan) for debtors in distress.

Classical mufassirin, like At-Thabari (2001) and Ibn Kathir (1998), elucidate the context of the revelation of this verse (*asbabun nuzul*) concerning the prohibition of accruing residues of usury from pre-Islamic practices. Ibn Kathir (1998) asserts that the accumulation of interest constitutes a sort of oppression. This action invokes a declaration of war from Allah and His Messenger (*harbun minallahi wa rasulihi*). If an individual renounces the practice of *riba*, they are entitled solely to the return of their principal capital, without any further sum. This aligns with the fundamental idea articulated in this verse: *la tazhlimuna wa la tuzhlamun*.

Conversely, modern interpretations regard this verse as a basis for Islamic social financial mechanisms, including zakat, infak, sedekah, and *qardhul hasan* (interest-free loans), aimed at mitigating inequity. Quraish Shihab (2002) says that this verse necessitates equilibrium within the economic framework. Islamic banking prohibits the accumulation of wealth by exploitation (*riba*). This poem is associated with the notion of generosity. The social finance system aims to avert the accumulation of capital within a select few persons. The essence of the usury prohibition should be manifested through initiatives aimed at fortifying the Social Finance system. The surplus wealth, which typically incurs interest burdens under capitalism, is allocated towards enhancing social welfare distribution mechanisms, such as productive waqf and zakat.

Mufassirun concur that this verse delineates a moral and legal duty for creditors to offer restructuring or postponement of payments to debtors who are insolvent or in distress. The verse states, "If the debtor is experiencing hardship, provide him with a deferment until he is in a more favorable situation. The statement "And to give (part of) it in charity is better for you, if you only knew" strongly endorses the principles of Islamic social finance, as it advocates for the cancellation or donation of debt when the debtor is genuinely unable to repay.

Surah Al-Baqarah, verse 282 (the *Mudayanah* verse), is the longest verse in the Quran and constitutes the foundation of Islamic financial ethics. Classical and contemporary mufassirin consider the stringent regulations for contracts, witnesses, and justice as vital protections for wealth, mechanisms to avert disputes, and promoters of transparent, egalitarian social finance.

Classical writers, such Ibn Kathir (1998) and Al-Qurtubi (1964), emphasized the prompt safeguarding of wealth and the deterrence of financial abuse within the society. The verse mandates that the debtor specify the precise terms. Mufassirin such as Ibn Kathir (1998) emphasize that the debtor must revere Allah and refrain from minimizing or deceiving on the obligation. The verse offers specific guidance for minors, individuals with mental incapacities, or those who are physically frail. Classical exegesis emphasizes that the guardian or representative (*wali*) must establish terms with complete equity, ensuring that social and financial disparities do not result in exploitation.

Modern thinkers, like as Sayyid Qutb (2004) and Ibn Ashur (1984), apply these concepts to macroeconomic transparency, Islamic accounting frameworks, and contemporary social finance mechanisms, such *Qardh Hasan* loans and Zakat distribution. Qutb (1412 H) asserts that human legislation alone is insufficient to deter financial corruption or exploitation. He observes that verse 282 immediately associates financial documentation with *Taqwa* (God-consciousness). In social finance, where loans are frequently extended to the underprivileged, spiritual accountability guarantees that the affluent do not exploit terms and the impoverished do not default with malice. Ibn Ashur (1984) elucidates that money in Islam is the property of Allah, with mankind serving solely as stewards. Consequently, squandering capital through unrecorded, precarious loans detrimentally affects the overall economy. Documenting debts is crucial for maintaining fluid capital movement within the social finance ecosystem. He also emphasizes a nuanced psychological aspect with the words "do not be weary of documenting it, regardless of its magnitude. He elucidates that individuals frequently experience embarrassment or apathy regarding the documentation of minor social loans among acquaintances or family members. Nevertheless, unacknowledged minor debts collect, engender resentment, and ultimately undermine social relationships. Eliminating this lethargy ensures the integrity and transparency of social financing.

3. Qur'anic Principles Pertaining Social Finance in Surah Al-Baqarah

The consideration of the verses pertaining to social finance in Surah Al-Baqarah, alongside interpretations from both ancient and contemporary scholars, allows for the summarization of various Qur'anic principles as follows:

Firstly, the prohibition of *riba* in Islam establishes that money serves as a medium of exchange rather than a commodity that accrues worth merely over time. This idea guarantees economic equity and safeguards borrowers from lender exploitation.

This structural rule removes the time value of money as an independent profit generator, redirecting attention to authentic wealth generation, risk distribution, and economic fairness. The repercussions of these principles are:

a. Lenders cannot ensure a profit irrespective of the borrower's performance. Islamic banking necessitates risk-sharing, wherein both parties assume financial responsibility for an enterprise.
b. Rather than providing fiat loans and imposing interest, institutions participate in asset-backed transactions such as Murabaha (cost-plus financing), *Mudaraba* (profit-sharing), or *Musharaka* (joint venture).
c. Eradicating fixed interest rates averts the passive transfer of wealth from the borrower to the lender, so safeguarding vulnerable individuals and small enterprises from debilitating cycles of debt.

Secondly, *Zakat* and *sadaqah* serve as the fundamental mechanism for wealth circulation. *Zakat* serves as a mandatory, systematic means to alleviate wealth disparity, whereas *Sadaqah* embodies ongoing volunteer benevolence. The Quran underscores the importance of dispersing these funds secretly to maintain the dignity of the receivers.

Zakat literally refers to "purification" and "growth". Serving as an economic circuit-breaker, it mandates eligible Muslims to contribute 2.5% of their total wealth and dormant assets each year to eight precisely delineated categories of beneficiaries (or *asnaf*). *Zakat* discourages the accumulation of capital, thereby reintegrating dormant wealth into the dynamic economy. Injecting capital into the hands of the economically disadvantaged enhances overall consumer demand and economic activity (Mustamin et.all, 2025).

Conversely, *Sadaqah* can be utilized immediately for emergency relief, specific community initiatives, or long-term investments such as *Sadaqah Jariyah* or perpetual philanthropy. It generates a substantial, unstructured influx of liquidity into the wider Islamic social economy, supplementing the existing *Zakat* baseline.

In Islamic economics, the transmission of wealth fulfills both material and spiritual objectives. It significantly reduces poverty rates; on a spiritual level, it liberates contributors from excessive individualism and promotes social cooperation.

Thirdly, the compassionate debt management rules mandate that lenders exhibit empathy towards borrowers experiencing financial difficulties by providing them with extensions. It asserts that completely forgiving the debt as an act of charity is spiritually superior to insisting on repayment from individuals who are truly unable to afford it (Zharif, 2024).

Creditors are instructed to provide debtors experiencing financial difficulties with an extension until their circumstances ameliorate. During this period, lenders are prohibited from imposing compounded interest or penalties on the outstanding sum. The text transforms lending from a mere contractual obligation into a spiritual practice by claiming that absolving the loan is more beneficial for the lender's spiritual well-being than insisting on return.

These themes significantly impact contemporary ethical and faith-based finance. Numerous banks integrate compassion clauses into their agreements, mandating debt restructuring and hardship postponement without penalties. Islamic traditions believe that forgiving a debt constitutes a type of continuous charity (*Sadaqah*) if one has lent money.

Finally, the tenets of documentation, accountability, and justice in financial transactions. All obligations must be documented in writing, verified by reputable witnesses, and executed with mutual agreement to avert disputes and fraud.

Documentation is essential to avert disputes and fraud. Documentation may consist of written documents, since the requirement to document all debts, irrespective of magnitude, creates an objective, empirical audit trail. It can also take the shape of a scribe; by using an impartial and honest scribe, the precise terms (amount, deadlines) are articulated objectively, free from manipulation or omission. In social finance, this entails meticulous recordkeeping, uniform receipts, and verifiable reporting for community finances.

Accountability is crucial for ensuring transparency. It may manifest as credible witnesses. The necessity for reliable witnesses functions as a mechanism of checks and balances, guaranteeing that neither the debtor nor the creditor engages in self-serving actions to modify the agreement. Accountability is intrinsically linked to trust (amanah), as Borrowers are entrusted with social or charitable funds, and meticulous accounting guarantees their responsibility for repayment or appropriate exploitation of those resources (Hasmawati, 2025). For organizations overseeing community finances, accountability manifests as public reporting, guaranteeing that donors are aware their contributions are used precisely as intended (Suriyati et.all, 2025).

Justice, signifying equity and fairness, can be enacted through mutual consent (*An-Taradin Minkum*). Transactions must always be free from coercion. Both parties must willingly consent to the terms of the loan, including the repayment schedule.Justice is also administered by equitable dictation. The debtor is granted the authority to stipulate the conditions of the liability they assume, ensuring they are not compelled to undertake commitments beyond their reasonable capacity. The safeguarding of the vulnerable is also an aspect of justice. If a debtor is feeble, incapacitated, or unable to express themselves, their guardian must act equitably on their behalf. This encapsulates the fundamental principle of social finance: safeguarding the vulnerable and averting the exploitation of the impoverished.

The fourth premise is critical, as social finance seeks to elevate communities and eliminate poverty through cooperative rather than exploitative processes. Implementing written documentation, ethical witnesses, and mutual consent mitigates the likelihood of disputes, mistrust, and fraud. This establishes a robust, ethical economic framework in which both lenders and borrowers engage with complete openness, guaranteeing equitable wealth distribution throughout society without injustice to any party (Ashiqullah, 2026).

CONCLUSION

Based on the preceding investigation, we can reach the following conclusion:

1. Surah Al-Baqarah encompasses four themes relevant to Islamic social finance: (1) the mandatory charitable contribution known as zakat (referenced in verses 47 and 277); (2) benevolent giving, which may take the form of sadaqah, infaq, and waqf (cited in verses 261, 264-267, and 271); (3) the prohibition of usury (riba) (noted in verses 275-276 and 278-280); (4) fiscal transparency and ethical standards (discussed in verse 282).
2. Both classic and contemporary mufassirin interpret verses pertaining to social finance with a profound understanding and thorough analysis, consistent with the knowledge available in their respective eras. Classical mufassirin concentrated on linguistic study and deriving legal rulings based on accurate transmission. Contemporary mufassirin focus more on the implementation of social finance in Muslim society.
3. Four Qur'anic principles regarding social finance in Surah Al-Baqarah are: (1) the prohibition of riba in Islam asserts that money functions as a medium of exchange rather than a commodity that merely appreciates over time; (2) Zakat and sadaqah constitute the essential mechanisms for wealth circulation; (3) compassionate debt management regulations are mandated; and (4) the principles of documentation, accountability, and justice govern financial transactions.

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