178480 - Ruling on taking out a riba-based loan to build an educational institution to save the Muslim children from having to move to a Christian school

the question

In our region there are a lot of Muslims and we have Muslim schools in which Arabic and English are taught together. The Christians are second in terms of statistics, but despite that their schools are of a high level and everyone who completes his study in those schools graduates with distinction. For that reason, the Muslims have started to pull their children out of the Islamic schools and are sending them to those Christian schools, and the effect of that on the Muslim children is very clear to everyone. We do not have the means to build an educational institution at the same level in order to save them from this clear doom.
Is it permissible for us to take a loan from the riba-based bank in order to build that educational institution for this purpose?
Please advise us, may Allah reward you with good.

Detailed answer

Praise be to Allah.

Firstly:

Taking out a loan to be repaid with interest from any institution, individual or bank is riba (usury) which is haraam and is a major sin. Allah has warned the one who does that of curses and destruction in this world and punishment in the Hereafter.

See the answer to questions no. 8829 and 126056

Secondly:

What you are asking about of building an educational institution with riba-based funding, to

compete with the Christian schools, is not regarded as an excuse that would make it permissible for you to take out that haraam loan that would result in paying interest. This is not one of the cases of necessity that may make haraam things permissible. The fathers and mothers who accept falling into haraam by taking their children out of your Islamic schools and putting them in Christian schools are incurring great sin by doing that. Their Lord will ask them about this trust that they failed to fulfil in the proper manner. There is no blame or sin on you for what these fathers and mothers are doing, and Allah will not burden you with anything more than you can bear. You have not fallen short in advising and teaching the people and preparing a suitable place to teach their children. Rather this neglect is on their part, and you cannot be blamed for what they do. But if you take out a riba-based loan, you will be exposing yourselves to the wrath and the punishment of Allah, and perhaps your action, if you did that, would be more serious than what they are doing by taking their children to those schools. So leave things as they are, and whoever among the Muslims wants to stay with you, let him do so, and whoever refuses, you will not be brought to account for his actions. There is nothing wrong with looking for other, permissible sources to finance the building of the educational institution that can compete with those Christian institutions. So look for someone who wants to do good and can give you a goodly (interest-free) loan, or look for a Muslim businessman who can help you building that institution and have a share of the profits commensurate with his contribution, or follow the well-known method of collecting donations from well-wishers to establish your educational institution. Beware of riba-based loans, for there is nothing good in them and they bring a great deal of sin upon the one who does that or approves of it.

Shaykh ‘Abd al-‘Azeez ibn Baaz (may Allah have mercy on him) was asked:

Is it permissible to take a loan from the riba-based banks in order to compete with the missionaries with the aim of saving the Muslims from Christianisation and so on?

He replied:

If it is a loan to be repaid with interest (riba), it is not permissible according to the consensus of the early generations of the ummah, because the evidence from the Qur’aan and Sunnah indicates

that that is haraam, even if the intention is noble, because noble aims do not justify haraam means or make them permissible. But if the loan is without interest, there is nothing wrong with it. However, taking loans from other sources, such as those who have wealth that is free of riba, is better and preferable, and more on the safe side, if that is possible.

We advise you to work together to obtain loans from good-hearted Muslim businessman and to collect donations from them in order to save the Muslim children from the hands of those who propagate Christianity, idolatry and communism. This cooperation is obligatory upon you, O Muslims, in Uganda and elsewhere. It comes under the heading of jihad as prescribed in Islam and of da‘wah or calling people to Allah, and of enjoining what is good and forbidding what is evil. We ask Allah to help and guide you, to make your intentions sound and your actions correct. We advise your Muslim brothers in Uganda to cooperate with you in your great work to spread Islam and call people to it in the mosques and elsewhere, and to open Islamic schools for memorisation and teaching of the Holy Qur’aan, teaching sound Islamic ‘aqeedah that is free of the contamination of shirk and innovation, as well as teaching other branches of Islamic knowledge.

End quote from Majmoo‘ Fataawa Ibn Baaz, 19/284

For a statement on the prohibition on studying in Christian and other schools, please see the answer to questions no. 150114 and 145352

And Allah knows best.