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UNDERSTANDING OF MASYARAKAT TANPA RIBA COMMUNITY TOWARD THE PRINCIPLES OF ISLAMIC ECONOMICS AND ITS BEHAVIOR IN USING ISLAMIC BANKING PRODUCTS

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Abstract

Masyarakat Tanpa Riba (MTR) is a community based on the teachings of the Quran and Hadith in rejecting usury, especially those found in conventional banking products. However, the latest phenomenon shows that MTR not only rejects conventional banks, but also several Islamic banking products that are considered to still contain hidden usury practices. In fact, Islamic banks themselves are developed based on the principles of the Quran and Hadith. This situation is interesting and booming in Indonesia, especially in Banjarnegara, where the MTR community is growing rapidly and has a critical view of Islamic banking products. The formulation of the research problem is why the MTR community rejects several Islamic banking products and how their economic behavior is towards these products. This study continues previous research that highlights the community's rejection of usury practices in general, but few have examined their critical attitudes towards Islamic banks. Islamic consumer behavior theory and perception theory are used as the basis for analysis to understand the economic attitudes and choices of the MTR community. This study uses a descriptive qualitative approach with data collection through interviews, observations and documentations. The results of the study indicate that MTR's rejection of Islamic banking products is not merely due to ignorance, but rather based on a deep understanding of the substance of the contract which is considered not fully in accordance with Islamic principles. In conclusion, MTR's economic behavior is a form of value rationality that demands clarity and authenticity of Islamic principles in financial products. These findings contribute to the understanding of how values and ideologies can shape collective economic behavior, as well as provide input for the development of Islamic financial products that are more in line with the aspirations of ideological groups such as MTR.

Keywords: Economic Behavior, UsuryFree, MTR, Sharia Bank Products

INTRODUCTION

Usury has again become a major focus in Indonesian economic discourse, along with increasing awareness of its negative impacts on economic stability and social welfare. The practice of usury, which is often hidden in conventional loan interest, is believed to exacerbate economic inequality and worsen the burden of community debt. According to research by Hasanatun Fitri et al., usury contributes to economic instability and social injustice. Oleh karenanya, In recent years, various Islamic economic activist communities have emerged and developed rapidly in Indonesia, one of the most prominent being the Usury-Free Society or “Masyarakat Tanpa Riba” (MTR). This community emerged as a form of reaction to the dominance of the conventional economic system, especially the practice of bank interest (riba), which is considered contrary to Islamic principles beside *maisir* and *gharar.* MTR rejects all forms of transactions involving usury, including the use of conventional banking products based on interest. This attitude is not only ideological and theological, but also a form of resistance to an economic system that is considered detrimental and unfair, especially for the lower classes.

What is interesting to be discussed scientifically is that MTR not only rejects conventional banks, but also shows a critical attitude, even rejection of a number of products from Islamic banks. In fact, Islamic banks in Indonesia were established with reference to the same sources as those believed in by the MTR community, namely the Qur'an and Hadith. This phenomenon indicates differences in interpretation, understanding of muamalah fiqh, and the criteria for "sharia" among contemporary Islamic economic actors.

MTR, which first appeared in 2014 in Bogor, under the guidance of Dr. Samsul Arifin, a businessman and religious figure who pays great attention to classical muamalah fiqh, gradually spread to various regions, including Banjarnegara, Central Java. The Banjarnegara MTR community began to develop around 2016, initiated by some local entrepreneurs who had previously gone bankrupt due to bank loan-based business practices, both from conventional and sharia financial institutions. This economic failure paved the way for the search for alternatives that were more in line with Islamic values (Sabrina, 2024).

Amidst the massive promotion of Islamic banking by the state, financial institutions, and religious authorities, MTR Banjarnegara has emerged as a unique counter-voice. They do not reject the entire Islamic banking system, but are very selective about its products. For example, The MTR community questions contracts based products such as *murabahah*, ijarah *muntahiya bittamlik*, and other contracts which according to them still contain hidden usury elements, even though they have legally and formally obtained sharia fatwas from authorities such as the DSN-MUI. In their view, these products still have a usury nature because the contracts are manipulative and do not reflect the spirit of justice in Islamic transactions.

Based on this reality, a phenomenological approach is used to answer the curiosity regarding the form of economic behavior of the Banjarnegara MTR community towards Islamic bank products, why and what factors underlie their perspectives and attitudes of rejection of certain products from Islamic banks.This research requires two theories: value socialization theory to explain how anti-usury and Islamic economic values are constructed in the community and consumer behavior theory to analyze how their preferences for financial products are shaped by their religious beliefs and perceptions of Islamic economics.

Thus, this phenomenological study opens up a lot of space for discussion with grassroots communities that are often labeled as “extreme”, even though they have a strong knowledge base, experience, and religious commitment. On the other hand, the results of this study can also be valuable input for the development of Islamic financial products that are more authentic, transparent, and in line with the values of maqashid al-syariah, namely justice, benefit, and economic blessings for the people. This is relevant to enrich the discourse on contemporary Islamic economics and to formulate a more substantial and responsive Islamic economic approach to the social dynamics of the community.

LITERATURE REVIEW

The anti-usury or bank interest movement has been the focus of study by many researchers, one of them Wasith, et al. However, the research mentioned the anti-usury movement globally without referring to one community. Specifically for studies related to MTR, some scientific literature has been published by previous researchers. Themes related to MTR that have been studied focus on MTR's understanding of usury in the Quran and Hadith,its perception of usury and bank interest,its doctrine to members,its influence on family life,and its contribution to society. Thus, studies related to the pros and cons of MTR with Islamic banks have not been found at all.

Furthermore, this research on MTR behavior towards Islamic bank products is rooted in two clusters of literature relevant to MTR and its behavior towards Islamic bank products, namely Substantive Criticism and Public Perception towards Islamic Banks and Islamic Economic Behavior.

Public Perception and Criticism toward Islamic Banks

However massive the development of Islamic banks in Indonesia, it is still interesting to study and creates many perceptions, both positive and negative. Perception itself is explained by Kotler & Keller (2016) and Rock (1983) as a process in which individuals select, organize, and interpret information to form an understanding of an object or phenomenon. Public perceptions of Islamic banks have been studied by several researchers, such as Jamil et al., (2022) who mentioned that many people in Sumenep recognize Islamic banks but not many are interested in using their services. In addition, a study by Delvianti et al., (2023) in Jambishowed that most people do not distinguish between sharia banks and conventional banks.Moreover, Suhendi's scientific article (Suhendi, (2008) and (Nasution, 2015) which reviews criticism of Islamic banks developed by Agustiar (2021) is still about criticism of Islamic banks.

In this context, MTR is a concrete example of a community group that demands conformity to Islamic values in a substantial sense, not just legalistically. Their skeptical attitude towards Islamic banks reflects the tension between formalist and substantialist approaches in contemporary Islamic economics.

Islamic Economic Behavior

Economic behavior is discussed by Kotler. P & Fox, (1995). Al-Maududi (2003) also provides a description of Muslim consumption behavior must consume halal, good, free of usury, free of gambling and fraud (free of *riba, gharar*, and *maysir*). He said that Islam cannot be separated from the dimensions of faith, morality, and sharia.Therefore, Moslem commonly refered to al Quran and Hadis for their behavior. Different from neoclassical economics which emphasizes individual rationality and utility satisfaction, Chapra (2008) said that Islamic economics places divine values as a guideline in making economic decisions. In this context, homo economicus in Islam is homo islamicus, namely humans who consider halal-haram, blessings, and social responsibility in their actions (Amini et al., 2024).

The theory of Muslim consumer behavior is also stated by Dusuki & Abdullah (2006) in *Maqasid al-Shariah*, *Maslahah*, and Corporate Social Responsibility. Both said that the decision to use sharia financial products is influenced by belief in sharia compliance, the level of Islamic literacy, and social environmental factors (Alviansyah, 2025).

This literature review shows that although Islamic banks in Indonesia have developed, there is still a gap between the principles of Islamic economics and the practices carried out by Islamic banks. The community, including members of the MTR community, have shown a critical attitude towards Islamic banking products that are considered not fully in accordance with Islamic principles, especially in terms of avoiding usury and fair economic practices.

RESEARCH METHODS

This research is a qualitative research with a phenomenological study approach. This approach was chosen to deeply understand the meaning, experience, and perception of members of the MTR community towards Islamic banking products, as well as the ideological, religious, and economic reasons behind their attitudes.

The study was conducted in Banjarnegara, which is one of the cities with significant growth of the MTR community. The subjects of the study were active members of the MTR community who highly concentrate to MTR in Banjarnegara. Those seven informants represent their position in MTR. They are chief, secretary, and member. They also represent the variety of their behavior toward Sharia Banking products.

In collecting data, it used several techniques, such as: in-depth interviews, participatory observation, and documentation. Then, data analysis was conducted descriptively-qualitatively using thematic analysis techniques, namely:(1) Transcripts of interviews and observations were read repeatedly and coded, (2) Identification of main themes such as: rejection of Islamic banks, perception of usury in Islamic contracts, preference for alternative economic systems, (3) Data interpretation was conducted using a value-based behavioral economics approach, which considers factors of ideology, religion, and social norms. Ensureing the validity of the findings, data triangulation techniquewas used by comparing the results of interviews, observations, and documents.

However, this research maintains ethical principles by requesting informed consent from informants, maintaining the confidentiality of respondents' identities, and not forcing interpretations that conflict with the religious perspective or beliefs of the community being studied.

RESULTS AND DISCUSSION

The results of in-depth interviews with members of the MTR Banjarnegara community show that the majority of members firmly reject the use of conventional banking services. More interestingly, most informants also expressed doubts and even rejection of Islamic banking products. They said that although Islamic banks claim to be free of usury, their practices are often considered to only replace terms or contracts, but still reflect the same structure as bank interest. Products such as murabahah (buying and selling with margin) are considered similar to the interest-bearing credit system in conventional banks, while ijarah and musyarakah contracts are often considered not to be carried out purely according to Islamic principles.

"It's called Islamic, but the system is still the same as a regular bank. It's just a different term. If you buy and sell but the margin has been determined from the start and if you pay late you get a fine, what's the difference between that and usury?" (Cika, May 2025).

Theological and Ideological Reasons

This community shows a crisis of confidence in Islamic banks that are recognized by law and fatwa. MTR's rejection of several Islamic bank products is not due to ignorance, but because they consider that the substance of the contract and its practices do not fully reflect the sharia principles they believe in. This can be explained through the Perception theory which states that consumer behavior is strongly influenced by the way they perceive or understand an object. For the MTR community, the “sharia” label is not enough; they demand that the substance of the contract conforms to fiqh muamalah. If the contract only changes the term without changing the *ribawi* structure, then they reject it.

Many literaturesalso show that in practice, many Islamic banking products such as murabahah (buying and selling with a profit margin) dominate the financing portfolio, which in substance is considered not much different from the interest system (A. Prasetyo, 2019). This criticism is one of the bases for the emergence of groups such as MTR who demand a more authentic Islamic economic model that is free from hidden practices that resemble usury.

Most MTR members refer to a literal understanding of the verses of the Qur'an and Hadiththat absolutely forbid usury. They cite verses such as QS. Al-Baqarah: 275-279 and the hadith of the Prophet PBUH which equate usury with a major sin, even worse than adultery. Rejection of Islamic banks arises because of the belief that the Islamic contracts used have lost their substance and become mere formalities.Some informants said that they trust more in cash-based transactions, barter, or direct buying and selling systems between community members, which are considered more "substantially halal" and free from contract manipulation or hidden interest.

The informants' perceptions are not formed in a vacuum, but are shaped by the intensive religious narratives shared in MTR (about the sin of usury as fornicating one's own biological mother), personal bitter experiences with bank debt, social interactions with fellow victims of usury. Thus, the MTR community's rejection of Islamic bank products is not due to ignorance, but because of the perception that these contracts still contain substantial usury. The perceptions of MTR members are shaped by life experiences, religious beliefs, and community influences so that their economic behavior is not just a reflection of formal Islamic law, but rather how they feel and understand the concept of usury in real life practices.

MTR Behavior towards Usury and Islamic Bank Products

The Masyarakat Tanpa Riba (MTR) Banjarnegara community shows a distinctive form of economic behavior, namely the rejection of the use of banking products that are considered to contain usury. They even reject some Islamic bank products that they consider not in line with what the Prophet taught. Therefore, they prefer alternatives such as cash transactions, direct profit-sharing-based business cooperation, internal cooperatives, and interest-free financing (Sabrina, 2024).

This behavior is in line with the theory of Islamic consumer behavior Al-Maududi (2003) which states that Muslim consumers do not merely seek financial gain, but also consider aspects of halalness and sharia compliance. MTR has consistently adhered to this principle, even if it means rejecting financial products that are formally labeled as sharia. It behaves very selectively, critically, and based on substantive interpretations of Islamic law in responding to Islamic bank products (MTR, 2011; Wigati, 2022) This is because, although Islamic banks are generally supported by fatwas from DSN-MUI and other formal Islamic institutions, MTR Banjarnegara still rejects most Islamic bank products, arguing that these products still contain elements of hidden usury, manipulative, and do not reflect the spirit of justice as in *maqashid al-shariah*.

Some of the contracts used by Islamic banks in issuing financing products rejectedby the MTR Banjarnegara include:

a. *Murabahah* financing (*sale and purchase with a profit margin*).

This is used in property (KPR) and vehicle financing. It is considered only a transfer of form from the conventional bank interest system. The margin is considered burdensome and remains an excess of the principal which is considered usur (MTR, 2011). This is also corroborated by Andi's statement:

"All excess over the loan principal is usury. Whatever the term" (Andi, May 2025) .

Besides Andi, Musa also stated:

"The large margin is also burdensome. So I reject any financing from Islamic banks regardless of the contract" (Musa, May 2025).

"Islamic banks still use the usury system even though it is in the name of profit sharing. The large margin is also burdensome"(Bambang, May 2025).

MTR considers this product to be the same as other financing products, considered inseparable from hidden usury. This is as emphasized by Fauzi:

"I reject all financing systems including KPR.For me, being homeless and renting a place to live is better than a mortgage" (Fauzi, May 2025).

b. *Ijarah Muntahiya Bittamlik* (*lease purchase*)

This is considered manipulative because it resembles installments with interest, even though it is packaged in a lease contract. Musa said:

"This product is still profit-oriented for the bank and certainly not transparent with consumers, especially ordinary consumers" (Wahyuni, May 2025).

c. *Musyarakah Mutanaqisah*

MTR members such as Bambang and Musa believe that this is just a contract game that still results in one-sided profits for the bank; it is not really a fair cooperation.

While some contract of Sharia Banking products that are still used by MTR (with notes) include:

a. *Wadi'ah* (in form of savings) - with Skepticism

The majority of MTR members utilize this product to store small amounts of money to facilitate transactions (especially transfers). They use these deposits with limited conditions, i.e. for practical daily needs. However, they still do not fully trust it as there is a possibility of the money being channeled to productive activities of the bank without approval. Musa, for example, chooses to store his funds in large amounts with a safe deposit box rental product at an Islamic bank instead of wadi'ah.

"Wadi'ah in Islamic banks cannot be trusted to be sharia-compliant. It could be that the money I deposited was turned into business capital by the bank" (Musa, may 2025).

"I ended up using a transfer service by keeping a small amount of money just to facilitate transactions" (Andi, May 2025).

b. *Wakalah* (in form of Transfer and Payment Services)

For business purposes, such as receiving or sending funds from consumers/customers, MTR members still utilize transfer and payment services. Therefore, they still use *wadi'ah* products just to activate the account.

Thus, they accept Islamic bank products functionally because they are considered technical needs, not part of usury transactions.

"Because of business needs I end up using transfer services" (Musa, May 2025).

"I use *wadi'ah* savings and transfer services" (Bambang, May 2025).

MTR consumer behavior towards banking products is seen to still use some products in Islamic banks that are technical in nature while still paying attention to compliance with the contract. This shows the technical and ideological selective attitude of MTR towards Islamic banks.

CONCLUSSION

The Masyarakat Tanpa Riba (MTR) community in Banjarnegara has a very firm view on banking. They refuse to use conventional bank services because they contain interest, and apparently also reject many products from Islamic banks. The reason is that although the name is "sharia", according to them, the system is not much different from ordinary banks - just a change of terms, but still burdensome and not in accordance with the teachings of Islam that they believe in.

Products such as murabahah, *ijarah muntahiya bittamlik, musyarakah mutanaqisah*, and Islamic mortgages are rejected because they are considered to only change the term of the conventional interest system without changing the basic structure of exploitative transactions. This rejection is not based on ignorance, but on a literal understanding of the verses of the Qur'an and Hadith about the prohibition of usury and distrust of contract practices that are considered manipulative and do not reflect the values of justice as taught in *maqashid al-shariah*. As such, they prefer cash transactions, direct sale and purchase, or interest-free business partnerships, which they believe are more pure and in line with the teachings of the Prophet.

Even so, they still use some Islamic banking services, such as transfers and light savings (*wadi'ah*), but only for technical needs and with suspicion. In this product, there are differences of opinion within MTR Banjarnegara, aka their decision to use Islamic banking products is not always uniform. Some use *wadi'ah* for storing large amounts of money, while others prefer to keep large sums of money in a safe rather than in a bank account to avoid misuse of *wadi'ah* funds by the bank. This is done solely because of functional needs, not because of ideological acceptance of the system.

In essence, this research shows that the economic behavior of the MTR community is more influenced by religious perceptions and ideological values than legal-formal considerations. This critical attitude reflects the distance between the formal legitimacy of Islamic financial institutions and the community's spiritual expectations of truly fair, transparent and usury-free economic practices.

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