

Students' Understanding of the Concept of Usury (Riba) and Its Impact on Life: A Qualitative Study of Islamic Economics Students at Mulawarman University

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Abstract

This study is about understanding what Sharia Economics students at Mulawarman University know about the concept of usury. We also want to see how it affects their life. We used a method to do this. This method is called approach. We collected data by talking to students, in depth watching what they do and looking at documents. We did this with 10 students who started school between 2021 and 2024. What we found out is that most students know the idea of usury. They think of it as something that's not fair like adding extra money to a debt or when buying and selling things, which is not allowed in Islam. The students understood the topic in ways. Some of the students had a better understanding of the whole thing. They really got how bad usury is. Usury has a bad impact on people. It can cause problems for individuals like getting stuck in debt feeling stressed and losing the things in life. Usury also causes problems for the community like people not being treated equally economic problems and people not helping each other much. The impact of usury is bad for the community and, for individuals it can lead to inequality, economic injustice and weakened solidarity and for individuals it can cause debt traps, stress and loss of blessings.

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1. Introduction

Islam is a way of life that gives us guidance on everything including how to handle money. When it comes to money matters Islam has a lot to say. One thing that Islam really emphasizes is being fair in our dealings with others. The idea of riba is very important in Islam because it is something that's completely forbidden. Riba is when someone adds money to a loan or a trade without a good reason, which is not fair. This goes against what Islam teaches us about being fair. Islam teaches us to be honest and fair in all our dealings, including when we lend or borrow money from each other. The concept of riba is a part of this. As some people have noted, including riba is a concern, in Islamic economics. (Hasriani et al., 2020)

In Indonesia today a lot of people still do things that involve riba. This is surprising because the Quran and the words of the prophets are very clear that riba is not allowed. What is more worrying is that students who are learning about Islamic Economics are also doing things that involve riba. These students are going to be in charge of finance one day but right now they are using things like regular credit cards and online loans that charge very high interest rates. This shows that there is a difference between what these students learn in theory and what they actually do in real life. For example they learn that riba is not okay. They still use Islamic financial products that have riba in them like credit cards and loans. This is a problem because Islamic finance is supposed to be different, from finance and riba is a big part of what makes it different. (Mubaraq et al., 2024)

The problem of riba is not about how it affects people financially. It also causes problems for the economy as a whole. When we have systems that are based on interest it can lead to prices going up which is called inflation. It can also make the economy unstable. Make it so that only a few people have all the money. This is not good for society because it keeps people poor and makes it so that some people have a lot more than others. It also makes communities weaker, which is not what Islamic teachings want. Islamic teachings want people to work together and help each other. Because of all these problems some financial institutions have started doing things. They are using methods like mudharabah and musyarakah which means they share the profits and the risks with everyone involved. This way everything is fair and equal. Riba is an issue and that is why we need to find alternative solutions, like these. Riba is still a problem that affects people financially and economically. (Aida Efendi et al., 2024)

Young Muslim professionals do not really understand what riba is about. Some studies have looked at how different generations see the problems with riba and what Islamic Economics thinks about its effects. For example Armayani and others found out some things in 2021. Effendi found out some things in 2019.. Not many people have looked at how well Islamic Economics students really understand riba and how they use that understanding to make financial decisions. This study is trying to fill that gap by looking at how students in the Islamic Economics program, at Mulawarman University think about riba and how that affects the way they handle money. The study wants to know how these students understand riba and what happens when they do or do not understand it.

Literature Review

So basically riba is when someone who borrows money has to pay extra to the person they borrowed from on top of the amount they owed. This extra payment is like a condition for getting the loan in the place or for being able to pay it back later. The Shafi'i school says that riba is when someone agrees to pay back money than they borrowed without a good reason that is okay with Islamic rules.

According to some people like this definition shows that riba is just not fair. (Hasriani et al., 2020) It only helps the person who is lending the money while the person who borrowed it gets taken advantage of. Riba is really one person benefiting and the other person losing out which is what makes riba so unfair. Riba is a problem because it is not a deal, for the person who is borrowing the money.

Islamic law puts riba into four groups. These are riba Qard, which's when you have to pay extra for borrowing money riba Fadhl, which is when you do not get a fair deal when you swap similar

things riba Nasi'ah, which is when you have to pay more because you pay late and riba Yadh, which is when you sell something before you even have it. Each of these types of riba goes against the ideas of being fair and equal that are very important, in Islamic commercial law. Islamic law considers all these types of riba to be unfair and they all go against the principles of commercial law.

The Quran is very clear about riba. It says that riba is not allowed in places especially in Surah Al-Baqarah. This Surah says that people who take riba are like people who have been touched by Satan. They cannot even stand up straight.

The Prophet Muhammad also talked about riba. He told people to stay from seven very bad things. Riba is one of them. The Quran and the Prophet Muhammads words show that riba is not just bad for peoples money. It is also bad, for their spirit. The Quran and the words of the Prophet Muhammad make it clear that riba is an issue. Riba is not something that hurts people financially but it also hurts them spiritually.

When people borrow money with riba they get stuck in a cycle of debt. The interest on the loan keeps adding up so they end up owing money than they borrowed in the first place. This causes a lot of stress. Makes people feel insecure about their finances. Borrowers often say that their lives are not blessed when they are in this situation.

Riba also affects society as a whole. It takes money away from people who are already struggling and gives it to those who have a lot of capital. This makes the gap between the rich and the poor even bigger, which can hurt the economy. Riba is a problem because it makes it hard for some people to get ahead. Riba is really bad for people and, for society it causes a lot of issues with riba.(Sari & Mahrivi, 2024)

2. Method

This study looked at peoples experiences in a way comparing what they said from 2021 to 2024. The goal was to find out what was the same or different, about what these people thought by talking to them and taking notes. The conversations were. Then organized to find the main ideas that people talked about when it came to Islamic principles and the idea of riba. By doing this the person doing the study can get an understanding of what people really think about Islamic principles and riba and come up with good questions to ask in the future about Islamic principles and riba. We chose this way of doing things because it helps us understand well what Islamic economics students think and feel when they do business in a way that follows Islamic rules. For example we want to know what they experience and think when they make transactions that're okay with Islamic principles, like the people who wrote about this topic before us.(Yahya et al., 2024)

The study was done from August 28 to November 3 2025. It looked at Islamic Economics students from Mulawarman University. There were 10 students in the study. Seven of the Islamic Economics students were males and three were females. The Islamic Economics students were chosen because they already knew what riba is. The students were from years from 2021 to 2024. This was done to see how the Islamic Economics students understood riba as they moved through their studies, at Mulawarman University.

We collected data in a different ways. First we did interviews with people to learn about what they know about riba the different types of riba what the Quran says about riba and how riba affects people. We also watched what people do with their money when they are, on campus. We looked at their financial records and the things they learn in class. When we looked at all the data we collected we followed a plan. We looked at all the information made sense of it and then drew some conclusions about riba. We did this step by step, which is called the Miles and Huberman model. So what did we learn about how students understand things? We looked at the results. Grouped them in a way that is based on something called Blooms taxonomy. This thing called Blooms taxonomy says that there are levels of understanding. These levels are when students can translate what they learned interpret what they learned and use what they learned to figure out things, which is like extrapolation of the students comprehension and also the students comprehension is, about translation and interpretation and extrapolation of the students comprehension.

Data validity is an important part of doing research in a way that makes sense. It helps make the research stronger and more believable. People have criticized this kind of research for not being

scientific enough. Data validity helps address those criticisms. It is the foundation that makes the whole study credible and solid.

The process of checking the data is a thing and it is done by using something called triangulation. Triangulation is when you use methods to look at something from different angles. This helps you understand it well and get to the truth of the matter. Data validity and the data verification process through triangulation are key, to getting an understanding of what is being studied. In research that's not about numbers using more, than one way to look at things can make the ideas, methods and explanations stronger. (Mekarisce, 2020) says there are three ways to do this with triangulation:

- 1) Source Triangulation: Verifying and comparing data obtained from different sources or locations.
- 2) Technical Triangulation: Collecting data from the same source using different instruments or data collection techniques.
- 3) Time Triangulation: Re-testing data with the same sources and techniques but at different periods or situations to observe data stability.

So when we do research we need to make sure the information we get is good. One way to do this is by using something called triangulation to check the data. This is a step because it helps make the results more believable and trustworthy, in qualitative research. We use triangulation to check the data validity in research.

3. Result and Discussion

3.1. Result

3.1.1. Descriptive Overview of Participants

Ten students took part in this. They were, from groups, which helped us see how things changed over time. All of the students were studying Islamic Economics. Some of them were just starting out in their year while others had already finished their studies and were getting ready to start working as professionals.

3.1.2. Level of Conceptual Understanding of Riba

Translation Level for the students who started in 2023 and 2024: The junior students showed that they have an understanding of things. They said that riba is when you have to pay money when you borrow something or it is, like the interest that banks charge people. The junior students just knew what the words meant. They did not really think about what these things mean in a bigger sense or how they affect the world. They just stuck to the definitions of Translation Level and did not go any deeper.

Students in the 2022-2023 group who were at a level of understanding were able to connect what they learned to real life situations. They said that riba is unfair because it puts a burden, on people who are already struggling. These students also talked about how riba's related to people spending too much money on things they do not need which is called "gaya hidup konsumtif". They were able to explain how riba works and what happens when people use it. The students understood that riba is connected to the way people live their lives the consumptive lifestyles or "gaya hidup konsumtif" and how it affects them. They saw that riba has consequences and were able to explain these connections.

The students in the class were really good at figuring things out. They looked at what might happen to the economy. Predicted some big problems like people having too much money and others not having enough. This could lead to troubles and people not getting along.

The senior students also looked at how riba works. They saw that it takes money from people who do not have a lot and gives it to those who have more. They talked about how this affects people on a scale and a big scale. The students showed that they understand how riba can impact the economy in different ways from individuals, to the whole country.

Table 1. Bloom's theory summary

No.	Level of Understanding (Bloom)	Theoretical Description	Interview Findings
1.	Translation	The ability to redefine the concept of "riba" in one's own words based on existing sources (the Quran, lectures).	Muhammad Muliadi (22): "Riba is an addition or interest in loan transactions... which is commonly found in conventional banking." Vija Ariyanti (23): "Riba in Islam relates to an addition, where this addition is obtained in an easy way."
2.	<i>Interpretation</i>	Ability to explain the essence and implications of the concept of riba, connecting cause (injustice) with effect (impact).	Sabrina Martha K. (23): Emphasizes the social impact, stating that "people who need money become burdened." Muh. Iqbal (23): Understands riba for "its detrimental and unjust nature" and its connection to a consumptive lifestyle.
3.	Extrapolation	Ability to analyze systemic impact, predict long-term consequences, and connect the concept of riba to broader economic systems.	Ahmad Shafly Wafiq (21): Concludes that riba creates "an unjust economic system" and analyzes its impact on destroying social solidarity. Mitra Julia Citra (21): Predicts that the mechanism of riba will cause "the rich to get richer and the poor to get poorer." Muhammad Qisyam (21): Analyzes that riba "hinders the equitable distribution of wealth, causing money to circulate only among the elite."

3.1.3. Perceived Impacts: Individual and Societal Levels

At the level people from all groups always talked about debt traps caused by riba. These debt traps have something called compound interest, which makes things worse. People said that being in debt like this is very stressful and makes them feel anxious. They also said it takes away their barakah, which's a divine blessing. One person even said that when people need money they get burdened because they have to pay back money than they actually borrowed. This is a problem for people who are already struggling. The person said "Those needing funds become burdened by paying than borrowed amounts" which is a really good way to describe what happens when you are, in a debt trap caused by riba.

At the level the people taking part all agreed that riba plays a big role, in making things unfair. The older students had really thought about this. Explained how riba works to make sure that people who already have money get even more while people who are poor stay poor. They said this

happens because of the way wealth is concentrated. When people borrow money they have to pay interest, which means they are giving their money to the people who lent it to them. This happens even if the people borrowing the money are not doing anything to help the community or create anything. The students pointed out that riba is a system where money goes from the people who borrow to the people who lend and it does not matter if the borrowers are doing anything with the money. Riba is a problem because it helps the rich get richer and the poor get poorer.

3.2. Discussion

The study of students at Mulawarman University who are studying Sharia Economics shows that these students have a basic understanding of what riba is. Riba is when someone adds money to a debt or a trade that is not fair. The students know that riba is not allowed in Islam because it takes advantage of people and is not fair. The students of Sharia Economics, at Mulawarman University understand that riba is bad because it is unfair and exploits people. The thing is, students who have been studying for a time like the senior students from 2021 and 2022 they really get what riba is all about. They understand it in a way including how it affects the whole system. On the hand the junior students from 2023 and 2024 they have a simpler understanding of riba it is more about how it affects them personally. One important thing that was found out is that there is a difference between what students learn in theory and what they actually do in practice. Even though students know that riba is not allowed some of them still use things like loans and credit cards that have riba, in them. Moreover, students consistently perceive the impacts of riba as highly detrimental, affecting both individuals through debt traps, stress, and a lack of blessings and society through social inequality, economic injustice, and potential crises.

4. Conclusion

To deal with these results students, those studying Sharia Economics should use what they know about riba in their everyday life. They should follow what the Quran and Hadith say about riba.

We need to do research to figure out why students do not practice what they learn about riba. This research should look into things like how easy it's to get loans, with riba what their friends think, if they have other choices or if they just do not understand riba very well. We can ask students a lot of questions to find out why they do or do not use riba. Additionally, the curriculum should be enhanced through the integration of contextual materials, such as case studies on modern financial products (fintech, credit cards), and an emphasis on the socio economic impacts of riba, ensuring students' understanding is not only limited to fiqh aspects but also practical application.

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