AD DIEN
Journal of Islamic Studies
e.ISSN. 3123-6863

Volume 1 Nomor 3 Februari 2026

EXPLORATION OF COMMUNITY DECISIONS IN CHOOSING TO TAKE DEBT AT MOBILE BANKS FROM AN ISLAMIC ECONOMIC PERSPECTIVE

Siti Khoerunnisa Tiara Azhari[1]
Abdul Aziz[2]
M. Alfi Alhubbufillah[3]
[123]Institut Ummul Quro Al-Islami Bogor, Indonesia
**Coresspondence*: khoerunnisatiaraa@gmail.com

ABSTRACT:

The widespread phenomenon of mobile bank loans among Muslims in Lawang Taji Village is the background to this research. This study aims to explore and understand the community's considerations in choosing to borrow money from mobile banks in order to identify the underlying causes and also importantly, to provide a new perspective on Islamic economics. The methodology used is qualitative research with inductive-descriptive analysis through a case study method. Sampling was conducted through interviews with informants related to the research topic located in Lawang Taji Village. The results of the study revealed that factors influencing the community in choosing to borrow from mobile banks are urgent economic needs that include aspects of education costs, health, home repairs, or business capital that need to be met immediately. In conclusion, the unstable economic conditions in the village often cause the community to face urgent financial challenges, mobile banks being the primary choice because they provide quick and easy access to meet financial needs. The Islamic economic review of community behavior in choosing to borrow from mobile banks does not comply with the principles of Islamic economics, which strictly prohibits usury.
Keywords: *Community Decisions, Mobile Banks, Islamic Economics*

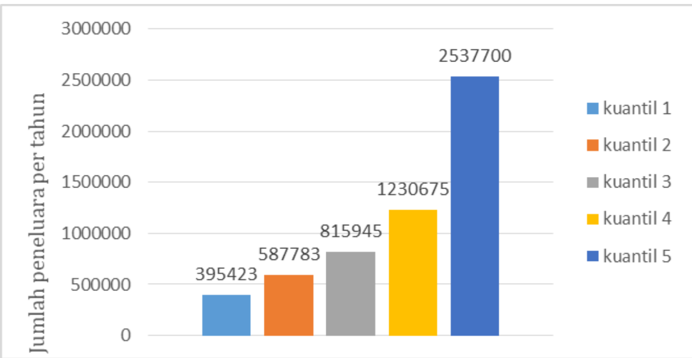
INTRODUCTION

In several developing countries, the presence of loan sharks is not a new phenomenon, particularly in Indonesia. Throughout history, there has been a segmentation of financial institutions, namely the creation of two distinct regions. The formal financial sector consists of banks, both formal and informal. Banks are included in the formal financial sector. Formal financial institutions are generally managed by the state or the market, where these institutions are under the protection, regulation, and supervision of central banks, governments, and international banks (Hery, 2019, 13).

A mobile bank is a non-bank financial institution that provides loans and funds to the general public without an official office. According to POJK Number 77/POJK.01/2016, a mobile bank is a non-bank business entity that provides loans directly to the public without an office, an informal financial institution that collects funds and distributes credit directly to the general public (Latumaerissa, 2017).

Mobile banks, often referred to as loan sharks, have attracted considerable public attention in various regions of Indonesia. Media reports frequently surface regarding the many people experiencing problems due to dealing with loan sharks. These cases range from debt traps of tens to hundreds of millions of rupiah, to violence, escapes from loan shark debt, and even suicides. These cases indicate that loan sharks not only provide solutions but also negatively impact and harm many people (Agustianii, 2020).

Loan sharks or mobile banks are common in West Java, from urban areas to rural areas. One area frequently frequented by loan sharks is Lawang Taji Village, Bunar Village, Cigudeg District, Bogor Regency, West Java. Residents in this area are more familiar with loan sharks as mobile banks or emok banks. Geographically, Bogor Regency is close to major cities with high economic growth, such as Jakarta, Bekasi, Karawang, and Tangerang. Therefore, Bogor is currently part of an integrated industrial area. Nevertheless, the trade, services, and agricultural sectors still support the economy in Bogor's villages. In Lawang Taji Village, in particular, the majority of residents earn their living from farming and plantations, followed by small traders, casual laborers, and factory workers.



Source: BPS Bogor Regency, processed by the author 2024 .

Figure 1. Bogor Community Consumption based on per capita monthly expenditure group in 2020

Based on the table above, in 2020, monthly expenditure or consumption in Bogor Regency varied by stratum. Residents in quintile 1 had the lowest expenditure among other stratums, meaning they were in the lower-middle class with sufficient income to meet their daily needs. This contrasted with residents in quintiles 4 and 5, whose monthly expenditure reached 2 million rupiah, who could be classified as upper-middle class because their daily needs aligned with their lifestyle (BPS, 2020).

The above explanation aligns with the Absolute Income Hypothesis , proposed by economist John Maynard Keynes, which states that an individual's consumption level is influenced by their absolute income level, not just changes in income relative to society's share of income. In other words, the greater a person's absolute income, the more they tend to consume (Salwa, DK 2019).

The problem that the author is studying in the community is that many Muslims are in debt to mobile banks, which operate outside of Sharia principles and have higher interest rates than Islamic financial institutions. Research by Utia Khasanah indicates that loan sharks have existed since 2013 due to the need for capital and the absence of formal financial institutions. Loan sharks negatively impact the welfare of retail traders. Research by Lusi Agustiani also indicates that mobile banks offer a fast and easy loan process, leading some to prefer them over other types of loans, despite the high interest rates (Khasanah, 2019).

In this study, the author employed a qualitative research methodology with inductive-descriptive analysis through a case study. Sampling was conducted through interviews with informants related to the research topic located in Lawang Taji Hamlet, Bunar Village, Cigudeg District, Bogor Regency, West Java.

This study differs from previous studies that focused solely on economic aspects. It focuses on Islamic economic perspectives on mobile bank lending practices. While previous studies only analyzed factors influencing mobile bank lending decisions, the current study also explores Islamic economic perspectives as an additional perspective. This study applies a qualitative case study approach to obtain more detailed results and also has an original focus: analyzing mobile bank lending decisions from an Islamic economic perspective, a previously unexplored perspective. The location and subjects of the current study differ from those of previous studies, thus obtaining different data and perspectives from the informants.

This research is necessary to explore and understand the considerations people consider when choosing to borrow money from mobile banks. The widespread phenomenon of mobile bank loans in society is the reason for this research, which aims to identify the causal factors and also provides an Islamic economic perspective as a new perspective on the practice of interest-bearing loans from mobile banks. This research is expected to uncover the root causes of people being trapped by mobile bank loan sharks. The results of this study can be used to recommend policies to prevent and address the problem of loan sharks and interest-bearing loans. Therefore, this research is necessary to enrich empirical and theoretical studies related to Islamic economics, particularly regarding usury and loans.

Based on this background, this study aims to determine: (1) What factors influence the decision of the Lawang Taji village community in choosing to borrow from a mobile bank. (2) Why do the Lawang Taji village community choose to borrow from a mobile bank rather than from a sharia financial institution. (3) What is the Islamic economic perspective on the behavior of the Lawang Taji village community in borrowing from a mobile bank.

METHODS

This research is a descriptive and empirical study using qualitative methods. The issues raised are tentative and may evolve after fieldwork is conducted. An empirical approach was used to collect data in the form of perspectives, thoughts, and opinions from banking practitioners, which will be used as analysis material. Meanwhile, qualitative methods were applied to obtain comprehensive information for analyzing and understanding specific aspects related to banking practitioners (Rijali, A. 2019).

The type of research applied is an empirical juridical approach, where law is not merely a set of normative rules but also examines how the legal system interacts with society. This differs from doctrinal legal research, which views law solely as normative rules or principles. In this research, law is not only defined as the entirety of the principles governing life in society but also encompasses the institutions and processes that ensure its validity.

The approach used in this research is qualitative. Qualitative research is a research method that examines the state of natural differences. Qualitative research is conducted because researchers want to study descriptive phenomena and delve deeper into a social phenomenon or social environment, including actors, events, locations, and time (Rijali, A. 2019).

In qualitative research, data collection is not based on theory, but rather on facts discovered during fieldwork. Therefore, data analysis is inductive and based on existing facts, which can then be transformed into hypotheses or theories. Therefore, qualitative research involves data analysis to generate hypotheses or theories. Data analysis in qualitative research occurs from the time the researcher presents the results, through on-site data collection, until the researcher receives all the data.

This research model is descriptive. Descriptive research aims to describe and summarize various variables that occur in the community being studied. These variables are then brought to the surface as characteristics and descriptions of the conditions of a particular situation or variable (Mappasere, SA, & Suyuti, N. 2019, 10). The descriptive model is more appropriate when used to examine problems that require in-depth study, such as issues related to consumer behavior towards a product, the implementation of public policy in society, and future problems. This research focuses on the existence of mobile banking practices and their impact on community welfare, analyzing them from an Islamic economic perspective.

This research uses a case study method. A case study is a process of collecting data and information in depth, detailed, intense, comprehensive, and structured about individuals, events, social contexts, or groups using multiple methods and techniques and various sources of information in the correct order to effectively understand how people, events, and the natural environment (social environment) act or function depending on their context (Ikhram, Sirodj, RA, Afgani, 2022, 23).

A case study was used in this research because the author needed data from various sources to frame the problem. The case study method allows researchers to utilize various data sources, including observations and activities of the mobile bank and the community of Lawang Taji Village. Interviews with the community of Lawang Taji Village were conducted. Analysis was conducted using Islamic economics knowledge and collected other relevant documentation.

Research subjects are crucial data sources in a study, possessing crucial information related to the variables and research topic. The selection of Kampung Lawang Taji as a sample met the researcher's criteria, allowing the researcher to examine field phenomena in greater depth. The subjects of this study were all municipal activities involving loans from mobile banks. However, due to limited time and knowledge, the author focused on the economic problems faced by the community after using mobile banking services.

To accurately achieve research objectives, relevant data support is required. Data is factual information related to the research topic. This study uses qualitative data expressed in sentences and descriptions, even individual stories or experiences. Qualitative data is characterized by detailed descriptions of specific case situations (Rijali, A. 2019).

Researchers need to understand the necessary data sources to avoid errors in data use. This data is used to answer research questions. Therefore, researchers must collect as much data as possible from respondents. There are two sources of data used in this study: primary data obtained directly from respondents, and secondary data obtained from pre-existing sources.

The data collection stage is the most important phase in research because its main objective is to obtain data. Data collection aims to help authors obtain appropriate data for a study (Mappasere, SA, & Suyuti, N. 2019). The following techniques are the research used in this study: (1) Observation. (2) Interviews. (3) Documentation.

Qualitative data analysis is interactive and occurs continuously without interruption, meaning that throughout the analysis, the author is actively involved in explaining and summarizing the information obtained by connecting the theories used. In this study, data analysis was also conducted in addition to data collection (Rijali, A. 2019).

So the data analysis process in this study is: (1) Data Collection, notes generated from data collection in the community through interviews, observations, and documentation. (2) Data Reduction, the collected data is then reduced into selected data that is relevant and consistent with the research subject. (3) Data Presentation, the data can be presented in written or oral form, in the form of images and tables. The purpose of data presentation is used to combine information so that it can reflect the situation that arises. (4) Drawing Conclusions, after sufficient data has been collected, initial conclusions will be drawn and after completion, final conclusions will be drawn. (Sarosa, 2021)

RESULTS AND DISCUSSION

Factors in People's Decisions in Choosing Loans at Mobile Banks

The decisions of residents of Lawang Taji Village in choosing to borrow from a mobile bank are influenced by economic and income factors. From the results of interviews with various individuals who decided to borrow from a mobile bank, several main conclusions can be drawn: (1) Economic Factors and

Urgent Needs: The majority of respondents borrowed from a mobile bank because of urgent needs, such as business capital, children's education costs, or daily needs. Economic factors, such as insufficient income, were the main driving force in financial decision-making. (2) Individual Motivation: Although some respondents acknowledged the influence of their social environment, the decision to borrow from a mobile bank was ultimately based on individual motivation. (3) Minimal Social and Cultural Influence: Most respondents stated that factors such as cultural values, social norms, or the influence of community leaders did not have a significant influence on their decision to borrow. (4) Lack of Consideration of Financial Factors: Although some respondents were aware of factors such as interest rates and repayment terms, many of them admitted that these factors were not given thorough consideration in their decision-making.

Overall, interviews indicated that economic factors, individual motivation, and immediate needs played a significant role in individuals' financial decisions regarding loans from mobile banks. While social and cultural influences were present in some cases, financial decisions were more driven by internal considerations and practical needs.

Economic factors and income are indeed important factors in determining whether people choose to borrow from mobile banks. Income is the primary factor determining a person's ability to borrow. Mobile banks generally provide small-scale loans to low-income communities. Therefore, people with fixed incomes or small businesses have a greater opportunity to obtain loans from mobile banks. The explanation above is based on an interview with Ms. NM, a mobile bank customer, as follows:

"Initially, I chose to borrow from a mobile bank for daily needs and my children's school needs, because my husband's income was not enough for that."

The customer's statement above is supported by an interview with Mr. UH, a Mobile Bank employee, who stated, "Many of my customers borrow money, mostly for daily needs, and some also for business capital." The interview revealed that the community's economic situation is also an important consideration for mobile banks. People in less fortunate economic circumstances tend to need loans to meet their living expenses or for business capital. Therefore, mobile banks provide a solution for those who struggle to access conventional banking services.

Thus, economic factors and income play a crucial role in people's decision to borrow from mobile banks. Mobile banks offer a solution for those with limited access to conventional banking services who need loans to meet living expenses or start-up capital.

The decisions made by residents of Lawang Taji Village regarding borrowing from mobile banks can be divided into two categories: voluntary decisions and decisions influenced by their surroundings, or collective decisions. Voluntary decisions refer to decisions made by individuals or families independently, based on their own needs and considerations.

Several factors that influence people's decisions are: (1) Urgent Needs: People may decide to borrow from a mobile bank because of urgent needs, such as education costs, health care, or business capital. (2) Financial Planning: This decision can also be taken as part of financial planning, such as for investment or business development.

As for community decisions that are influenced by the surrounding environment or collective decisions. These decisions are taken based on the influence of the surrounding environment or collective decisions of the community. Some factors that influence these decisions include: (1) Culture and Social Norms: In some communities, there is a culture or social norms that encourage people to borrow collectively, such as through social savings groups or community self-help groups. (2) Group Pressure: Individual decisions can also be influenced by pressure from certain groups or communities, where group members are expected to follow decisions taken collectively. (3) Information and Experience of Others: People can be influenced by information or positive experiences from other people who have borrowed from mobile banks.

Mrs. FR said, "Initially, I had no intention of borrowing from a mobile bank, but because I needed funds to build a house and there were suggestions from my friends and neighbors to take out a loan from a mobile bank, I ended up taking out the loan."

The interviews above reveal two categories of decisions influencing the decisions of the Lawang Taji Village community when borrowing from a mobile bank. These two categories of decisions have different implications for community behavior and loan risk management. Self-initiated decisions tend to be more planned and consider repayment capacity, while decisions influenced by others or collective decisions can carry higher risks if not managed properly.

The negative impact of people's decision to borrow from mobile banks is the high interest rates. Mobile banks often charge much higher interest rates than formal financial institutions, burdening borrowers. Furthermore, the cycle of debt can leave borrowers struggling to repay and trapped in a perpetual cycle of debt. Aggressive collection practices at mobile banks often use abusive or threatening methods. Because they operate outside the formal banking system, customers have limited legal recourse.

Based on the negative impacts, here are some solutions that can be considered: (1) Financial education, namely by holding seminars or workshops on financial literacy, providing free financial consultations for the community and creating easy-to-understand educational materials about loan risks. (2) Strengthening local financial institutions. (3) Economic empowerment programs, namely by developing skills training programs to increase income and encouraging the formation of joint business groups. (4) Regulation and supervision, namely by strengthening supervision of mobile banking practices and implementing strict sanctions for illegal loan operators. (5) Strengthening social capital, namely by forming financial discussion groups at the RT/RW level and encouraging the role of community leaders in providing wise financial guidance. (6) Alternative financing, namely by introducing more affordable micro-financing schemes and developing prize savings programs to encourage savings habits. (7) Debtor assistance, namely by providing counseling services for those who already have risky loans and helping with loan restructuring for those experiencing payment difficulties. (8) Awareness campaigns, namely by conducting outreach about the dangers of high-interest loans and using local media to disseminate information about healthy financial management.

Basic Rationale for People Choosing to Take Debt from Mobile Banks Rather than Sharia Financial Institutions

The popularity of mobile banks within the community is understandable due to their less formal structure, making them more accessible to individuals and micro-enterprises. Mobile banks generally target customers who own micro-enterprises or those from low-income communities who are unable to meet their basic needs. These groups tend to be lower-middle class and are unfamiliar with complex administrative procedures.

From the results of interviews with several sources who use loan services from mobile banks, we can formulate several main conclusions: (1) Accessibility and Convenience: The process of applying for a loan at a mobile bank is relatively easy and simple, with minimal requirements such as photocopies of KTP and KK. (2) Common Payment Patterns: The majority of respondents pay loan installments weekly in a fixed amount, such as IDR 75,000 per week for a certain period, usually 50 weeks or a year. (3) Challenges in Payment: Most respondents acknowledged difficulties in paying loan installments, especially when there is financial instability or other urgent needs that require priority. (4) Potential Conflict: Although not evenly distributed among all sources, several respondents experienced conflict with the mobile bank regarding the loans they took. (5) Impact of Loans on Family Economy: Although there is variation in the experiences of each source, some felt helped by the loan at first, but over time felt an increasing financial burden.

Overall, the interview results indicate that mobile banks provide easier financial access for communities with minimal requirements, but they also highlight the challenges and impacts associated with using these services. This highlights the need for a cautious approach to providing and using microfinance services for communities.

The Mobile Bank Application Process: In practice, lending at Mobile Banks tends to take less time than at formal banks, as it doesn't involve many requirements or complicated procedures. This provides faster assistance to those in need of funds without having to deal with the administrative hassles often associated with conventional banks. Ms. LM said, "I prefer borrowing from a mobile bank because it doesn't require many requirements. Just an ID card and family card are enough to apply for a loan without the need for collateral like at other formal banks."

Besides Mrs. LM, the results of the interview conducted with Mrs. NM also revealed a similar thing, namely, "To borrow from an official bank like a Sharia bank, you need collateral, but I don't have anything to use as collateral, because there are loan offers with easy requirements, so I just choose the easy one."

From the interview above, it can be seen that applying for a loan at a mobile bank is very easy; only a national identity card (KTP) and a family card (KK) are required. People tend to prefer borrowing from mobile banks due to the ease of requirements, something not always found at Islamic and conventional banks. Mobile banks offer a more relaxed and informal approach to lending. Easy and flexible requirements make the loan process faster and simpler for a wide range of people.

The results of this interview are in line with previous research conducted by Utia Khasanah which stated that the loan shark debt mechanism in Barrang Caddi Village, Sangkarrang Islands District, Makassar City has a very easy and fast method without a long administrative process (Khasanah, 2019, 20).

Loan Installment Payments at Mobile Banks: Installment payments at mobile banks in Kampung Lawang Taji generally have several characteristics. Mobile banks disburse loans in both small and large amounts, so the installment payments are adjusted to the loan amount. In addition to installments tailored to the loan, mobile banks generally offer flexible repayment terms. The longer the term, the smaller the installment amount each period requires. The installment period uses a weekly installment system. This system makes it easier for people to make regular payments. Here's the calculation:

Table 2. Loan Installment Calculation

No.	Customer Name	Principal Loan	Loan + Interest	Weekly Installments (For 50 Weeks)
1.	Mrs. NM	Rp. 4,000,000	Rp. 6,050,000	Rp. 121,000
2.	Mrs. FR	Rp. 2,000,000	Rp. 3,750,000	Rp. 75,000
3.	Mrs. IS	Rp. 2,000,000	Rp. 3,750,000	Rp. 75,000
4.	Mrs. LM	Rp. 2,000,000	Rp. 3,750,000	Rp. 75,000
5.	Mrs. ES	Rp. 2,000,000	Rp. 3,750,000	Rp. 75,000
6.	Mrs. NN	Rp. 2,000,000	Rp. 3,750,000	Rp. 75,000

Source: Interview data, processed by the author 2024.

Based on the interview data above, a certain amount of interest is paid to each customer. The mobile bank explains the installment amount when applying for a loan, informing clients how much they must pay each week. Installment payments are considered more convenient for mobile bank customers. Ms. NN stated, "This weekly installment payment system feels easier for me, because it's paid in small amounts. My installments are Rp 75,000 per week for 50 weeks, and after a while, it doesn't feel like it."

While the application and payment process at mobile banks is very easy, there are still risks. It's undeniable that some customers in Kampung Lawang Taji still default on their payments. To mitigate the risk of default, mobile banks offer payment extensions without increasing interest until the loan is fully repaid. According to Mrs. LN, "Sometimes I fall behind on payments because I have other pressing needs that prevent me from paying the installments at the mobile bank. Sometimes, no one knows what needs to be met."

From the explanation above regarding how mobile banks operate their debt-receiving mechanisms, there are specific requirements that must be met by the public. Therefore, it can be concluded that the debt-receiving system implemented by mobile banks can be considered a practice of usury (riba) during the Jahiliyah era. This is evident in the addition of interest to the principal loan that customers must repay as a result of delayed repayment.

The negative impact of people's rationale for choosing to borrow from mobile banks rather than Islamic financial institutions is a lack of understanding of the benefits and principles of Islamic financial institutions, thus missing out on opportunities for fairer and more ethical financial services. People become trapped in usury by choosing mobile banks, engaging in usury practices prohibited in Islam, which can have negative spiritual and moral impacts. Furthermore, opportunities for economic empowerment are lost through Islamic financial institutions, which often offer economic empowerment programs not available from mobile banks.

The negative impacts not only affect the community, mobile banks also have an impact on weakening the sharia economy, this choice hinders the development of the sharia economic system which aims for shared prosperity and does not support the growth of the halal industry: Islamic financial institutions often support the halal industry, while choosing mobile banks does not provide such support.

Based on these negative impacts, here are some solutions that can be implemented to overcome the public's preference for borrowing from mobile banks compared to Islamic financial institutions: (1) Increasing the accessibility of Islamic financial institutions by opening branches or agents of Islamic financial institutions in strategic locations and developing easy-to-use Islamic mobile banking services. (2) Simplifying procedures by designing a simpler and faster loan application process and reducing documentation requirements without neglecting the principle of prudence. (3) Educating the public by holding outreach. (4) Product innovation by developing flexible Islamic microfinance products and offering payment schemes tailored to the community's income patterns. (5) Strategic partnerships by collaborating with community leaders and local institutions to build trust and partnering with local MSMEs to distribute financing. (6) Awareness campaigns by conducting social media campaigns about the benefits of Islamic finance and holding community events to introduce Islamic financial products. (7) Collaborating with the government by promoting policies that support the development of Islamic financial institutions and integrating Islamic financial institutions into government economic empowerment programs.

Islamic Economic Review of Community Behavior in Mobile Bank Loans

The practice of mobile banking continues to thrive in the community of Lawang Taji Hamlet, Bunar Village, Cigudeg District, Bogor Regency, despite the practice being associated with usury, which is prohibited in Islam. Although the majority of the population is Muslim, economic needs are a reason for them to continue using mobile banking services as a source of cash, both for business capital and for urgent and immediate needs.

Based on the results of interviews with several sources, we can formulate basic conclusions from the public's understanding and views regarding the concept of usury in Islam and the use of loan services from mobile banks: (1) Understanding of Usury: Most sources showed a fairly good understanding of the concept of usury in Islam. (2) Categorization of Mobile Bank Loans: The majority of sources agreed that the interest practices implemented by mobile banks can be categorized as usury. (3) Lack of Socialization and Education: Many sources stated that there had never been any efforts to socialize or educate regarding the law of usury in the practice of mobile banks in their environment. (4) Views of Religious Figures and Community Leaders: Consistently, the views of religious figures or community leaders in their environment are that usury is forbidden in Islam. (5) Determining Factors in Choosing a Mobile Bank: Despite awareness of the prohibition of usury, people tend to choose to take loans from mobile banks because of the ease of access, easy process, and habitual factors in their environment.

Thus, religious awareness regarding the principle of usury in Islam often clashes with the socio-economic realities of people using financial services such as mobile banking. Broader educational and outreach efforts can help increase public understanding of the religious implications of financial practices involving usury and provide alternatives that align with Islamic financial principles.

This shows a contradiction where the practice of mobile banking, which is prohibited in Islam, continues to thrive in Muslim society, where according to law, mobile banking itself is included in the practice of usury. Mrs. NM said, "Yes, I know, loans from mobile banks are included in usury and are not permitted under Islamic law, but because I was in a tight spot, I still applied for a loan."

From the interviews above, it is clear that the public and customers of mobile banks are aware that mobile banking practices involve usury, which is prohibited under Islamic law. In practice, debt and receivables are subject to unbreakable rules, so we must be extremely careful when dealing with them. Debt, done in a good way, will bring goodness, while debt, done in a way that is not permitted in Islam, will bring destruction, ultimately resulting in the community suffering because of borrowing from mobile banks.

The practice of mobile banking is still ongoing in Kampung Lawang Taji, Bunar Village, Cigudeg District, Bogor Regency. Although considered to deviate from Islamic economic principles such as justice, mutual assistance (*ta'awun*), and welfare, the existence of mobile banks provides benefits to the economic life of the community that serves as its customers. Mobile banks act as informal financial institutions that provide capital to the community, thereby helping to increase their income. However, on the other hand, community welfare remains elusive despite access to loans from mobile banks.

The principle of justice, in Islam, states that money should only function as a medium of exchange for goods or services, not as a commodity that can generate profits in itself. However, research results show that the practice of mobile banks in Lawang Taji Village, Bunar Village, Cigudeg District, Bogor Regency deviates from this concept. Mobile banks turn money into a primary commodity in their credit and credit business. They lend money to the public by adding interest as a profit, without requiring hard work. In other words, mobile banks use money to generate profits directly by charging interest or usury on loans, a practice that contradicts Islamic economic principles.

In practice, loan sharks unilaterally set interest rates before any loan transactions are made. This situation indirectly forces people applying for loans to agree to the predetermined interest rates, even though they have no choice but to accept the mobile bank's unilateral terms if they want to borrow money. This aligns with the findings of an interview with Mr. UH, who stated, "For every loan applied for, I add the predetermined interest. If the person agrees to the additional interest, I grant the loan; if they disagree, the loan is not granted."

People in desperate need must agree to this agreement, which then becomes a burden on their dependents. They must repay the principal and interest paid by the mobile bank. The practice of mobile banks, with their interest-based lending business, has profited significantly from the exploitation of others. On the one hand, the mobile bank simply sits back and waits for profits to flow in from the interest, without having to work hard or bear the risk of any loss. Meanwhile, the people who borrow money, fulfilling their daily needs, require significant effort, while simultaneously repaying the debt and interest.

The practice of mobile banking in Lawang Taji Village is considered to deviate from the Islamic principle of justice. The principle of justice refers to the morally ideal state of affairs, both for objects and people. However, the practice of mobile banking, which makes money the primary commodity for profit through interest, clearly contradicts the essence of money as a mere medium of exchange.

Furthermore, the activities of mobile banks, which exploit others for large profits without hard work, are considered to violate the principle of equality among human beings. Although the existence of loan sharks has an impact on increasing people's needs, it ultimately makes them continue to rely on loans from mobile banks. Therefore, this practice is considered unfair and deviates from the principles of justice in Islamic economics.

The principle of mutual assistance (ta'awun) is the principle of mutual assistance in human life. This principle can foster a sense of brotherhood and strengthen ties of friendship. If the principle of mutual assistance is used as a foundation in society, it will create a peaceful society, even though it consists of diverse backgrounds. Moreover, ta'awun can also be a solid foundation for building an economy without social disparities between rich and poor, especially through the equitable distribution of wealth. In essence, it emphasizes that the principle of mutual assistance is crucial in building harmony, peace, and economic equality in society.

In Lawang Taji Hamlet, Bunar Village, Cigudeg District, Bogor Regency, a mobile bank operates a business that uses interest-bearing loans to generate profits. They lend money to residents, who must then repay the loan in larger amounts due to interest. Repayments are made in weekly installments over 50 weeks. While the mobile bank claims its purpose is to help those in need, it actually seeks to profit from these interest-bearing loans.

This is in accordance with the results of an interview with Mr. UH who stated, "The intention of this business is to help people who need money, the system is also installments that are made weekly so it does not burden the community."

It's clear that the lending transactions conducted by mobile banks are solely for profit and are business-oriented. Although mobile banks claim to be aimed at helping those in need, their primary goal is essentially profit. If mobile banks weren't profit-oriented, they should be able to provide loans without charging interest on each transaction.

The profit-oriented practice of mobile banks is in stark contrast to the principle of ta'awun, which means cooperation, mutual assistance, and mutual guarantee without prioritizing business or personal gain. In their operations, mobile banks do not establish equal partnerships, but instead burden one party with the burden of repayment. Mobile banks also have no intention of helping, but instead exploit others' difficulties as a business opportunity for their own gain. This is not justified in Islamic teachings, which advocate selfless mutual assistance.

The principle of maslahat (benefit). In the Kampung Lawang Taji area, one type of business that still survives is the money lending business, or mobile banking. This business is run through lending and borrowing transactions, where money becomes the primary asset. Setting up a mobile banking business is not complicated, in fact, it is very easy. A mobile banker only needs to provide capital in the form of cash without having to convert it into goods or other items. The loan sharks act as founders and key players in running their own businesses.

The mobile banking practice in Lawang Taji village has literally benefited the community who uses its services. Interviews with customers of the mobile banking program revealed that the practice has been beneficial in providing loans for daily needs. Ms. LM stated, "Although the payments are heavy, they can help meet daily needs, especially in urgent situations."

In essence, social benefit is defined as anything that brings goodness, benefit, and prosperity to human life, both individually and collectively. It is the primary objective of Islamic law, which is to bring benefits to human life in this world and the hereafter. Social benefit refers to anything that can bring goodness, benefit, and prosperity to people's lives, such as security, prosperity, justice, and a comfortable life. Based on this explanation, it is clear that mobile banking activities that use usury mechanisms violate the elements of Halal (Islamic Law) and Thayyib (Islamic Law).

Mobile banking violates the principle of goodness (thayyib). This is evident in the fact that the business does not provide benefits to society, but instead creates harm in both this world and the afterlife. The resulting harm in this world is that people's welfare does not improve; instead, they become increasingly dependent on mobile banking loans and cannot independently meet their needs. The resulting harm in the afterlife is that mobile banking has led people to engage in the practice of usury, which is forbidden in Islam. By participating in usury, people have committed a sin that will be recompensed in the afterlife.

Islam regulates all aspects of social life, including the economy. A lawful and good business is one that benefits the surrounding community. Mobile banks, based on the forbidden practice of usury, could be made lawful if fundamentally changed through a cooperative system based on the principle of profit-sharing.

In practice, mobile banks can shift to implementing a musyarakah or mudharabah partnership system. The mobile bank can either provide the full capital or contribute a portion of it. Profits and losses are jointly accounted for. No party is disadvantaged, as profits are allocated according to the agreement, and losses are shared equally.

CONCLUSION

The residents of Lawang Taji Village tend to choose to borrow from mobile banks primarily due to pressing economic needs. In this context, urgent needs include things like education, healthcare, home repairs, or business capital that require immediate attention. The unstable economic conditions in the village often mean that residents face pressing financial challenges.

Mobile banks are a top choice because they offer quick and easy access to meet financial needs. The unsecured services offered by mobile banks allow people to overcome the limitations of collateral or security they possess. Therefore, mobile banks offer a practical solution for those who need funds quickly and without complicated procedures, rather than having to apply for loans from Islamic banks, which involve a complicated process.

An Islamic economic review of people's behavior in choosing loans from mobile banks can involve several key aspects that reflect the principles of Islamic economics. Mobile banking businesses that use a wear and tear mechanism fundamentally violate the elements of Halal (lawful) and Thayyib (consent). Islam violates the elements of Halal (lawful) and strictly prohibits usury (riba). As explained in the Quran, Al-Imran, Verse 130, the practice of mobile banking in Lawang Taji Village, Bunar Village, Cigudeg District, Bogor Regency, has violated the principles of justice, Ta'awun (consent), and Maslahah (benefit).

BIBLIOGRAPHY

Dartiningsih, BE (2016). *Overview of Locations, Subjects, and Objects of Research* . Companion Book for Thesis Guidance.

Hery. (2019). *Fundamentals of Banking* . Jakarta: Gramedia Widia Sarana Indonesia.

Huda, Nurul. Handi R,. Mustafa E,. and Ranti W. (2018). *Islamic Macroeconomics: A Theoretical Approach* . Jakarta: Kencana.

Latumaerissa, Julius. (2017). *"Banks and Other Financial Institutions: Theory and Policy"* . Jakarta: Mitra Wacana Media.

Mardhiyaturrositaningsih. (2020). *Institutional Structure of the Islamic Financial Industry in Indonesia.* Yogyakarta: Bintang Pustaka Madani.

Mismiwati. (2022). *Islamic Banking in Indonesia: Analysis of Financial Performance, Profit Management, Transparency, and Profit Distribution Management.* Malang: Literasi Nusantara Abadi.

Mujahidin, Akhmad. (2019). *Islamic Economics: History, Concepts, Instruments, State and Market* . Depok: PT RajaGrafindo Persada.

Pudjihardjo. Muhith, Nur Faizin. (2017). *Principles of Islamic Jurisprudence for Islamic Economics* . Malang: UB press.

Rini, Ira Puspito. (2019). *Islamic-Based Village Economy.* Temanggung: Indonesian Village Library.

Sarosa, Samiaji. (2021). *Qualitative Research Data Analysis* . Sleman: PT Kanisius.

Sutrisno. Harjito, Dwipraptono Agus. (2020). Management of Islamic Financial Institutions. Yogyakarta: K-Media.

Ansori, MAZ, Aziz, A., Irmansyah, D., Wati, I., Rahmi, DA, Latiepah, NRP, & Ramadhan, MA (2024). Thoughts of Islamic Economic Figures Regarding the Concept of Market Pricing. *Economic Reviews Journal* , 3(1),

Aziz, A. (2017). The influence of the implementation of sharia values and sharia marketing characteristics on customer satisfaction at Bank Syariah Mandiri KCP Ambarukmo Yogyakarta (*Doctoral dissertation, UIN SUNAN KALIJAGA YOGYAKARTA)* .

Harahap, B., & Risfandy, T. (2022). Islamic Organization and the Perception of riba (Usury) and Conventional Banks Among Muslims: Evidence From Indonesia. SAGE Open.

Ibrahim, Y. (2022). "Islamic Banks and Conventional Banks (An Analysis of Differences and Principles)". *Syarah: Journal of Islamic Law & Economics,*

Khasanah, U. (2019). The impact of loan shark practices on the welfare of retail traders from an Islamic economic perspective . *Journal of Islamic Economic Law,* 3(1).

Khoiriyah, N. (2022). Community Behavior in Making Decisions to Obtain Loans from Loan Sharks from an Islamic Economic Perspective: in Bajangan Village, Gondang Wetan District, Pasuruan . *Tasharruf: Journal of Islamic Economics and Business.*

Larasati, L., & Setiawan, R. (2022). Borrowing Behavior of Mobile Bank Users . *Tambusai Education Journal* .

Rijali, A. (2019). Qualitative data analysis. *Alhadharah: Journal of Islamic Propagation.*

Umi Atia Hanik, Taudlikur Afkar, Hapsari Wiji Utami, (2021), "The Influence of Social Factors and Education Level on the Decision to Become a Customer at BMT Mandiri Ukhuwah Persada (Muda) East Java", *OECONOMICUS Journal of Economics.*

Wahidah, HG, & Ritonga, M. (2023). The impact of the rise of mobile banks (bank emok) among the Bungursari community, Tasikmalaya City . *Jurnal Cakrawala Ilmiah,*