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Comparative Study of The Dynamics of Riba Discourses Between Sharia Banks and Conventional Banks

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Abstract

This study aims to explore the comparison of views among banking practitioners in the dynamics of usury discourse. Lately, the trend of "hijrah" among the millennial generation is increasingly popular, and their increasing interest in watching da'wah messages conveyed by clerics on social media. The issue of 'avoiding usury' is one of the targets for the delivery of da'wah by agents; this is related to the prohibition of the practice of usury by religion based on texts from both the Koran and Hadith. However, understanding usury viewed from only one point of view can potentially lead to misunderstandings, especially studies that discuss usury at this time are still 'puzzle pieces,' not comprehensive, how the discussion of the depth of the problematics of usury becomes one of the most urgent matters for further review. This research study uses a qualitative approach, where data collection techniques are carried out through structured interviews, observation, and documentation. Analysis of the data in this study using the theory of Miles and Huberman. The research subject focuses on one key informant, namely a banking practitioner who has been in this world for a long time. The research results show that there are different basic principles between Islamic banks and conventional banks in highlighting the problem of the concept of usury.

Keywords: *Riba, Islamic Bank, Conventional Bank*

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1. INTRODUCTION

The problem of usury is not a new phenomenon in Indonesia; the discourse of usury has a long history in which the practice of borrowing and repaying loans accompanied by a certain amount of interest has become a tradition in society for a long time. From a religious point of view, usury is one thing that is prohibited both based on the texts of the Qur'an and Hadith as well as the opinions of the majority of scholars (Millah, 2016; Mochlasin, 2010; Nurhadi, 2019; Surya & Nurlaeli, 2014). At the practical level, Riba contains an element of madharat that is not only felt by the borrower, but in a broader scope, the concept of usury creates an unstable economic system. According to Sheikh Yusuf Al-Qardhawi, the teachings contained in Islam have the substance of the principles of benefit and goodness in each of its sharia (Al-Qardhawi, 2007). Furthermore, he also emphasized that the dynamics of the problems faced by contemporary society today, Islamic sharia will always be in harmony with various conditions at any time (Al-Qardhawi, 1993). So vital is the danger of usury; in the Al-Quran, the dynamics of usury is mentioned eight times in four different letters, one of which is in the letter Ar-Rum verse 39 (Sharif, 2011). The majority of fiqh scholars view that usury is basically haram according to the narration of the texts, but even so, some scholars categorize usury as absolutely haram, and which is not haram. In his study of commentary, contemporary scholars Prof. Dr. Wahbah Az-Zuhaili, in interpreting the letter Ar-Rum verse 39, argues that, if the borrower intends to give more to the lender in order to strengthen the relationship and spontaneously, it is not stated in the loan agreement, then it is legal (Az-Zuhaili). Zuhailī, 1997).

One aspect that is worried and worried by scholars is the destructive impact caused by usury is the existence of madharat, which can have an impact not only on individuals but also have implications in a wider context such as the state (As-Sa'dī, 2000; Katsīr, 1999). . In his scientific study, Mashuri even highlighted the potential for the collapse of the Indonesian economy if the system built was based on the practice of usury (Mashuri, 2017). Even further, according to him, the crisis that occurred not only impacted the material but could also impact non-material aspects such as faith. In another study, Lailatul Istiqomah in her research asserts that the practice of usury that has taken root in society has implications for three aspects; 1) damage to moral aspects, 2) damage to social aspects, and 3) damage to economic aspects (Istiqomah, 2020). Public literacy on the dangers of usury has recently increased along with the phenomenon of the hijrah trend carried out by the millennial generation. Increased da'wah studies conducted by ustadz on social media related to the dangers of usury, participating in improving people's mindsets to move away from usury practices in their lives.

This study seeks to explore the dynamics of the problematics of usury from the perspective of banking practitioners. As far as the authors observe, research studies discussing usury have been initiated by many Muslim scientists in Indonesia (Arahman & Lamusiah, 2020; Nurhadi, 2019; Syaf, 2020). Existing studies mostly lead to the legal status of religion and its implications in people's lives (Fitrianto, 2013; Rahayu & Nurhayati, 2020; Romdhoni et al., 2012). Research that explores the paradigm of usury and its dynamics from the perspective of banking practitioners has not been widely discussed by researchers. On this basis, to fill the gap, the writer tries to explore it directly through interviews. The problems raised in this research will focus on how banking practitioners' views in highlighting the dynamics of the problem of usury, both in terms of Islamic banks and conventional banks. It is hoped that this research can further contribute to the development of theoretical studies related to usury aspects and optimize public literacy in viewing the problems in this discourse.

2. RESEARCH METHODS

Research Approach This study aims to describe how the comparison of principles in Islamic and non-Sharia banking uses a qualitative approach. The method used in this study is a qualitative descriptive method. According to Sukmadinata (2009: 60): Qualitative research (Qualitative research) is a study aimed at describing and analyzing phenomena, events, social activities, attitudes, beliefs, perceptions, thoughts of people individually and in groups.

The interview is a method of collecting data by asking someone who is an informant or respondent. Interviews with research subjects were conducted to obtain complete information following the perceptions of each research subject. The interview technique used is a structured interview, meaning that the questions given have been prepared in writing and alternative answers have been prepared (Sugiono, 2009: 138). The interview technique was used to obtain data or information orally from the Bank BRI Cirebon City Branch staff so that it could complete and perfect the results of collecting library data about the object under study. The data extracted is data about the differences in banking principles of Islamic and non-Sharia banks.

3. RESULT AND DISCUSSION

Based on the results of an interview with one of the staff of Bank BRI Cirebon branch, information was obtained that initially, Bank Rakyat Indonesia (BRI) Syariah began with the acquisition of PT. Bank Rakyat Indonesia (Persero), Tbk., against Bank Jasa Arta on 19 December 2007 and after obtaining permission from Bank Indonesia on 16 October 2008 through its letter o.10/67/KEP.GBI/DpG/2008, then on 17 November 2008 2008 PT. BRISyariah Bank is officially operating. Then PT. Bank BRI Syariah changed its business activities originally operational in a conventional manner, then changed to banking activities based on Islamic sharia principles. Currently, many people talk about Islamic banking, which is one of the tools of Islamic economics.

Islamic banking is a banking system whose work system uses Islamic law, which is taken from the Qur'an and the fatwas of the scholars. Here Islamic banking does not prioritize the interest system, but Islamic banking uses a profit-sharing system between the bank and the customer who does not use the interest system because, in Islamic principles, interest is included in usury. The definition of Sharia Bank has been regulated in Law Article 2 PBI No. 6/24/PBI/2004 concerning Commercial Banks conducting Business Activities. Sharia Principles defines that sharia commercial banks are banks that carry out business activities based on sharia principles, which provide services in payment traffic. In addition, according to the results of interviews that have been conducted, it also shows that there are differences in principle between Sharia-based and Non-Sharia (Conventional) Banks at Bank Rakyat Indonesia. The following is a discussion obtained from the results of the interview:

Differences in Islamic and Non-Sharia Bank Principles

In business activities, of course, there are basic principles that guide the wheels of activity. The same thing happened to both non-sharia (conventional) and Islamic banks. The first principle concerns value. Non-sharia banks have a value-free principle, while Islamic banks uphold Islamic sharia principles, which state no value exemption. The second principle is about the view of money. Non-Islamic banks see money as a commodity. That is, money is seen as an item that can be traded.

Meanwhile, Islamic banks view money as a medium of exchange. So, in Islamic banks, money cannot be traded but can be exchanged for other forms as needed. The third principle concerns the growth of funds deposited by customers in the two types of banks. In non-sharia banks, money will grow with the provision of interest earned from the bank's management. However, Islamic banks reject the interest system. To grow their customers' money, this bank applies a profit-sharing system.

Differences in Services provided in Islamic and Non-Sharia Banks

a. Contract System

In Islamic banks, all transactions must be based on contracts justified by sharia. Thus, all transactions must follow the rules and regulations that apply to sharia muamalah contracts. In conventional banks, account opening transactions, demand deposits, savings, and time deposits, are based on a deposit agreement. However, the principle of this deposit is not following sharia rules, for example, wadi'ah, because in demand deposits, savings, and time deposits, they promise rewards at a fixed rate of interest. Deposited money.

b. Rewards

Conventional banks use the cost concept to calculate profits. This means that the interest promised in advance to saving customers is a fee or fee that the bank must pay. Therefore, banks must "sell" to other customers (borrowers) with higher interest costs. The difference is called the spread, which indicates whether the company is making a profit or loss. If the spread is positive, where the interest expense charged to borrowers is higher than the interest paid to savers, it can be said that the bank earns a profit. The opposite is also true.

Meanwhile, Islamic banks use a profit-sharing approach, meaning that the funds received by the bank are channeled to financing. Profits obtained from the financing are divided in two, for the bank and for customers, based on an advance profit-sharing agreement.

c. Credit/financing targets

The savers in conventional banks are not aware that the money saved is loaned to various businesses, regardless of the halal-haram of the business. In Islamic banks, distribution and deposits from the public are limited by basic principles, namely sharia principles. This means that lending is not allowed to illegal businesses such as gambling, forbidden drinks, pornography, and other businesses not following sharia.

d. Interest and Profit Sharing

Bank interest itself can be interpreted in the form of a determination of the value of the currency by a bank that has a maturity/grace period, then the bank gives to the owner or withdraws from the borrower a fixed (additional) interest of a few percent, such as five or ten percent. In other words, bank interest is a system applied by conventional (non-Islamic) banks as a financial institution whose main function is to collect funds and then channel them to those who need funds (funding), both individuals and business entities useful for investment. Productive and so on.

This bank interest includes usury, so bank interest is also forbidden in Islamic teachings. Because interest has been so deeply rooted in people's lives, Allah, the All-Wise and All-Knowing, has lowered the prohibition on interest in stages so that this new rule does not disrupt the economic growth of the people or will cause difficulties for every society. The difference between usury and interest/rent (bank) is that usury is for consumptive loans, while interest/rent (bank) is for productive loans. However, in essence, both usury, interest/rent, or the like are the same in practice and burdensome for the borrower. Here is the difference between interest and profit-sharing:

No	Bank Syariah	Bank Konvensional/Non-Syariah
1.	The percentage is set based on what is saved or borrowed	Determined by taking into account the possibility of profit and loss
2.	The percentage is set at the beginning and does not change	The percentage is following the bank's operational performance.
3.	Interest comes from other business activities that are not following sharia principles	Interest comes from other business activities that are not following sharia principles

e. Product

Islamic banks do not provide loans in cash but work together based on partnerships, such as the principle of profit-sharing (mudharabah), the principle of equity participation (musyarakah), the principle of buying and selling (murabahah), and the principle of rent (ijarah). Whereas in conventional banks, there are deposits, interest-bearing cash loans, and others.

The Concept of Calculation of Riba and Interest

The concept of profit-sharing calculation is seen from the increase in bank income following the bank's operational performance. For example, a bank has an increase of 10% to be considered for-profit sharing to its customers. Likewise, if the bank experienced a decline in operations while interest is fixed, it does not change even if the bank's income increases or decreases; the interest is given to customers will be of the same or fixed value.

4. CONCLUSION

Conventional banks are banks that carry out conventional business activities that provide services in payment traffic in general based on procedures and provisions that the state has determined. In contrast, Islamic banks are banks that carry out business activities based on sharia principles, or Islamic legal principles regulated in the fatwa of the Indonesian Ulema Council such as the principles of justice and balance ('adl wa tawazun), benefit (maslahah), universalism (natural), and do not contain gharar, maysir, usury, injustice and unlawful objects. (Law No. 21 of 2008 concerning Islamic Banking). There are differences in the principles of value, view of money, and growth of funds between the two. There is a value exemption in Conventional/Non-Sharia Banks, while in Sharia Banks, there is no value exemption. Conventional/Non-Sharia Banks view money as a commodity, while Islamic Banks view money as a medium of exchange. As well as in conventional/non-Sharia banks, interest is set, while in Islamic banks, there is a profit-sharing system.

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