P-ISSN: 1907-7491
E-ISSN: 2502-3705

Epistemé
Jurnal Pengembangan Ilmu Keislaman
Vol. 21, No. 01, June 2026
https://doi.org/10.21274/epis.2026.21.01.51-76

FINANCIAL *HIJRAH* AND SOCIAL CAPITAL IN MSMEs FINANCIAL TRANSFORMATION: The Case of Camp Bebas Riba in Indonesia

Tri Alfianto
Universitas Diponegoro Semarang, Indonesia
trialfianto23@gmail.com

Ariza Fuadi
Universitas Diponegoro Semarang, Indonesia
ariza.fuadi@live.undip.ac.id

Corresponding Author: Ariza Fuadi
Article history: Received: April 25, 2026; Revised: May 25, 2026; Published: June 27, 2026.

Abstract

This study explores the role of Camp Bebas Riba (CBR), a faith-based community initiative, in supporting financial transformation among Micro, Small, and Medium Enterprises (MSMEs). It examines participants' motivations, financial experiences, and the role of community-based social capital in sustaining financial change. Using a qualitative Interpretative Phenomenological Analysis (IPA) approach, the study involved six active CBR participants comprising one mentor, two organizational leaders, and three MSMEs operators in Purwokerto and Klaten, Indonesia. Participants were selected through snowball sampling, and data were collected through semi-structured interviews conducted on September 28–30 and December 15–16, 2024. This article argues that financial transformation developed through an interconnected process of spiritual awareness, financial education, and social support. Participants' awareness of riba and motivation for financial hijrah encouraged them to reassess borrowing practices, while financial literacy and Islamic financial management education supported improvements in debt and business financial management. Trust shared religious values, solidarity, and community networks further reinforced these changes. The study demonstrates that CBR operates not only as a space for financial education but *also as a community context where spiritual values, financial capabilities, and social capital interact to support MSMEs financial transformation.*

[Artikel ini mengkaji tentang peran Camp Bebas Riba (CBR), sebuah inisiatif berbasis keagamaan dan komunitas dalam mendukung transformasi finansial Usaha Mikro, Kecil, dan Menengah (UMKM). Artikel ini kemudian fokus pada aspek motivasi peserta, pengalaman finansial, serta peran modal sosial berbasis komunitas dalam mempertahankan perubahan finansial. Dengan menggunakan pendekatan kualitatif melalui Interpretative Phenomenological Analysis (IPA), studi ini melibatkan enam peserta aktif CBR yang terdiri atas satu pembina, dua pengurus organisasi, dan tiga pelaku UMKM di Purwokerto dan Klaten, Indonesia. Informan dipilih menggunakan teknik snowball sampling, dengan data dikumpulkan melalui wawancara semi-terstruktur pada 28–30 September dan 15–16 Desember 2024. Artikel ini berargumen bahwa transformasi finansial berlangsung melalui keterkaitan antara kesadaran spiritual, edukasi keuangan, dan dukungan sosial. Kesadaran peserta terhadap riba dan motivasi melakukan financial hijrah mendorong mereka mengevaluasi kembali praktik peminjaman, sementara literasi dan edukasi pengelolaan keuangan Islam mendukung perbaikan pengelolaan utang dan keuangan usaha. Kepercayaan, nilai-nilai keagamaan bersama, solidaritas, dan jaringan komunitas turut memperkuat perubahan tersebut. Bahkan lebih lanjut, studi ini menemukan bahwa CBR tidak hanya menjadi ruang edukasi keuangan, tetapi juga konteks komunitas tempat nilai spiritual, kapasitas finansial, dan modal sosial berinteraksi dalam mendukung transformasi finansial UMKM

Keywords: *Financial Hijrah, MSMEs, Camp Bebas Riba, Social Capital, Islamic Economics*

Introduction

Micro, Small, and Medium Enterprises (MSMEs) hold a strategic role in driving national economic growth and job creation. In Indonesia, MSMEs form the backbone of the economy, contributing significantly to various sectors, particularly in terms of labor absorption and Gross Domestic Product (GDP) growth. According to data from the Indonesian

Chamber of Commerce and Industry[1], MSMEs contribute 61% of Indonesia's total GDP and employ up to 97% of the national workforce, making them the primary drivers of economic activity at both local and national levels.

Limited access to affordable financing, driven by asymmetric information and perceived high risk, pushes many MSMEs toward online loans as alternative funding sources.[2] Although convenient, these loans often involve high interest rates and financial risks, trapping users in cycles of debt.[3] From an Islamic perspective, such interest-based practices (*riba*) are strictly prohibited due to their unjust nature, as emphasized in the Qur'an (2:275; 2:278–279).

Within Islamic teachings, *riba* is generally regarded as a prohibited practice in Islamic jurisprudence and financial ethics. However, its normative status should be distinguished from how *riba* is interpreted and experienced in specific social contexts. In this study, *riba* is treated as a normative concept in Islamic teachings, while interest is understood as an economic and regulatory concept related to lending and borrowing. The study focuses on how CBR members interpret the relationship between these concepts and how such interpretations shape their financial experiences and decisions.[4] In the MSMEs context, reliance on interest-bearing debt may create financial pressure, particularly when borrowing is not accompanied by adequate financial management. Some CBR

[1] Kamar Dagang Indonesia. *UMKM Indonesia*. KADIN, 2023. https://kadin.id/data-dan-statistik/umkm-indonesia/.

[2] Hj Talip, Siti Nor Suriana, and Shaista Wasiuzzaman. "Influence of Human Capital and Social Capital on MSME Access to Finance: Assessing the Mediating Role of Financial Literacy." *International Journal of Bank Marketing* 42, no. 3 (2024): 458–85. https://doi.org/10.1108/IJBM-04-2023-0214"

[3] Rahayu et al., "The Behavioral Finance of MSME in Indonesia: Financial Literacy, Financial Technology (Fintech), and Financial Attitudes." *International Journal of Digital Entrepreneurship and Business* 4, no. 2 (2023). https://doi.org/10.52238/ideb.v4i2.127."

[4] Adi et al., "Perilaku Hedonis dalam Al-Qur'an Studi atas Term al-Israf Q.S al-A'raf Ayat 31." *Al-Mutsla* 5, no. 2 (2023): 425–37. https://doi.org/10.46870/jstain.v5i2.755.

participants subsequently interpreted their experiences with debt through their understanding of *riba* and Islamic financial principles. Rather than assuming that these interpretations are universally applicable, this study examines how participants experienced and constructed meaning around debt, *riba*, and financial change.[5] The Camp Bebas Riba (CBR), or Riba-Free Camp, emerged as a community-based initiative that seeks to provide religious learning, financial education, and peer support for individuals seeking alternatives to financial practices they perceive as inconsistent with Islamic principles. This study therefore examines how CBR members interpret *riba*, experience financial *hijrah*, and perceive changes in their financial practices. By focusing on these lived experiences, the study seeks to understand the role of community-based religious and social processes in supporting financial transformation among participating MSMEs.

CBR emphasizes a structured mentoring approach that guides participants through both psychological and practical stages of financial transformation. This process includes strengthening mental readiness, deepening understanding of *riba* from a religious perspective, and equipping participants with technical strategies to manage and resolve their financial obligations. Fundamentally, the approach adopted by CBR integrates three interconnected dimensions, namely spiritual, financial, and community-based support, enabling a more holistic and sustainable transition toward *riba*-free financial behavior.

Despite its growing presence, limited studies have examined how community-based movements facilitate financial behavior transformation, particularly from the perspective of social and religious dynamics Therefore, this study aims to explore the role of Camp Bebas Riba (CBR) in shaping financial transformation among participating MSMEs. Using an Interpretative Phenomenological Analysis (IPA) approach, the study seeks to discuss how CBR participants interpret

[5] Muhammad et al., "Halal Food Production and Nutritional Value: A Study of MSMEs in Northern Nigeria." *Al-Amwal : Jurnal Ekonomi dan Perbankan Syari'ah* 17, no. 2 (2025): 142. https://doi.org/10.70095/alamwal.v17i2.21974.

and experience their transition from interest-based debt toward financial practices they perceive as consistent with Islamic principles and how does religiously grounded social capital within CBR facilitate and sustain this financial transformation.This research therefore positions social capital as the primary analytical framework to examine how trust networks, shared religious norms, and community-based social structures enable MSMEs to transition toward sustainable interest-free financial practices. By integrating social capital analysis with Islamic economic behavioral transformation, this study contributes to bridging the gap between normative Islamic economic theory and its practical implementation at the grassroots economic level.

This study draws on social capital theory to interpret how relationships within CBR contribute to participants' financial transformation. Rather than treating social capital simply as a source of social cohesion, the analysis examines how trust, shared values, and community networks operate as social resources in participants' financial experiences. Trust is used to examine how relationships with CBR members and mentors create a supportive environment for sharing financial difficulties and adopting new financial practices. Shared religious values are examined to understand how collective norms shape participants' interpretation of *riba* and reinforce their commitment to financial change. Community networks and participation are used to examine how knowledge, financial guidance, and mutual support are accessed and exchanged among members. These dimensions allow the study to explain how social relationships are translated into practical resources that support changes in financial management and debt practices.

Building on this framework, the study extends social capital scholarship by showing how religiously grounded social capital may connect spiritual motivation with practical financial transformation. The findings suggest that CBR's contribution to MSMEs empowerment does not rely solely on financial education, but also on the trust, shared values, and networks embedded within the community. Practically, these findings suggest that community-based approaches may complement formal financial inclusion initiatives by integrating financial education with socially embedded support mechanisms. Such an approach may provide useful consideration for policymakers and financial institutions seeking to strengthen inclusive and sustainable financial practices among MSMEs.

Social Capital and Community-Based Financial Transformation

The transformation toward interest-free financial practices MSMEs cannot be sufficiently explained through purely economic or regulatory approaches. In many Muslim-majority contexts, financial decision-making is deeply embedded within social relations, shared moral frameworks, and religiously shaped trust networks. Economic behavior is often constructed collectively through social interaction, rather than emerging solely from individual financial rationality. In this regard, social capital theory offers an important analytical foundation to understand how trust, social norms, and relational networks shape the transition toward non-riba financial behavior among MSMEs.[6] The conceptual foundation of social capital has been developed through different theoretical perspectives. Coleman emphasizes that social relations can function as productive resources that facilitate information exchange, reduce uncertainty, and support collective action.[7] In MSMEs environments, social capital may therefore provide access to information, support, and resources when formal

[6] Vu et al., "How Social Capital Affects Innovation, Marketing and Entrepreneurial Orientation: The Case of SMEs in Ho Chi Minh (Vietnam)." *Journal of Innovation and Entrepreneurship* 12, no. 1 (2023): 81. https://doi.org/10.1186/s13731-023-00350-8.

[7] Anni Yudiastuti et al., "Social Capital, Joint Responsibility Systems, and Empowerment of Women in MSMES : A Conceptual Framework." *International Journal of Science, Technology & Management* 2, no. 6 (2021): 2239–46. https://doi.org/10.46729/ijstm.v2i6.397.

financial systems are limited.[8] However, social capital is not inherently positive. While Coleman and Putnam emphasize trust, cooperation, and collective action, Bourdieu highlights its relationship with power, unequal access to resources, hierarchy, and social exclusion. Social networks may therefore provide support for some members while creating boundaries or normative pressures for others.

Accordingly, this study uses social capital as an analytical framework to examine both the enabling and constraining dimensions of relationships within the CBR community. Trust and networks are used to analyze how participants access information and support, while shared religious values are used to examine how collective norms shape financial decisions and expectations. By combining these perspectives, the study argues that social capital may facilitate financial transformation while also considering the roles of power, access, and normative control within the community.

The relational dimension of social capital was further elaborated by Robert Putnam, who distinguishes between bonding and bridging social capital as complementary mechanisms of social coordination. Bonding social capital strengthens internal solidarity and emotional security within homogeneous communities, while bridging social capital expands access to broader institutional and economic networks.[9] In faith-based economic movements, these dimensions are particularly relevant, as they allow communities to maintain ideological cohesion while simultaneously expanding access to formal financial institutions and regulatory systems.[10] Within Islamic economic contexts, financial behavior is strongly

---

[8] Zahedi et al., "Identifying and Classifying the Contributing Factors to Financial Resilience." *Foresight* 24, no. 2 (2022): 177–94. https://doi.org/10.1108/FS-10-2020-0102.

[9] Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community*. Simon & Schuster, 2000.

[10] Liu and Mostafavi, "Network Dynamics of Community Resilience and Recovery: New Frontier in Disaster Research." *International Journal of Disaster Risk Reduction* 123 (June 2025): 105489. https://doi.org/10.1016/j.ijdrr.2025.105489.

influenced by normative religious frameworks that extend beyond individual rational economic choice. Islamic finance represents not merely a financial alternative, but a moral-economic framework designed to promote distributive justice and social welfare.[11] The prohibition of *riba* serves as a central ethical boundary that differentiates legitimate trade from exploitative financial accumulation. As emphasized by Quraish Shihab, *riba* reflects unjustified economic excess that undermines fairness in economic exchange. Thus, the rejection of riba functions not only as a doctrinal command but also as a socio-economic mechanism aimed at preventing inequality, financial vulnerability, and social harm.[12] Empirical evidence shows that financial debt, particularly high- interest debt structures, is associated with psychological stress, social vulnerability, and even extreme social consequences.[13] In Indonesia, the rapid growth of online lending has further illustrated the vulnerability of communities with limited financial literacy and weak social protection mechanisms.[14] These conditions reinforce the importance of socially embedded financial education and community-based financial transformation mechanisms.

However, the transition toward *riba*-free financial systems at the grassroots level often faces structural and cognitive barriers. The mere availability of Islamic financial products does not guarantee adoption among MSMEs. Instead, acceptance is frequently mediated by community

[11] Asutay, "Islamic Moral Economy: Bringing Back Substantive Morality to Humanise Islamic Finance." *Global Policy* 16, no. S1 (2025): 7–11. https://doi.org/10.1111/1758-5899.13487.

[12] Mulyana et al., "The Impact of Public Understanding of Usury on Debt and Receivable Behavior from an Islamic Perspective." *International Journal of Economics, Management and Accounting (IJEMA)* 2, no. 3 (2024): 439–46. https://doi.org/10.47353/ijema.v2i3.190.

[13] Yerko Rojas, "Financial Indebtedness and Suicide: A 1-Year Follow-up Study of a Population Registered at the Swedish Enforcement Authority." *International Journal of Social Psychiatry* 68, no. 7 (2022): 1445–53. https://doi.org/10.1177/00207640211036166.

[14] Zulfikar Hasan, "Impact of Digital Financial Literacy on Consumer Protection, Investor Security, and Financial Transactions in Indonesia." *International Journal of Islamic Economics and Finance Research* 7, no. 2 (2024): 55–77. https://doi.org/10.53840/ijiefer165.

trust, shared religious interpretations, and social validation processes.[15]

In this context, community-based organizations and mass organizations function as social intermediaries that translate abstract religious-economic principles into socially legitimate and practically applicable financial practices.[16] For MSMEs, access to financial services is often influenced not only by financial infrastructure but also by social networks, collective norms, and community-level economic behavior patterns.[17] In many cases, community organizations serve as platforms for collective learning, peer reinforcement, and value-based social pressure that strengthen the legitimacy of interest-free financial practices.[18] Despite extensive literature on Islamic finance institutional development and MSMEs financial inclusion, limited studies have specifically examined how social capital embedded within religious community organizations facilitates behavioral transition toward non-*riba* financial systems. Most existing studies focus on financial product development, regulatory frameworks, or financial literacy interventions, often overlooking relational and sociological mechanisms that drive real behavioral change at the community level.[19]

---

[15] Rajwinder Kaur and Manjit Singh. "The Dynamics of Family Financial Socialization: Impact on Financial Self-Efficacy and Financial Behavior." *NMIMS Management Review* 32, no. 2 (2024): 106–17. https://doi.org/10.1177/09711023241282195.

[16] *Ibid.*

[17] Bronson Mutanda and Bomi Cyril Nomlala. "Exploring the Potential of Islamic Finance in Bridging the Financial Inclusion Gap: A Systematic Review of Literature." *European Journal of Islamic Finance* 12, no. 3 (2025): 72–87. 38MB. https://doi.org/10.13135/2421-2172/11201.

[18] Wulandari et al., "When Uncertainty Motivates Identity Restoration in Religious Groups: The Hijra Phenomenon." *Religions* 13, no. 10 (2022): 913. https://doi.org/10.3390/rel13100913.

[19] Rafiullah Sheikh and Khalid Hussain, "Harmony or Discord: Analyzing Stakeholders' Viewpoints on Islamic Banking." *Qualitative Research in Financial Markets*, December 23, 2025, 1–27. https://doi.org/10.1108/QRFM-04-2025-0115.

Camp Bebas Riba (CBR)

Camp Bebas Riba (CBR) is a community-based organization that focuses on sharia financial literacy education and community assistance aimed at reducing dependence on interest-based financial practices (*riba*). The organization emerged as part of the financial *hijrah* phenomenon, which refers to the transformation of economic behavior toward financial practices that are aligned with Islamic sharia principles.

CBR primarily focuses on enhancing Islamic financial literacy through educational programs, community development initiatives, and assistance for individuals experiencing financial difficulties caused by interest-bearing debt. Over time, CBR has evolved not only as a medium for economic education but also as a platform for social and spiritual transformation that emphasizes the implementation of Islamic values in everyday economic activities.

CBR was established by several former conventional banking practitioners who became increasingly aware of the economic and moral implications of interest-based financial systems. One of the key figures behind the establishment of the organization was H. Hadiana, a former national banker who later initiated a community-based Islamic financial education movement.

The members of CBR come from diverse social and economic backgrounds, particularly individuals who have experienced debt-related problems and financial pressure caused by interest-based credit systems. These experiences form the foundation of a participatory learning model within the community, in which members share experiences and solutions regarding sharia-compliant financial management. The solutions offered by CBR include legal assistance, intensive two-day one-night bootcamp programs, and guidance on sound financial management practices in business activities.

The establishment of CBR was motivated by the growing public awareness of the negative impacts of *riba* practices in economic, social, and spiritual dimensions. The increasing use of consumer credit, interest-based loans, and unproductive consumption patterns within society contributed to the emergence of a demand for alternative sharia-based financial management systems.

The emergence of Camp Bebas Riba is also closely related to Indonesia's social and economic dynamics during the 2020s. During this period, public access to credit services and consumer financing increased significantly, accompanied by a rising risk of household debt-related problems.[20] This condition was further exacerbated by the economic consequences of the COVID-19 pandemic, which caused a slowdown in national economic activity and weakened business sector stability, particularly among micro, small, and medium enterprises (MSMEs). Many business owners experienced declining revenues and difficulties in fulfilling loan repayment obligations, thereby increasing financial pressure within society.

At the same time, Indonesia also witnessed the expansion of the *hijrah* movement among urban Muslim communities. This movement not only reflected changes in religious observance but also encouraged transformations in lifestyle and economic behavior that were perceived as more consistent with Islamic principles, including in financial management practices. The increasing public awareness regarding the importance of conducting transactions free from *riba* created opportunities for the growth of Islamic economic *da'wah* communities such as Camp Bebas Riba, which functions as a platform for education, mentoring, and strengthening sharia financial literacy within society.

In addition to economic factors, the relatively low level of Islamic financial literacy in Indonesia also became one of the primary reasons behind the establishment of CBR. Many members of society understood

---

[20] Georgius Ivan Budihardja, "Kebijakan Restrukturisasi Kredit Oleh Bank Terhadap Debitur UMKM Terdampak Langsung Maupun Tidak Langsung Pandemi Covid-19." *Jurist-Diction* 5, no. 4 (2022): 1313–46. https://doi.org/10.20473/jd.v5i4.37311.

the concept of *riba* merely from a normative religious perspective, without possessing adequate knowledge regarding its implications for individual and household financial stability. Therefore, CBR was established as a platform for education and assistance in promoting more sustainable and sharia-compliant financial behavior.

CBR initially developed in Indonesia as a community-based movement focused on Islamic economic *da'wah* and has subsequently established local communities in several regions. According to the organization's stated activities, CBR offers forms of support that include Islamic financial studies, seminars, family financial management training, mentoring for individuals experiencing debt-related difficulties, and Islamic financial literacy campaigns through digital media platforms. Through its community-based approach, CBR seeks to engage participants from different social backgrounds and adapt its activities to local contexts. However, the effectiveness of these forms of support and their contribution to participants' financial transformation remain empirical questions examined in this study.

CBR was officially established in October 2016, during a period of increasing public interest in Islamic economics and finance in Indonesia. At the same time, the Islamic financial industry in Indonesia was experiencing significant development, marked by the increasing number of Islamic financial institutions and the growing public discourse surrounding Islamic economics. From a social perspective, this period was also characterized by the strengthening of the *hijrah* movement among Indonesian Muslims, particularly within urban communities. The movement was not limited to changes in personal religiosity but also encompassed transformations in economic behavior and lifestyles considered more aligned with Islamic values. Within this context, CBR emerged as a form of social movement that integrates economic education, religious outreach, and community empowerment.

CBR was established through a community-based educational and social *da'wah* approach by utilizing the professional experiences of its founders in the banking and financial sectors. The organization carries out its activities through participatory and educational methods, including regular study sessions, mentoring, group discussions, seminars, and the dissemination of information through social media and digital platforms. In practice, CBR applies an experiential learning approach, which refers to a learning process based on the real-life experiences of community members in dealing with debt-related problems and financial management challenges. This approach enables members to gain practical understanding regarding the risks of *riba* practices and strategies for healthier and sharia-compliant financial management.

In addition to providing financial education, CBR also encourages changes in economic behavior through the implementation of modest living principles, strengthened consumption control, responsible debt management, and increased spiritual awareness in economic activities. Consequently, CBR functions not only as an Islamic financial literacy community but also as a medium for social and religious transformation within society.

The Role of CBR in Facilitating *Riba*-Free Financial Transformation among MSMEs

The decision to abandon *riba*-based financing cannot be reduced to economic calculation alone. Although financial distress often triggers reflection, the decisive turning point lies in moral tension and spiritual inconsistency. Participants describe a growing awareness that their financial practices conflicted with their religious commitments. This internal dissonance generated psychological discomfort that gradually encouraged realignment between faith and economic behavior.

This pattern corresponds with transformative learning theory, in which crisis situations function as disorienting dilemmas that initiate paradigm shifts.[21] In this context, debt pressure becomes not merely an economic burden but a catalyst for ethical reassessment. As financial obligations accumulate and repayment becomes increasingly difficult, individuals experience significant psychological stress and instability.[22] This condition often creates a moral dissonance between their financial practices and their religious beliefs, particularly regarding the prohibition of *riba*.[23] The tension between economic necessity and ethical values encourages individuals to critically reflect on their financial behavior, ultimately motivating a shift toward more value-consistent and sharia-compliant practices.

Hijrah therefore represents both spiritual repentance and economic restructuring. *Hijrah* can be understood as a process of behavioral transformation in which individuals strive to align their actions with Islamic values.[24] Within the CBR community, *hijrah* is associated with changes in financial practices and is commonly discussed in terms of financial *hijrah*. In this context, financial *hijrah* refers to participants' efforts to reconsider interest-based financial practices and pursue alternatives that they perceive as consistent with sharia principles. CBR combines Islamic financial education with religious learning and community-based activities, providing a context in which participants reflect on and discuss their financial practices. These characteristics form the social and religious context for examining participants'

---

[21] Virginia Andres and Dongcheol Heo. "Organizational Transformation in Crisis: Learning from Emergent Patterns of Knowing and Organizing." *The Learning Organization* 30, no. 3 (2023): 290–308. https://doi.org/10.1108/TLO-09-2022-0104.

[22] Stephen E. G. Lea, "Debt and Overindebtedness: Psychological Evidence and Its Policy Implications." *Social Issues and Policy Review* 15, no. 1 (2021): 146–79. https://doi.org/10.1111/sipr.12074.

[23] Azmat et al., "Understanding 'Riba' (Interest): The Religious and the Rational." *Emerald Emerging Markets Case Studies* 11, no. 3 (2021): 1–11. https://doi.org/10.1108/EEMCS-08-2020-0288.

[24] Syamsul Rijal, "Pursuing Hijrah to Salafi Path: Urban Muslim Youth and the Quest for Self-Transformation in Indonesia." *Contemporary Islam* 19, no. 1 (2025): 101–21. https://doi.org/10.1007/s11562-024-00564-x.

experiences of financial transformation.

This initial stage is crucial as it addresses the cognitive and moral frameworks that underline financial behavior. Moral values play an important role as the foundation of individual economic behavior in financial management.[25] By fostering alignment between individual beliefs and economic practices, CBR can reduce the gap between religious values and financial decision-making, which is often a source of behavioral inconsistency. Only after this internal alignment is achieved are participants introduced to structured financial tools such as budgeting, debt prioritization, and business planning.

This sequencing reflects a value-based financial behavior framework, in which behavioral change is not solely driven by technical knowledge, but by the internalization of ethical and religious values. As a result, financial decisions become more disciplined and sustainable, as they are shaped not only by rational considerations but also reinforced by moral commitment and social responsibility.[26] The redefinition of success is equally significant. Profit maximization no longer functions as the sole objective. Instead, participants emphasize sustainability, honesty, family stability, and spiritual tranquility. This orientation aligns with the concept of Islamic moral economy, which situates economic activity within a broader ethical and social framework.[27] Financial liberation from *riba* is therefore experienced not only as debt reduction but as restoration of dignity and moral coherence.

Spiritual awareness alone is insufficient without disciplined financial restructuring. CBR introduces systematic mechanisms such as debt mapping and financial assessment to confront financial reality

---

[25] "The Effect of Financial Planning on Consumer Debt Management: The Role of Financial Literacy, Self-Efficacy, and Financial Motivation." *Atestasi : Jurnal Ilmiah Akuntansi* 7, no. 1 (2024): 340–68. https://doi.org/10.57178/atestasi.v7i1.793.

[26] Mohd Yunus and Rizal, "Value-Based Intermediation in Islamic Finance in Malaysia: An Overview on Strategy, Issues and Challenges." *Etihad: Journal of Islamic Banking and Finance* 5, no. 2 (2025): 102–17. https://doi.org/10.21154/etihad.v5i2.12275.

[27] Asutay, "Islamic Moral Economy."

transparently. By documenting creditors, collateral, outstanding principal, and repayment status, participants reorganize their financial cognition and move from reactive borrowing to strategic resolution.

Debt mapping reduces emotional avoidance and facilitates prioritization strategies. Participants are encouraged to settle smaller debts first, address high-interest obligations, and resolve liabilities that generate psychological pressure. This structured approach resonates with research demonstrating that financial literacy combined with disciplined planning enhances financial well-being.[28] CBR also challenges the dominance of institutional credit scoring as the primary benchmark of financial reputation. Fear of deteriorating credit status previously led many MSMEs actors to take new loans to maintain collectability. This pattern frequently resulted in debt traps. By reframing financial integrity around moral consistency rather than institutional metrics, CBR promotes psychological detachment from dependency on formal credit systems.

To put its value-based approach into practice, CBR uses practical financial tools like the Golden Money Management framework, which sets clear proportions for charity, savings, and household needs. Although empirical evidence linking charitable giving directly to income growth remains limited, studies suggest that effective management of *zakat* and *infaq* within communities contributes to broader economic welfare.[29] In this setting, charity reinforces discipline, social solidarity, and long-term stability. Thus, financial transformation within CBR integrates spiritual intentionality with managerial pragmatism. Ethical commitment motivates behavioral change, while structured financial tools sustain it.

A central contribution of this study lies in demonstrating how social capital stabilizes financial transformation. Individual commitment

[28] Fuadah Binti Johari, "Enhancing the Measurement of Financial Literacy: Integrating Digital Dimensions for Inclusive Financial Well-Being." *The Proceedings of the ASEAN School of Business Network International Conference* 2 (2025): 497–509. https://doi.org/10.64458/asbnic.v2.96.

[29] Kurjono, et.al, *Pengetahuan Kewirausahaan dalam Meningkatkan Intensi Berwirausaha* (Bandung: UPI Press, 2023).

to avoid riba would likely weaken without collective reinforcement. Within CBR, social capital functions as an informal economic infrastructure grounded in shared faith and shared vulnerability.

Trust forms the foundational layer. Members share similar histories of debt and moral struggle, which cultivates empathy and reduces opportunistic behavior. Trust operates as a form of social collateral, enabling informal trade cooperation and liquidity assistance. Research shows that trust within value-based communities enhances resilience and economic inclusion.[30] In the CBR context, trust is strengthened by shared religious accountability, making financial integrity a collective concern.

Social networks further expand access to information, emotional support, and market opportunities. Regular gatherings and mentorship create dense horizontal connections that facilitate rapid exchange of resources. Putnam emphasizes that civic networks enhance access to collective goods. In this case, networks do not merely provide economic benefits but reinforce ethical discipline, since deviation from shared commitments becomes socially visible. Shared norms operate as internal regulatory mechanisms. The collective agreement to avoid all forms of interest-based borrowing establishes clear moral boundaries. Rather than functioning through formal sanctions, norms are sustained through religious discourse and peer encouragement. Empirical studies demonstrate that shared values significantly influence collective economic decision-making.[31] Within CBR, normative cohesion strengthens behavioral consistency and reduces relapse into debt dependence.

Civic engagement extends transformation beyond the individual level. Through advocacy, entrepreneurial mentoring, and community programs, members position themselves as agents of social reform.

---

[30] Johari, "Enhancing the Measurement of Financial Literacy."

[31] Seyed Mohsen Mirbagheri and Ata Ollah Rafiei Atani Rafieiatani. "Examining the Relationship between Common Rationality, Collective Decision-Making, and Social Capital: A Structural Equation Modelling." *Operations Research and Decisions* 35, no. 4 (2025): 51–71. https://doi.org/10.37190/ord/206037.

This outward engagement reinforces identity and consolidates collective resilience. Social capital in this setting therefore operates not only as bonding capital but also as bridging capital that connects participants with broader social structures. The findings suggest that faith-based social capital can complement formal Islamic financial institutions by supporting individuals categorized as financially vulnerable or high-risk. The moral density of the network strengthens compliance beyond contractual enforcement.

Critical Reflection on Islamic Banking Practices

An additional dimension emerging from the findings concerns participants' critical reflections on Islamic banking practices, particularly regarding the extent to which current implementations reflect the substantive objectives of *maqashid al-sharia*. Several CBR leaders, drawing on their professional experience within Sharia banking institutions, do not reject Islamic finance as a normative framework, but instead question the degree of its practical authenticity. Their reflections suggest that the issue lies not in the principles themselves, but in their institutional translation within modern financial systems.

One MSMEs participant described a perceived tension between the principle of profit-and-loss sharing and his experience with Islamic financing. The participant noted that, in his experience, repayment expectations under financing schemes perceived as based on *mudharabah* or *musyarakah* could feel similar to conventional loan arrangements. He stated, "the structure of repayment sometimes feels similar to conventional loans, even though the contract is labeled as profit-sharing" (Participant A, MSMEs operator and CBR participant). This account reflects the participant's subjective experience rather than a general assessment of Islamic banking practices.

This perception is consistent with previous studies that have identified tensions between the theoretical principles of Islamic finance and their practical implementation. Regulatory requirements, risk management considerations, and market competition may influence how Islamic financial products are structured and delivered. The concept of *sharia arbitrage* has also been used to describe situations in which conventional financial mechanisms are reproduced within Sharia-based contractual structures.[32] In the context of this study, however, these broader observations are used only to contextualize the participant's experience and do not imply that such practices characterize Islamic banking as a whole.

Within this context, the emergence of CBR can be interpreted as a response to this institutional gap. Rather than positioning itself in opposition to Islamic financial institutions, CBR operates at the intersection between normative aspirations and lived economic realities. It specifically targets individuals who are already excluded from, or underserved by, formal financial systems, particularly those experiencing financial distress. Through personalized mentoring and community-based financial restructuring, CBR introduces an alternative pathway that re-embeds financial practices within ethical, social, and spiritual frameworks.

More importantly, CBR's approach reflects a bottom-up model of financial transformation, where behavioral change is driven not by institutional compliance alone, but by the internalization of values and lived experiences. In this sense, CBR does not merely complement existing Islamic financial institutions, but implicitly challenges the adequacy of formal mechanisms in addressing the moral and behavioral dimensions of financial practices. By bridging the gap between normative Islamic finance and everyday economic realities, CBR highlights the limitations of a purely institutional approach and underscores the importance of integrating ethical consciousness, social capital, and community-based support in achieving a more substantive realization of a riba-free economic system.

[32] Murad Ahmed Aliyi, "Legal and Regulatory Issues of Islamic Finance in Ethiopia." *International Journal of Research in Business and Social Science (2147- 4478)* 14, no. 10 (2026): 194–205. https://doi.org/10.20525/ijrbs.v14i10.4809.

Conclusion

This study shows that participants' transition from interest-based debt toward financial practices they perceive as consistent with Islamic principles represents a process of financial *hijrah* rather than merely a change in financial behavior. For MSMEs participants, experiences of financial pressure, including excessive borrowing and difficulties in managing debt, became part of a process of reassessing their previous financial practices. Participation in CBR was associated with greater awareness of *riba*, spiritual reflection, and motivation to change. This process was accompanied by financial literacy and Islamic financial management education, which helped participants improve their business financial management and gradually settle their outstanding debts. Thus, participants' financial transformation emerged through the interaction between spiritual reflection and practical changes in financial management.

The study also shows that religiously grounded social capital plays a role in facilitating and sustaining this transformation. Trust shared religious values, solidarity, and community networks provided participants with access to knowledge, guidance, encouragement, and social support. These relationships helped connect individual motivation with collective practices and reinforced participants' commitment to maintaining changes in their financial behavior. At the same time, social capital operated through shared norms and expectations within the community, indicating that its influence involved not only support but also normative guidance.

The contribution of this study lies in explaining the interconnection of three processes in MSMEs financial transformation: spiritual awareness as a trigger for change, financial education as a means of developing practical capacity, and religiously grounded social capital as a mechanism that reinforces such change. CBR is therefore understood not merely as a space for financial education, but as a community context in which religious meanings, financial learning, and social relationships interact in participants' experiences of financial transformation. These findings extend the understanding of social capital by demonstrating how resources embedded in faith-based social relationships can support changes in financial practices among MSMEs actors.

References

Adi, Kurniadi, Prades Arianto Silondae, Achmad Abubakar, Halimah Basri, and Muh. Azka Fazakah Rifah. "Perilaku Hedonis dalam Al-Qur'an Studi atas Term al-Israf Q.S al-A'raf Ayat 31." *Al-Mutsla* 5, no. 2 (2023): 425–37. https://doi.org/10.46870/jstain.v5i2.755.

Aliyi, Murad Ahmed. "Legal and Regulatory Issues of Islamic Finance in Ethiopia." *International Journal of Research in Business and Social Science (2147- 4478)* 14, no. 10 (2026): 194–205. https://doi.org/10.20525/ijrbs.v14i10.4809.

Andres, Virginia, and Dongcheol Heo. "Organizational Transformation in Crisis: Learning from Emergent Patterns of Knowing and Organizing." *The Learning Organization* 30, no. 3 (2023): 290–308. https://doi.org/10.1108/TLO-09-2022-0104.

Anni Yudiastuti, Heri Pratikto, and Sopiah. "Social Capital, Joint Responsibility Systems, And Empowerment of Women in MSMEs: A Conceptual Framework." *International Journal of Science, Technology & Management* 2, no. 6 (2021): 2239–46. https://doi.org/10.46729/ijstm.v2i6.397.

Asari, Nur Aifaa Maisarah. "Islamic Guidance for Responsible Personal Financial Decision-Making." *SSRN Electronic Journal*, ahead of print, 2024. https://doi.org/10.2139/ssrn.4851566.

Asutay, Mehmet. "Islamic Moral Economy: Bringing Back Substantive Morality to Humanise Islamic Finance." *Global Policy* 16, no. S1 (2025): 7–11. https://doi.org/10.1111/1758-5899.13487.

Azmat, Saad, Ayesha Bhatti, and M. Kabir Hassan. "Understanding 'Riba' (Interest): The Religious and the Rational." *Emerald Emerging Markets Case Studies* 11, no. 3 (2021): 1–11. https://doi.org/10.1108/EEMCS-08-2020-0288.

Budihardja, Georgius Ivan. "Kebijakan Restrukturisasi Kredit Oleh Bank Terhadap Debitur UMKM Terdampak Langsung Maupun Tidak Langsung Pandemi Covid-19." *Jurist-Diction* 5, no. 4 (2022): 1313–46. https://doi.org/10.20473/jd.v5i4.37311.

Djumadi, Arzal Syah, Hamida, Mujahidin, and Kamiruddin. "Critical Review of *Murābaḥah* Financing in Contemporary Islamic Banking: A *Maqāṣid al-Sharī'ah* Perspective." *MILRev: Metro Islamic Law Review* 4, no. 2 (2025): 1152–88. https://doi.org/10.32332/milrev.v4i2.11087.

Hasan, Zulfikar. "Impact of Digital Financial Literacy on Consumer Protection, Investor Security, and Financial Transactions in Indonesia." *International Journal of Islamic Economics and Finance Research* 7, no. 2 (2024): 55–77. https://doi.org/10.53840/ijiefer165.

Hj Talip, Siti Nor Suriana, and Shaista Wasiuzzaman. "Influence of Human Capital and Social Capital on MSME Access to Finance: Assessing the Mediating Role of Financial Literacy." *International Journal of Bank Marketing* 42, no. 3 (2024): 458–85. https://doi.org/10.1108/IJBM-04-2023-0214.

Ishak, Muhammad Shahrul Ifwat, and Fathullah Asni. "The Role of *Maqasid al-Shari'ah* in Applying *Fiqh Muamalat* into Modern Islamic Banking in Malaysia." *Journal of Islamic Accounting and Business Research* 11, no. 10 (2020): 2137–54. https://doi.org/10.1108/JIABR-12-2019-0224.

Johari, Fuadah Binti. "Enhancing the Measurement of Financial Literacy: Integrating Digital Dimensions for Inclusive Financial Well-Being." *The Proceedings of the ASEAN School of Business Network International Conference* 2 (2025): 497–509. https://doi.org/10.64458/asbnic.v2.96.

Jumady, Edy, Syamsul Alam, Hasbiyadi Hasbiyadi, Yana Fajriah, and Yaisa Anggraini. "The Effect of Financial Planning on Consumer Debt Management: The Role of Financial Literacy, Self-Efficacy, and Financial Motivation." *Atestasi : Jurnal Ilmiah Akuntansi* 7, no. 1 (2024): 340–68. https://doi.org/10.57178/atestasi.v7i1.793.

Kaur, Rajwinder, and Manjit Singh. "The Dynamics of Family Financial Socialization: Impact on Financial Self-Efficacy and Financial Behavior." *NMIMS Management Review* 32, no. 2 (2024): 106–17. https://doi.org/10.1177/09711023241282195.

Kurjono, et.al. *Pengetahuan Kewirausahaan dalam Meningkatkan Intensi Berwirausaha*, Bandung: UPI Press, 2023.

Lea, Stephen E. G. "Debt and Overindebtedness: Psychological Evidence and Its Policy Implications." *Social Issues and Policy Review* 15, no. 1 (2021): 146–79. https://doi.org/10.1111/sipr.12074.

Liu, Chia-Fu, and Ali Mostafavi. "Network Dynamics of Community Resilience and Recovery: New Frontier in Disaster Research." *International Journal of Disaster Risk Reduction* 123 (2025): 105489. https://doi.org/10.1016/j.ijdrr.2025.105489.

Mirbagheri, Seyed Mohsen, and Ata Ollah Rafiei Atani Rafieiatani. "Examining the Relationship between Common Rationality, Collective Decision-Making, and Social Capital: A Structural Equation Modelling." *Operations Research and Decisions* 35, no. 4 (2025): 51–71. https://doi.org/10.37190/ord/206037.

Mohd Yunus, Saidatolakma, and Fitra Rizal. "Value-Based Intermediation in Islamic Finance in Malaysia: An Overview on Strategy, Issues and Challenges." *Etihad: Journal of Islamic Banking and Finance* 5, no. 2 (2025): 102–17. https://doi.org/10.21154/etihad.v5i2.12275.

Muhammad, Adamu Abubakar, Nabeela Usman El-Nafaty, Adam Muhammad Ardo, Rabi Shehu Dalhatu, and Abubakar Aliyu Yakub. "Halal Food Production and Nutritional Value: A Study of MSMEs in Northern Nigeria." *Al-Amwal: Jurnal Ekonomi Dan Perbankan Syari'ah* 17, no. 2 (2025): 142. https://doi.org/10.70095/alamwal.v17i2.21974.

Mulyana, Nurdin, Ridla Mutiah, and Agung Apriana. "The Impact of Public Understanding of Usury on Debt and Receivable Behavior from an Islamic Perspective." *International Journal of Economics, Management and Accounting (IJEMA)* 2, no. 3 (2024): 439–46. https://doi.org/10.47353/ijema.v2i3.190.

Mutanda, Bronson, and Bomi Cyril Nomlala. "Exploring the Potential of Islamic Finance in Bridging the Financial Inclusion Gap: A Systematic Review of Literature." *European Journal of Islamic Finance* 12, no. 3 (2025): 72–87. https://doi.org/10.13135/2421-2172/11201.

Pervez, Imtiaz A. "Ethics and Impact of Islamic Finance: Exploring the Gap between Theory and Practice." *Journal of Insurance and Financial Management* 5, no. 4 (1990): 259. https://doi.org/10.2307/3381929.

Prayitno, Gunawan, Dian Dinanti, Rahmawati Rahmawati, Lusyana Eka Wardhani, and Aidha Auliah. "Community Decision Making Based on Social Capital during COVID-19 Pandemic: Evidence from Bangelan Village Tourism, Indonesia." *Journal of Socioeconomics and Development* 5, no. 1 (2022): 127. https://doi.org/10.31328/jsed.v5i1.3477.

Putnam, Robert D. *Bowling Alone: The Collapse and Revival of American Community*. Simon & Schuster, 2000.

Rahayu, Fadilah Siti, Asep Risman, Iwan Firdaus, and Luna Haningsih. "The Behavioral Finance of MSME in Indonesia: Financial Literacy, Financial Technology (Fintech), and Financial Attitudes." *International Journal of Digital Entrepreneurship and Business* 4, no. 2 (2023). https://doi.org/10.52238/ideb.v4i2.127.

Rijal, Syamsul. "Pursuing Hijrah to Salafi Path: Urban Muslim Youth and the Quest for Self-Transformation in Indonesia." *Contemporary Islam* 19, no. 1 (2025): 101–21. https://doi.org/10.1007/s11562-024-00564-x.

Rizal, Rizal, Nil Firdaus, Ruslan Abdul Ghofur, Heni Noviarita, and Pertiwi Utami. "Opportunities and Challenges of Conversion of Sharia Regional Development Banks in Economic Development Efforts and Income Distribution." *Journal of Distribution Science* 21, no. 2 (2023): 65–76. https://doi.org/10.15722/JDS.21.02.202302.65.

Rojas, Yerko. "Financial Indebtedness and Suicide: A 1-Year Follow-up Study of a Population Registered at the Swedish Enforcement Authority." *International Journal of Social Psychiatry* 68, no. 7 (2022): 1445–53. https://doi.org/10.1177/00207640211036166.

Setiawan, Romi Adetio. "Avoidance of Riba-Based Loans and Enhancement of Quality of Life: An Indonesian Context Analysis." *Religions* 14, no. 11 (2023): 1376. https://doi.org/10.3390/rel14111376.

Sheikh, Rafiullah, and Khalid Hussain. "Harmony or Discord: Analyzing Stakeholders' Viewpoints on Islamic Banking." *Qualitative Research in Financial Markets*, 23, 2025, 1–27. https://doi.org/10.1108/QRFM-04-2025-0115.

Vu, Pham Minh, Tu Van Binh, and Linh Nguyen Khanh Duong. "How Social Capital Affects Innovation, Marketing and Entrepreneurial Orientation: The Case of SMEs in Ho Chi Minh (Vietnam)." *Journal of Innovation and Entrepreneurship* 12, no. 1 (2023): 81. https://doi.org/10.1186/s13731-023-00350-8.

Wijaya, Haykal Rafif, Sri Rahayu Hijrah Hati, Irwan Adi Ekaputra, and Salina Kassim. "The Impact of Religiosity and Financial Literacy on Financial Management Behavior and Well-Being among Indonesian Muslims." *Humanities and Social Sciences Communications* 11, no. 1 (2024): 830. https://doi.org/10.1057/s41599-024-03309-6.

Wulandari, Roosalina, Mirra Noor Milla, and Hamdi Muluk. "When Uncertainty Motivates Identity Restoration in Religious Groups: The Hijra Phenomenon." *Religions* 13, no. 10 (2022): 913. https://doi.org/10.3390/rel13100913.

Zahedi, Javad, Mahdi Salehi, and Mahdi Moradi. "Identifying and Classifying the Contributing Factors to Financial Resilience." *Foresight* 24, no. 2 (2022): 177–94. https://doi.org/10.1108/FS-10-2020-0102.