

## Comparative thought Ian A Fazlur Rahman and M. Syafii Antonio About Bunga Bank

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### Abstract

The study, titled "Comparative thought Ian A Fazlur Rahman and M. Syafii Antonio about Bunga Bank," aims to describe the figure's thinking about the bank's interest. According to A Fazlur Rahman looked to allow interest of the bank and did not equate with RIBA, and according to Muhammad Syafi'i Antonio looked at the bank interest of something unclean and equally legal with RIBA, that is equally haram. This type of research is a library research, which is research that makes the literature as the main source (data). The nature of this research is A comparative-comparatively describing the thought of A. Fazlur Rahman and Muhammad Syafi'i Antonio systematically and as objectively as possible. The equation is not found in this study because the scholarly study was different. The difference is, A Fazlur Rahman does not agree if bank interest includes RIBA. Thus, it does not reject the elimination of bank interest in Pakistan on the grounds of economic development, although it includes the peace. To justify the bank's interest (RIBA) although it is not a threat of unrest and exploitative, different. While Muhammad Syafi'i Antonio argued that bank interest as something unlawful because bank interest is a principal loan burden to be paid at maturity, even if the effort or project suffered losses. So the borrower feels burdened with the increase in interest of the bank.

**Keywords:** *Fazlur Rahman, Muhammad Syafi'i Antonio, Bunga Bank*

### Abstrak

Penelitian ini berjudul "Perbandingan Pemikiran A Fazlur Rahman dan M. Syafii Antonio Tentang Bunga Bank" bertujuan untuk menguraikan pemikiran kedua tokoh tersebut tentang bunga bank. Menurut A Fazlur rahman memandang membolehkan bunga bank dan tidak menyamakan dengan riba, dan menurut Muhammad Syafi'i Antonio memandang bunga bank sesuatu yang haram dan sama hukumnya dengan riba, yaitu sama-sama haram. Jenis penelitian ini merupakan penelitian pustaka (library research), yaitu penelitian yang menjadikan bahan pustaka sebagai sumber (data) utama. Sifat penelitian ini bersifat deksriptif-komparatif menguraikan pemikiran A. fazlur Rahman dan Muhammad Syafi'i Antonio secara sistematis dan seobjektif mungkin. Persamaan tidak terdapat dalam penelitian ini karena kajian keilmuan keduanya berbeda. Perbedaannya, A Fazlur Rahman tidak setuju jika bunga bank termasuk riba. Sehingga tidak menolak penghapusan bunga bank di Pakistan dengan alasan ikut andil dalam proses pembangunan ekonomi, meskipun termasuk kedzaliman. Menghalalkan bunga bank (riba) walaupun tidak bersifat menimbulkan ancaman kerusakan dan eksploitatif, berbeda. Sedangkan Muhammad Syafi'i Antonio berpendapat bahwa bunga bank sebagai sesuatu yang haram karena bunga bank merupakan beban pinjaman pokok yang harus dibayar pada saat jatuh tempo, meskipun usaha atau proyek mengalami kerugian. Sehingga peminjam merasa terbebani dengan penambahan bunga bank tersebut.

**Kata Kunci :** *Fazlur Rahman, Muhammad Syafi'I Antonio, Bunga Bank*

## INTRODUCTION

Business development in the business world experienced by various types of industries is inseparable from the banking industry that has never been dissipated due to time shifts. Similarly, the development of the banking industry is not much different from the development of other industries. Sharia banking has gained traction in Indonesia, although the banking market share is still small. (Mubarok et al., 2020)

These developments have been achieved in diverse forms in terms of innovation, principle, and order of products in addition to transferring and developing models for self-development. Islamic banks are also responsible for the investment of customers, the community, and their surroundings. (Putri & Mardian, 2020) The prevailing system in conventional banking is to use an interest system. Western economists understand that interest is the price, rent or cost of the amount of money borrowed by others (Muhammad Ghafur W, 2008)

Most scholars and economists often have disagreements about the legal status of the Bank's interests, And some say that the bank interest law is not the same as usury, but some forbid the flower system resembles usury. But the prohibition of usury in the Qur'an and hadith is very clear that usury is forbidden.

Riba is an additional take, either in trade transactions or borrowing falsely or contrary to the principle of muamalah in Islam. (Efa Rodiah Nur, 2015)

Since 1960, the prohibition of usury (interest or loan sharks) has been the most discussed issue among Muslims. There are two main views on usury. First, the interpretation of usury as found in fiqh (Islamic law) is an appropriate interpretation and must be followed, in this case it is claimed that any addition stipulated in a loan transaction exceeding and above the principal of the loan is usury. Second, the prohibition of usury is understood in relation to the exploitation of economically disadvantaged people in society by people who are relatively excessive (Erlina, 2012) Banks that do business in sharia. There is competition between sharia banks and other conventional banks that is inevitable, positive and negative impact on the development of a

bank, including for sharia banks. (Ardiyana & Muid, 2008)

The argument that bank interest is not yet clear is legal because transactions that occur in banks are a form of modern muamalah and something new in the Islamic world (Efa Rodiah Nur, 2015), so that the legal status needs to be explained. It should be acknowledged this kind of debate has been present since the 1930s until now. This is inseparable from the textual and contextual way of thinking of scholars. (Hasyim, 2008)

The point of the often contentious issue is whether the bank's interest rate is the same as usury or different. This can be found from the explanation of Fazlur Rahman and Muhammad Syafi'i Antonio, who gave the idea of the problem of usury, which must have a close relationship with the interest banks.

## FAZLUR RAHMAN 'MUH SYAFI'I ANTONIO' SHORT BIOGRAPHY

Fazlur Rahman was born on September 21, 1919 in an area in Hazara before the break-up of India, now part of Pakistan. (Rahman, 2001) Fazlur Rahman was raised in an environment where the majority of the community adhered to the Hanafi sect. The Hanafi sect is a sect based on the Quran and Sunnah, but the way of thinking is more rational. Fazlur Rahman has finished memorizing the Qur'an. It reflects how much he grew up in a religious family environment. (Mawardi, 2010)

After studying these basic sciences, he went on to Punjab University in Lahore to complete Strata 1 and 2 in Arabic literature, where he graduated with an award for his Arabic and there also earned his MA. Fazlur Rahman's scientific integrity began to be seen when he decided to study at Oxford, England in 1946. The decision stemmed from his concerns and dissatisfaction with domestic education which he said was still underdeveloped. (Ghufron A. Mas'adi, 1998)

Within a year, he was appointed Professor of Islamic Thought at the University of Chicago. There, he gave up his entire life for an academic career. He spends most of his time in his private library housed in the basement of his home in Naperville, approximately 70 km from the University of Chicago. Shortly before his death,

Fazlur Rahman visited Indonesia (1985) and stayed for 2 months, paying attention to The Islamic religion of Indonesia as well as giving lectures in several places. Finally, on July 26, 1988, Fazlur Rahman breathed his last breath in Chicago. (A'la, 2003)

Muhammad Syafii Antonio is a Muslim of Tiong Hoa descent who became an expert on sharia economics in Indonesia. He was born in Sukabumi, West Java, on May 12, 1965. His real name is Nio Cwan Chung. From a young time he knew and adhered to Confucian teachings, because his father was a Confucian priest. In addition to knowing Confucian teachings, he also knows the teachings of Islam through association in the home and school environment. He often pays attention to the ways of worship of Muslims. Because he pays too much attention unwarily he secretly likes to pray. This other person's worship activities he did even though he had not been a Muslim.

Converting to Islam After contemplation to strengthen his heart, then when he was 17 years old and still in high school, he decided to convert to Islam. By K.H. Abdullah ibn Nuh al-Ghazali he was guided to recite a two-sentence pledge of creed in 1984. His name was later changed to Syafii Antonio. He said, "O my people! It turned out to be a challenge on the part of the family. He was ostracized and expelled from the house. If he comes home, the door is always closed and locked. Even during prayer, he is often scabbarded.

The family's treatment of him was not faced with an angry face, but with patience and mannered behavior. It's been a consequence of the decisions he's taken. Alhamdulillah, his treatment and attitude towards them came to fruition. He said, "O my people! After his career, he continued to study Islam, starting from reading books, discussions, and so on. Later he studied Arabic at the pesantren an-Nidzom, Sukabumi, under K.H. Abdullah Mughtar. Graduating from high school he went on to ITB and IKIP, but then moved to IAIN Syarif Hidayatullah. It wasn't long before he went to the University of Yourdan (Jordan).

After his undergraduate studies he continued his undergraduate program at the International Islamic University (IIU) in Malaysia, specializing in Islamic economics.

After studying, he worked and taught at several universities. All activities he deliberately directed in the field of religion. To help chinese Muslim brothers, he was active in the Karim Oei Hajj Foundation. It is in this foundation that converts get information and coaching. From prayer guidance, reading the Qur'an, discussions, lectures, and Islamic studies, to information about Islam.

Dr. Muhammad Syafii Antonio,MEc (Nio Gwan Chung) is one of the icon of islamic finance and banking in Indonesia. He was mandated as Chairman of tazkia High School of Islamic Economics (STEI). Completed his Doctoral program in Micro Finance from the University of Melbourne (2004), Master of Economics from International Islamic University, Malaysia (1992) and graduated as a Sharia scholar from the University of Jordan (1990). In addition, Antonio has done visiting research at Al-Azhar University Cairo and Oxford University, Uk. Through Batasa Tazkia Consulting, Antonio has helped grow more than 14 Sharia Banking Business Units and 7 Sharia insurance and trained more than 6000 financial practitioners.

Antonio is currently mandated as the Sharia Banking Committee of Bank Indonesia, Shariah Advisory Council of The Central Bank of Malaysia, as well as the Global Shariah Board al- Mawarid DUBAI. Antonio also sits as Advisor/Supervisory Board at Bank Syariah Mandiri, Takaful, Bank Mega Syariah, Schrodgers Investment Manager and PNM. Antonio has published 12 books on Sharia Banking, Leadership and Management. For his work Antonio was awarded the "Syariah Award" by Bank Indonesia, MUI and Bank Muamalat (2003), Anticorruption & Good Governance Award from the Ministry of State Apparatus (2007), Arab Asia Finance Recognition Award from Arab Asia Finance Forum (2008) and Australian Alumni Award from the Government of Australia (2009). Antonio is the recipient of the Best Islamic Book (IBF Award, 2009), also promoted by the Ministry of Finance of the Republic of Indonesia as an IDB Prize nominee from Indonesia. (<http://new.tazkia.ac.id/content/main.php?page=detail&db=page&id=40> Di akses pada 14 Juli 2020 Pukul 10:00 Wita)

## **THE FOUNDATION OF FAZLUR RAHMAN AND MUHAMMAD SYAFII ANTONIO'S THINKING**

Fazlur Rahman in dialectics reforms Islamic thought by offering a carriage of Neomodernism. (Sucipto & Pendahuluan, 1993) In the carriage Rahman urged two major programs in order to develop the minds of Muslims, while keeping them referring to the moral ideals of the Qur'an and the substance of the Prophet's actual traditions. Historically, the current of Islamic thought has been dominated by two tendencies, namely the first, the tendency to sacredize texts and traditions, and secondly, the tendency to destruct the sacredness. The above reality dissesges Rahman's consciousness to position himself on the second tendency.

Rahman began to try to criticize tradition and respond to the challenges of modernity insolubly on Western thought. Nevertheless, Rahman still refers to tradition without having to be a Traditionalist. Even Rahman sees that without tradition Muslims will not understand the source of all legal sources. The first trend has an effect on the appearance of freezing, cheesemudan, and pureification of Islamic teachings. Therefore, the sacredness of the text and tradition leads to the dimming of the light and dynamics of Islamic discourse, which eventually hardens when there is an ideological intervention from the ruler who favors the extremes of a particular understanding. This kind of condition is observed by Rahman in Pakistan, in addition to the arrival of a new paradigm of Western thought that criticizes the end of all joints of Islamic teachings. (Komaruddin Hidayat, 1996)

Muhammad Shay'i Antonio in discussing economic issues based on shar'iyyah evidence (Qur'an and as Sunnah). In addition, he also uses the method of istinbath (the effort of making decisions of sharak law based on the evidence of the Qur'an and Sunnah), the law of *maslahah al-mursalah* and *istihsan*. Use special evidence and practice general evidence as the right target. Then, the legal *ijtihad* product produced by Muhammad Shafi'i Antonio was his firm thought of banning usury and bank interest. Like the majority of scholars in this prohibition, it is based on the text of the Qur'an that usury is an additional take of principal

property or capital falsely. (Muhammad Syafii Antonio et al., 2013)

He stated that usury is illegal. The reasoning is based on a comprehensive understanding of the chronological verse or prohibition stages of usury in the Qur'an. In his presentation of the legal status of bank interest, Muhammad Syafi'i Antonio not only thought and reasoned himself, but was influenced by some figures whose thoughts were in line with him regarding the legal status of interest. Among these figures is Dr. Yusuf al-Qardawi, he thinks should be sought an alternative banking system with a no-interest system. (Muhammad Syafi'i Antonio, 2001)

## **METHOD**

This type of research is library research, which is research that makes library material as the main source (data). The nature of this research is descriptive-comparative in describing the thoughts of A. fazlur Rahman and Muhammad Shafi'i Antonio systematically and objectively as possible.

## **RESULT**

### **Fazlur Rahman On Bank Interest**

Fazlur Rahman's thinking, the issue of the prohibition of bank interest. He said, "We do not intend to question the prohibition of usury. The main focus is not on the prohibition of usury, but the forbidden factor of usury. In Pakistan, the issue of usury and bank interest was a contingency issue, especially in 1962, when the Pakistani government submitted a spending budget to the National Assembly but was rejected because it was considered unconstitutional and considered un-Islamic. Fazlur Rahman, who was then considered an expert, was asked by the government to review the relevant issues. From the results of the study, Rahman concluded that an economic system can actually be structured by abolishing bank interest, but the state of Pakistani society at the time was not possible for the idealistic construction. Rahman stated that as long as Pakistani society has not been reconstructed based on Islamic patterns, the ban on bank interest is a "suicide" step in an effort to realize the economic well-being of the people and the country's financial system. (Rahman, 1984)



Chronologically, the verse that discusses usury is QS. Ar-rum 30: 39 That is: And an usury (additional) that you give so that He increases in the wealth of men, then Usury does not add to the side of Allah. And what you give is the zakat which you mean to achieve Allah's pleasure. This verse according to Rahman was revealed around the fourth or fifth year after Muhammad's apostolic (615 M), thus the verse is in the category of the early Makkiyah verse. This verse expressly contradicts usury and zakat.

The practice of usury refers to the system of receivables by providing additional debt to the receivables, in the event of a delay in the payment of debt. But the Arabs did not completely stop usury, and even the practice continued among the companions of the Prophet until the Prophet emigrated to Medina. This is what has come down to usury.

Verse of the Qur'an which means: O you who believe! Do not eat of Usury in double, and fear Allah so that you may be successful.

For Fazlur Rahman, the prohibition of usury must be understood in the general context of Arab society when the verse comes down. At that time there was a group of people who were economically so depressed that they were victims of the exploitation of the rich who lent money, in other words, the moral ideal of the verse was a prohibition on exploitation of the weak economy, so as long as the bank did not withdraw interest that doubled it could be justified.

### **Muhammad Syafii Antonio About Bank Interest**

Bank interest, according to Muhammad Syafii Antonio, is defined as a dependent on borrowing money usually in the form of a percentage that is lent assuming always profit. The amount of interest percentage is based on the amount of money lent to the customer. (Yusof & Majid, 2007) The bank's interest repayment process remains as promised, regardless of the capital (loan) that has been given to the customer for a project (Swastha, 2008) whether experiencing losses or profits. In this case, the amount of bank interest payments will not increase even if the economic situation is improving so if the economic situation

is reduced then interest payments will not decrease.

Interest in other opinions is the amount of money spent by the customer to pay the capital loan. (Akila, 2017) The amount incurred is expressed with a level or percentage of capital that is stuck in the link. It is better known by the term capital. (Muhammad, 2003) Based on some understanding of bank interest can be concluded that Muhammad Shafi'i Antonio stated between usury and bank interest is the same and the law is haram. This is because, both are the borrowing costs charged to the customer, as explained in the Qur'an (Muhammad Syafii Antonio, 2001)

**The interest according to Muhammad Shafi'i Antonio is a guarantee at the time of debt. According to him, it is forbidden to pay bank interest because the bank's interest payment at maturity is always paid, the bank does not pay attention to whether the business or project run by the borrower of the fund is profit or loss, because if the borrower suffers a loss in running the business or the project, then the borrower feels burdened with the interest payment.**

Another cause is Muhammad Shafi'i Antonio forbids bank interest and usury because it refers to fatwas in Indonesia such as the Tarjih Muhammadiyah Assembly and Lajnah Bahsul Masa'il Nahdhatul Ulama which states that bank interest is illegal. Although in Lajnah Bahsul Masa'il Nahdhatul Ulama some argue that the interest of the legal bank is saheeh, but does not the hadeeth nabis state that the saheeh is closer to haram. (Firdaus, 2019)

Muhammad Syafii Antonio also noticed the negative impact of bank interest, among others, the economic impact where the higher the interest rate, the higher the price on an item. Another impact is the social impact of society, the usury takers use their money to order others to try and return, for example, twenty-five percent higher than the amount it lends.

The most interesting thing is Muhammad Shafi'i Antonio against the scholars who allow bank interest and usury, as long as the bank interest and usury do not multiply. According to him, little or no interest on banks and usury is the same, because they both collect additional

or advantages that do not comply with Islamic sharia.

## CONCLUSION

Based on the results of the analysis can be concluded that the difference between the two concerning bank interest, First A Fazlur Rahman disagrees if the bank interest includes usury. So it does not reject the abolition of bank interest in Pakistan on the grounds of participating in the process of economic development, even though it includes kedzaliman. Lawful bank interest (usury) even though it does not pose a threat of unrest and exploitation. The second Muhammad Shafi'i Antonio argues that bank interest is illegal because bank interest is a burden on the principal loan to be paid at maturity, even if the business or project suffers losses. So the borrower feels burdened by the addition of the bank interest.

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