HEJ
Halal Ecosystem Journal
HEJ 2(1): 1–14
ISSN XXXX-XXXX

Institute for Advanced Science, Social and Sustainable Future
MORALITY BEFORE KNOWLEDGE

Interpretation of the muslim middle class regarding ujrah-based micro sharia pawn schemes: A phenomenological analysis

Efendi Hidayatullah[1,*]
[1] *Pondok Pesantren Muhammadiyah Darul Falaah Mertoyudan, Magelang, Central Java 56172, Indonesia.*
*Correspondence: effendihidayatullah@gmail.com

Received Date: October 12, 2024 Revised Date: December 30, 2024 Accepted Date: February 12, 2025

ABSTRACT

Background: The growing Muslim middle class has increased demand for efficient Islamic financial services that comply with Sharia principles, particularly the prohibition of *riba*. However, research on Islamic pawnbroking has paid limited attention to users' subjective experiences with *ujrah*-based schemes. This study explores how religious values, economic considerations, and trust shape users' financial decisions. **Methods:** This qualitative phenomenological study involved in-depth, semi-structured interviews with ten Muslim middle-class informants in urban and peri-urban areas of Magelang Regency, Indonesia. Observations and document analysis supplemented the interviews. Data were analyzed thematically. **Findings:** Users perceived *ujrah*-based Sharia pawnbroking as a practical, transparent, and Sharia-compliant short-term financing option. Their decisions were influenced by avoiding riba, understanding service fees, and trust in institutions. Trust developed primarily through consistent service experiences rather than Sharia compliance claims alone. **Conclusion:** Users' decisions reflect an interplay between religious commitment, economic rationality, and experience-based trust. Transparent fees and consistent service delivery are essential to strengthening confidence in Sharia pawnbroking. **Novelty/Originality of this article:** This study offers a phenomenological, demand-side perspective on Islamic finance, demonstrating how religious values, economic considerations, and experiential trust intersect in Muslim middle-class users' interpretations of *ujrah*-based pawnbroking.

KEYWORDS: muslim middle class; phenomenological analysis; *ujrah*-based Sharia pawnbroking.

1. Introduction

Sharia-based microfinance continues to grow in response to increasing Muslim demand for secure, fast, interest-free financing schemes (Yulianti & Nisa, 2024). In recent years, Indonesia's sharia finance sector has grown significantly, driven by increased customer preference for products that prioritize sharia compliance, transparency, and ease of transactions (Andiansyah et al., 2022). This phenomenon has emerged among middle-class Muslims, who are more economically stable but remain highly sensitive to usury and Islamic financial ethics (Tanjung, 2020). This development has made Sharia pawnbroking *(rahn)* an increasingly popular instrument because it offers quick access to financing with an interest-free financing scheme, also known in Muslim communities as *ujrah*.

Cite This Article:
Hidayatullah, E. (2025). Interpretation of the Muslim middle class regarding ujrah-based micro sharia pawn schemes: A phenomenological analysis. *Halal Ecosystem Journal, 2*(1), 1-14. https://journal-iasssf.com/index.php/HEJ/article/view/3502

Copyright: © 2025 by the author. This article is distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (https://creativecommons.org/licenses/by/4.0/).

According to Ramadhani (2025), in Islamic finance theory, *rahn* is understood as an agreement to hold goods that can be used as collateral for debt, whereby financial institutions may charge only maintenance fees *(ujrah)* without any additional interest *(riba)*. Said, Ben (2024), Pradana (2025), and Shaleha & Ghufron (2025) show that *rahn*'s advantages lie in its simple cost structure and compatibility with Maqasid Sharia, particularly asset protection *(hifz al-mal)*. In addition, Kusumadewi & Yusuf's (2019) theory of Muslim consumer behavior explains that middle-class financial decisions are often influenced by perceptions of morality and religious values, as well as a desire to avoid practices considered unethical.

In Indonesia, micro sharia pawn services are increasingly recognized as a viable, non-usurious financing option for individuals with urgent needs, such as health costs, children's education, or unexpected household expenses (Rifa'i, 2017). However, previous studies, such as Ummah (2024), have emphasized quantitative aspects such as satisfaction, interest, and utilitarian factors. In contrast, the subjective meanings of customers, especially those from the Muslim middle class, have rarely been explored. In fact, this group has complex views regarding halal, security, psychological comfort, and spiritual experiences in transactions that can influence preferences for these services.

The Muslim middle class refers to a social group characterized by economic stability, relatively high levels of education, and strong religious consciousness, as reflected in a preference for economic practices aligned with sharia principles. Hefner (2011) argues that the emergence of the Muslim middle class in Indonesia is closely linked to educational and economic modernization, accompanied by a growing tendency to integrate Islamic values with modern rationality in social and economic life. This religious awareness shapes consumption patterns and influences the selection of Sharia-compliant financial services (Jones, 2010).

One financial instrument that has evolved in response to these demands is the *ujrah*-Based micro sharia pawn scheme (*rahn* with *ujrah*). This scheme lets individuals access short-term financing by pledging valuable assets as collateral, and the fee charged (*ujrah*) compensates for safekeeping and maintenance services rather than interest on the loan (Antonio, 2001; Robin et al., 2024). From an Islamic jurisprudence perspective, *ujrah* is a legitimate form of *iwadh* (countervalue), provided it is not linked to the loan amount and does not involve elements of *riba*.

Theoretically, the Muslim middle class's acceptance of *rahn ujrah* reflects a form of religious-economic rationality, balancing financial efficiency with adherence to Sharia principles (Bayat, 2013). Fee transparency, legal certainty, and sharia compliance are critical factors that build trust in Islamic pawn services. These characteristics clearly distinguish *rahn ujrah* from conventional pawn systems, which are interest-based and often perceived as exploitative.

Furthermore, the relationship between the Muslim middle class and *ujrah*-based sharia pawn schemes is reciprocal. The growth of the Muslim middle class expands the user base of Islamic pawn services, while the availability of *rahn ujrah* strengthens this group's economic resilience by providing rapid, inclusive, and sharia-compliant access to liquidity (Bayat, 2013; Fauzia, 2013; Latief, 2016). Therefore, *ujrah*-based sharia pawn schemes can be positioned as a strategic microfinance instrument that promotes Islamic financial inclusion and reinforces ethical economic practices within contemporary Muslim societies.

Previous studies on *rahn ujrah* and Islamic pawnbroking have predominantly focused on sharia compliance, contractual arrangements, institutional aspects, and customer satisfaction (Nurdin, 2023; Robin et al., 2024; Pradana et al., 2025; Shaleha & Ghufron, 2025; Ummah, 2024). For example, Ummah (2024) examined customer satisfaction and related utilitarian factors in Islamic pawnbroking, providing evidence on measurable determinants of customers' responses to the service. However, this quantitative orientation provides limited insight into how Muslim middle-class users personally experience and interpret *rahn ujrah*, particularly how religious commitment, riba avoidance, economic considerations, and trust are integrated into their financial decision-making. This limitation

points to a phenomenological gap in the literature, as the literature has insufficiently explored the subjective meanings and lived experiences underlying users' decisions.

A research gap persists due to the limited in-depth studies examining how the Muslim middle class interprets experiences with *ujrah*-based Sharia pawn schemes and how religious values, perceptions of riba risk, and socioeconomic conditions shape decision-making processes. Existing studies have rarely employed a phenomenological approach to capture these subjective dimensions. More broadly, this issue contributes to the social science debate on the relationship between religion and economic behavior by highlighting how religious values may interact with practical considerations such as cost, accessibility, risk, and trust in shaping everyday financial decisions. Therefore, this study examines the Muslim middle class's interpretations of *ujrah*-based Sharia pawn schemes, focusing on lived experiences, perceptions, and religious-economic considerations. By doing so, this research contributes to the literature on Islamic finance and Muslim consumer behavior while also extending the discussion of how religion and economic rationality intersect in everyday financial practices, offering practical insights for Islamic financial institutions in designing financing services that are responsive to community values and needs.

2. Methods

2.1 Research design

This study employs a qualitative, phenomenological approach to examine how the Muslim middle class constructs meaning about micro sharia pawn schemes based on *ujrah*, as reflected in lived experiences. The phenomenological design was chosen because the research focuses on the structure of consciousness, religious values, intentionality, and the practice of caution against usury in financing decisions (Pilarska, 2021). Ontologically, the phenomenon is understood as a socio-religious reality shaped through subjective meaning-making; epistemologically, knowledge is obtained through reflective descriptions of informants' beliefs, values, and religious practices in the context of using *ujrah*-based pawnshop services (Haryanto, 2019).

2.2 Research location, informants, and data collection

The research location was set in the urban area of Magelang Regency, specifically in Mertoyudan, Borobudur, and Mungkid Districts, which represent an urban-peri-urban context with a relatively developed middle-class economic dynamic and active access to micro sharia pawn services based on *ujrah*. The study purposively selected these locations based on the presence of Islamic pawnbroking services used by the community, the dynamic socio-economic characteristics of the middle class, and the tendency to avoid usury in household financing decisions. Demographically and economically, the regions show patterns of social mobility, consumption rationality, and strong religious literacy, making them a relevant natural setting for examining the relationship between spiritual values, financial considerations, and the use of micro-Sharia pawnbroking services based on *ujrah*.

Informants were selected through purposive sampling in accordance with a phenomenological approach to capture their lived experiences related to *ujrah*-based micro Sharia pawn services. Inclusion criteria included being Muslim, belonging to the socio-economically defined middle class, having direct experience with or seriously considering using *ujrah*-based micro Sharia pawn schemes, and demonstrating a preference for non-usury financial practices. Ten informants participated in this study, and this number was considered sufficient to achieve phenomenological saturation, as no new meanings, essences, or experiential themes emerged in subsequent interviews.

Each informant participated in one semi-structured interview session lasting approximately 45–60 minutes. The researchers developed a semi-structured interview guide based on the research objectives and relevant dimensions of *rahn ujrah* financing. The interview included open-ended questions such as: "Can you describe your experience of

using the *rahn ujrah* service?", "What was the main reason you chose this financing scheme?", "What do you understand by *ujrah* and how do you distinguish it from conventional interest *(riba)*?", "What makes you consider the *rahn ujrah* scheme compliant with Islamic principles?", and "How clearly were the *ujrah* fees and contractual obligations explained to you?" Follow-up questions were subsequently used to explore participants' experiences of accessibility, transparency, financial needs, and the practical benefits of the service. This semi-structured approach allowed participants to express their experiences and interpretations in their own words while maintaining consistency across interviews and enabling the researchers to identify both shared perceptions and variations among informants. Research ethics procedures included obtaining informed consent, anonymization and the use of identity codes, data access controls, and determining the number of informants based on theoretical saturation.

2.3 Data analysis

Data analysis was conducted using a thematic phenomenological approach, supported by NVivo 12 as a qualitative data management tool. All transcripts were transcribed verbatim and imported into NVivo, where they were then registered as cases and classified by sociodemographic variables. The analysis stages included data condensation, open coding, axial coding, and selective coding to construct a node hierarchy (parent–child nodes) that represented the meaning structure of the informants' experiences. To test the consistency of inter-theme relationships across subgroups, pattern exploration was conducted using matrix-coding queries, text-search queries, and word-frequency queries. To ensure traceability of the analytical process and interpretive transparency, source triangulation, member checking, audit trails, analytic memos, and reflexive journaling were employed to strengthen qualitative validity and reliability.

3. Results and Discussion

3.1 Result

The findings are presented within the study area's geographical context, with the research locations shown in Figure 1. The research area map is presented to illustrate the study's geographical context. Mertoyudan, Mungkid, and Borobudur Sub-districts are highlighted in a distinct color to indicate their role as the primary research locations. This spatial marking facilitates the identification of data-collection areas and strengthens understanding of the contextual setting in which philanthropic practices are examined.

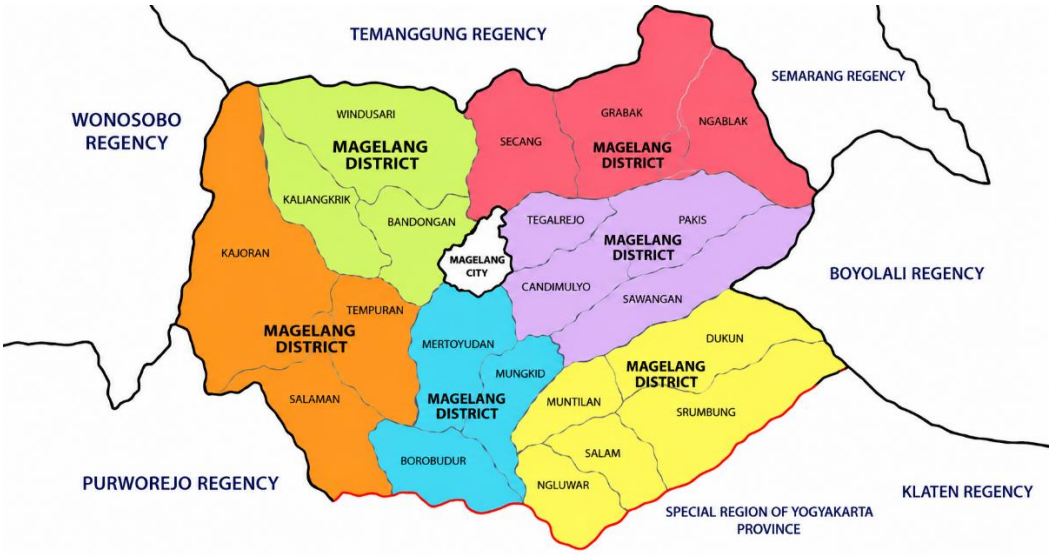


Fig. 1. Research location

This study involved ten informants selected purposively based on phenomenological criteria. All informants were middle-class Muslims residing in Mungkid, Mertoyudan, and Borobudur Districts and had direct experience with the *ujrah*-based Sharia pawn scheme. To protect research ethics and participant confidentiality, all informants were anonymized using identification codes. The characteristics of the informants are presented in Table 1.

Table 1. Number of informants

Informants	District	Gender	Age range	Background	Experience with *rahn ujrah*
SH	Mungkid	Male	32-34	Headmaster	Active user
FS	Mungkid	Male	28- 30	Teacher	Active user
AF	Mungkid	Male	28-30	Teacher	Active user
IT	Mertoyudan	Female	31-33	Civil servant	Active user
MS	Mertoyudan	Female	31-33	Teacher	Active user
PY	Mertoyudan	Male	32-34	Teacher	Active user
AN	Borobudur	Female	26-29	Housewive	Active user
BT	Borobudur	Female	27-29	Housewive	Has used
FJ	Borobudur	Female	27-29	Teacher	Has used
RF	Borobudur	Male	24-27	Employee	Has used

The ten informants represented diverse occupational backgrounds, including a headmaster, teachers, a civil servant, housewives, and an employee. Seven informants were current users of the *rahn ujrah* scheme, while three had previously used it. When clarification was needed, the researcher asked additional questions to explore participants' responses and obtain more detailed descriptions of their lived experiences.

3.1.1 Rahn ujrah serves as a Sharia-compliant and practical financing solution

The findings indicate that informants generally perceived the *ujrah*-based Islamic pawn scheme *(rahn ujrah)* as a safe, accessible, and Sharia-compliant source of short-term financing. This general perception was expressed through several considerations, particularly the avoidance of riba, urgent household and educational needs, business liquidity, accessibility, and the distinction between *ujrah* and interest. SH emphasized the importance of avoiding interest-based transactions:

> *"I use rahn ujrah because I need money quickly, but I also want to avoid riba. For me, the financing should follow Islamic principles."* -SH

Similarly, FS described its usefulness for urgent household needs:

> *"When there is an urgent household expense, rahn ujrah helps me get the money without having to borrow with interest."* -FS

AF associated the service with educational needs, explaining,

> *"I chose this service because sometimes I need additional money for education expenses, and I feel more comfortable when the financing does not involve interest."*-AF

Other informants emphasized different aspects of the experience. IT focused on business liquidity and accessibility:

> *"For my small business, sometimes I need funds immediately. The process is relatively quick, so I can use the money when I need it."* -IT

MS focused on the distinction between *ujrah* and riba:

> *"As I understand it, ujrah is a fee for the service, not interest on the money I borrow, so I see it as different from conventional lending."*-MS

PY emphasized practical convenience alongside its Islamic character:

> *"What matters to me is that I can get financing quickly and the service is Islamic, so I do not feel that I am using an interest-based loan."* -PY

Taken together, these accounts show a common perception of *rahn ujrah* as an acceptable short-term financing option, but informants attached different meanings to the service. While some emphasized avoiding riba and religious principles, others focused on urgent financial needs, speed, convenience, business liquidity, or the conceptual distinction between *ujrah* and conventional interest. This variation suggests that informants did not interpret *rahn ujrah* through a single lens but linked its Sharia character to their specific financial circumstances and practical needs.

The informants' perceptions are consistent with fundamental principles of Islamic finance, in which interest-based transactions *(riba)* are prohibited, and financial arrangements are expected to conform to Sharia principles (Antonio, 2001; Iqbal & Mirakhor, 2011). In the context of *rahn*, the distinction between the financing obligation and charges associated with the safekeeping and maintenance of the pledged asset is particularly relevant. The *ujrah* mechanism is therefore conceptually different from interest because the fee reflects a legitimate service-related cost rather than a return calculated on the loan amount or duration (Anggriana, 2020; Nurdin, 2023). The informants' emphasis on avoiding riba and understanding *ujrah* as a service fee thus reflects an important dimension of perceived Sharia compliance. At the same time, the variation between normative concerns about avoiding riba and functional concerns about accessibility, speed, and immediate liquidity indicates that Sharia compliance was interpreted alongside practical financial considerations. This finding supports the broader view that Islamic financial instruments can meet economic and financing needs while adhering to Islamic principles (Andiansyah et al., 2022; Iqbal & Mirakhor, 2011).

Furthermore, users perceive *rahn ujrah* not solely as an instrumental economic activity but also as part of daily religious practice. This is reflected in FS's statements, who emphasized that choosing a Sharia-based pawn service provides reassurance because the transaction is perceived as avoiding riba:

> *"For me, it feels more peaceful because I know that the financing follows Islamic principles and does not involve interest."* -FS

Similarly, IT associated *rahn ujrah* with religious responsibility, stating,

> *"When I need financing, I prefer to use a Sharia pawn service because I want to make sure that the transaction is in accordance with my religious principles."* -IT

These accounts indicate that spiritual and moral considerations play an important role in informants' financial decision-making, alongside practical factors such as accessibility and immediate financial needs. This finding is consistent with the view that Muslim economic behavior can be shaped by religious values that influence how individuals understand and evaluate economic choices (Yilmaz, 2024; Wilson, 2021).

The practicality of economics and compliance with Sharia principles are perceived as coexisting in the informants' experiences. The *rahn ujrah* scheme is considered adequate for meeting short-term liquidity needs and also serves as a mechanism for maintaining moral and religious integrity in financial activities. These results bolster the assertion that Islamic financial institutions, especially *rahn*-based products, function not solely within market dynamics but also within a context of religious values and significances that are integral to the daily existence of middle-class Muslims.

3.1.2 Transparency of ujrah and clarity of contract

The theme that emerged from the interviews concerned informants' emphasis on the transparency of *ujrah* costs and the clarity of contractual arrangements. RF emphasized the importance of knowing the cost from the beginning of the transaction, stating,

> *"From the beginning, I was informed about the amount of ujrah, so I knew how much I had to pay and did not have to worry about additional charges."* -RF

FJ similarly highlighted the stability of the agreed fee throughout the contract period:

> *"The ujrah was explained at the beginning and remained the same during the contract, so I could plan my finances with certainty."* -FJ

Although both informants emphasized transparency, their accounts reflected different aspects of this experience. RF focused on disclosing costs at the start of the transaction, whereas FJ emphasized the agreed fee's consistency throughout the contract. These accounts indicate that transparency was experienced not only through initial disclosure but also through consistent implementation of the agreed terms. For the informants, clear information about *ujrah* and contractual obligations provided greater certainty in anticipating and managing financing costs. Such predictability may be particularly relevant for individuals who rely on relatively fixed incomes, as stable financing costs can facilitate more systematic financial planning (Widyaningtyas et al., 2025).

The informants also understood *ujrah* as a service fee rather than interest on a loan. This distinction was reflected in their interpretation of the Sharia pawnbroking arrangement and its compliance with Islamic financial principles. The contract's clarity and fee structure therefore helped informants distinguish their experience of Sharia pawnbroking from conventional pawnbroking (Rahmadani, 2024).

3.1.3 Avoidance of riba as a central movie

The findings further indicate that caution against usury *(riba)* was an important motive behind informants' decision to choose *rahn ujrah*. MS emphasized the need to avoid interest-based financing, stating,

> *"I prefer rahn ujrah because I do not want to use a financing service that involves interest."* -MS

Similarly, PY explained that the Sharia basis of the service influenced the choice:

> *"For me, the important thing is that the financing follows Islamic principles and does not involve riba."* -PY

AN highlighted the proactive search for a religiously acceptable alternative, stating,

> *"When I need additional funds, I look for a financing option that I can use without violating my religious principles."* AN

FJ placed greater emphasis on the distinction between *ujrah* and conventional interest:

> *"I understand ujrah as a service fee, so it is different from interest that is charged on a loan."* -FJ

Meanwhile, BT emphasized the combination of religious considerations and transparency:

> *"I feel more comfortable using rahn ujrah because the fee is explained clearly and it is not treated as interest on the money borrowed."* -BT

Although the informants shared concerns about riba, their accounts reveal different emphases, ranging from avoiding interest and adhering to Islamic principles to seeking alternative financing and distinguishing *ujrah* from interest. This finding suggests that avoiding riba served as a common normative consideration, while the meaning attached to Sharia compliance varied across informants. The perception that *ujrah* represents a service-related fee rather than a return on debt aligns with prior discussions of Islamic pawnbroking, which distinguish *ujrah*-based charges from interest-bearing mechanisms (Anggriana, 2020).

The avoidance of usury was not based solely on a formal or doctrinal interpretation of Islamic law; it was intimately linked to the informants' aspiration for peace of mind (ketenangan batin) and a sense of moral security in managing wealth. Informants consistently asserted that participating in *rahn ujrah* enabled them to meet pressing economic needs without guilt, anxiety, or uncertainty about the religious validity of the transactions. This finding suggests that adherence to sharia principles provides psychological reassurance, bolstering trust and confidence in financial decision-making (Wilson, 2021; Yilmaz, 2024). These experiences corroborate previous research indicating that Muslim financial behavior is influenced by a synthesis of economic rationality and religious awareness, rather than solely by profit maximization (Iqbal & Mirakhor, 2011).

3.1.4 Economic considerations and financial rationality

Beyond religious considerations, informants also emphasized the rational economic aspects of choosing *rahn ujrah*. Informants see fixed, transparent costs; relatively straightforward procedures; and flexible payment terms as factors that facilitate access to financing while reducing potential financial risks. These characteristics make *Rahn Ujrah* understood as an efficient and predictable financing instrument, especially for individuals who need short-term funds without the burden of cost uncertainty (Ascarya et al., 2022; Hassan et al., 2020)

Informants consistently stated that administrative ease and speed of fund disbursement are the main advantages of Islamic pawnbroking services compared to other financing alternatives. In urgent financial situations, informants considered the speed and simplicity of procedures more decisive than the rate of return or more complex financing schemes. These findings align with recent studies showing that accessibility, process efficiency, and cost clarity are key determinants in selecting Islamic financial products, particularly in the micro and consumer financing segments (Aysan et al., 2017; Dusuki & Abdullah, 2007).

3.1.5 Trust and institutional credibility

Trust in Islamic pawnshops emerged as an essential theme in the informants' experiences using *rahn ujrah* services. Informants reported that Islamic institutional identity, the presence of a Sharia Supervisory Board/*Dewan Pengawas Syariah* (DPS), and consistent service practices aligned with sharia principles contributed significantly to the institution's credibility. These elements are perceived as guarantees that the institution's operations are not only profit-oriented but also ethically and religiously compliant, which are essential considerations in decisions to use Islamic financial services (Hassan & Aliyu, 2018; Said, 2024)

The findings show that informants' trust in *rahn ujrah* was formed not solely through normative claims of Sharia compliance but also through repeated, consistent, and reliable service experiences. AN emphasized the importance of receiving services that matched the information provided at the start of the transaction, stating,

> *"I trust the service because what was explained to me at the beginning was consistent with what actually happened during the transaction."* -AN

BT placed greater emphasis on fair treatment and transparency, explaining,

> *"I feel confident using the service because the costs are explained clearly and I am treated fairly as a customer."* -BT

FJ similarly highlighted consistency as a basis for trust:

> *"When the service and the fees remain consistent with the initial explanation, I feel that I can trust the institution."* -FJ

Although the three informants shared a common perception that reliable service strengthened their trust, their accounts reveal different emphases, ranging from consistency between information and practice to cost transparency and fair treatment. The tendency to recommend *rahn ujrah* services to family members and close social networks further reflects how trust develops through personal experience. Such recommendations may serve as an informal expression of institutional credibility, in which individuals communicate and extend confidence through everyday social relationships. This finding aligns with prior research suggesting that trust in Islamic financial institutions is shaped more by credible, consistent service experiences than by Islamic institutional identity or symbolic claims alone (Widarwati et al., 2020; Razak & Amin, 2017). It also supports the view that financial trust has relational and social dimensions, in which individual satisfaction and confidence can extend into interpersonal networks through recommendation and social interaction (Mahdzan et al., 2020).

Unlike previous studies that have predominantly examined *rahn* from legal, contractual, Sharia-compliance, marketing, or institutional perspectives, this study contributes an integrated phenomenological account of how Muslim middle-class users construct the meaning of *rahn ujrah* by simultaneously negotiating religious commitment, riba avoidance, *ujrah* transparency, economic rationality, and experience-based institutional trust.

3.2 Discussions

The findings indicate that the Muslim middle class's use of the *Rahn Ujrah* scheme reflects an interaction between religious commitment and economic rationality in everyday financial practices. The decision to use Islamic pawnbroking was driven not only by economic considerations such as speed, accessibility, and liquidity, but also by concerns about riba, clear contractual arrangements, ujrah transparency, and the desire to maintain peace of mind in financial transactions. This suggests that economic rationality among the informants was not separated from religious values; rather, practical financial considerations were evaluated through an Islamic ethical framework. This finding aligns with studies showing that intentions toward Islamic financial products are shaped by both functional considerations and religious orientations (Lajuni et al., 2017; Mahdzan et al., 2020; Wilson, 2021). From this perspective, *rahn ujrah* functions not only as a short-term financing mechanism but also as a means through which religious values are incorporated into everyday economic decision-making. The phenomenological perspective further shows that users experience this relationship subjectively, particularly through their interpretations of riba, *ujrah*, contractual clarity, and institutional trust. Thus, this study demonstrates how religious and economic considerations are experienced and negotiated in everyday financial practice, complementing previous research that has predominantly examined Islamic finance from institutional, normative, or behavioral perspectives (Huda et al., 2023; Sakai & Fauzia, 2022).

The findings also have practical implications for Islamic pawnbroking institutions and other Islamic financial service providers. Transparency in *ujrah* calculation, clear explanations of contractual obligations, fair treatment, and consistency between initial explanations and actual service practices emerged as key elements in building user trust. Therefore, institutions should communicate Sharia compliance not only through institutional identity or formal claims but also by demonstrating it through observable service practices. Providing accessible explanations of the distinction between *ujrah* and interest, disclosing costs before transactions, and maintaining consistency throughout the contract may help strengthen users' confidence in Islamic financial services. These implications are particularly relevant for institutions serving Muslim consumers whose financial decisions involve both practical needs and religious considerations. In this sense, *rahn ujrah* may contribute to Islamic financial inclusion when its Sharia principles are accompanied by transparent, reliable, and user-oriented service practices (Dusuki, 2015; Hassan & Aliyu, 2018).

The findings can also be compared with evidence from conventional pawnbroking, where trust is associated with service quality, reliability, and consistent customer interactions. Juhana (2019), for example, found that service quality significantly influenced customer trust among pawnshop customers, while a recent systematic review indicates that trust in pawnshop services is closely related to service experience, institutional credibility, and customers' perceptions of service providers' reliability (Rusli, 2011). These findings are consistent with the present study, particularly the informants' emphasis on consistent information, transparent costs, fair treatment, and reliable service. However, the present findings indicate an additional dimension of trust in the Sharia context: confidence that the financing arrangement conforms to Islamic principles, particularly the avoidance of riba and the understanding of *ujrah* as a service fee rather than interest. Thus, trust in *rahn ujrah* combines general service-based expectations with religiously informed expectations. The Sharia dimension becomes meaningful when Islamic principles are perceived by users to be reflected consistently in actual service practices.

This study nevertheless has several limitations that should be considered when interpreting its findings. First, the study involved a relatively small number of informants, consistent with the depth-oriented nature of phenomenological inquiry but limiting the extent to which the findings can be transferred to the wider Muslim middle-class population. Second, the informants were concentrated in a limited geographical context, so their experiences may reflect local socioeconomic, cultural, and institutional conditions that may not represent Muslim middle-class users of Islamic pawnbroking in other regions. Third, the findings rest on participants' subjective accounts and therefore reflect how informants interpreted and described their experiences rather than objectively measuring institutional performance. Future studies could address these limitations by involving participants from more diverse geographical and socioeconomic contexts, examining variations across Islamic financial institutions, and combining phenomenological inquiry with quantitative or comparative approaches. Such research could further examine how religious commitment, financial literacy, perceived Sharia compliance, service quality, and institutional trust interact in shaping the use of *rahn ujrah* among Muslim consumers.

4. Conclusions

This study concludes that the *ujrah*-based Sharia pawnbroking scheme is understood by Muslim middle-class users through both religious and practical considerations. Informants' experiences indicate that choosing rahn ujrah is associated with avoiding riba; the clarity and transparency of ujrah and contractual arrangements; access to short-term financing; and trust built through consistent service experiences. Rather than treating these considerations as separate factors, the findings suggest that informants integrate religious values with practical financial needs when interpreting and using Islamic pawnbroking services. The phenomenological approach therefore offers insight into how Sharia

principles shape everyday financial decision-making, particularly through the meanings users attach to compliance, trust, and financial security.

Future research should extend this inquiry beyond the geographical and contextual boundaries of the present study by involving Muslim middle-class users from different regencies, provinces, and socioeconomic settings. Comparative studies across regions could examine whether perceptions of *ujrah*, riba, contractual transparency, and institutional trust vary according to local economic, cultural, and institutional contexts. For Sharia pawnbroking institutions, these findings underscore the importance of maintaining transparent *ujrah* disclosure, clear contractual communication, fair treatment, and consistent service practices to strengthen user trust and demonstrate Sharia principles through actual service delivery. Further research could also combine phenomenological approaches with quantitative or mixed-method designs to examine the relationship between religious commitment, Islamic financial literacy, perceived Sharia compliance, service transparency, and trust. Such extensions would provide a broader empirical basis for understanding how diverse Muslim communities experience Islamic pawnbroking and would help Islamic financial institutions develop services that are both Sharia-compliant and responsive to users' evolving financial needs.

Acknowledgement

The author would like to express their sincere gratitude to all individuals and institutions that contributed to the completion of this research. The authors also appreciate the support, insights, and constructive feedback provided throughout the research process. Any remaining errors or shortcomings in this article are the sole responsibility of the authors.

Author Contribution

E.H.: Conceptualization, Methodology, Investigation, Formal Analysis, Writing – Original Draft Preparation, Writing – Review & Editing, and Project Administration. The author has read and approved the final version of the manuscript.

Funding

This research received no external funding.

Ethical Review Board Statement

Not available.

Informed Consent Statement

Not available.

Data Availability Statement

Not available.

Conflicts of Interest

The authors declare no conflict of interest.

Declaration of Generative AI Use

The author used Grammarly to assist with grammar checking and correction during manuscript preparation. The author reviewed the suggested corrections and takes full responsibility for the manuscript's final content.

Open Access

©2025. The author. This article is licensed under a Creative Commons Attribution 4.0 International License, which permits use, sharing, adaptation, distribution, and reproduction in any medium or format, as long as you give appropriate credit to the original author and

the source, provide a link to the Creative Commons license, and indicate if changes were made. The images or other third-party material in this article are included in the article's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the article's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder. To view a copy of this license, visit: http://creativecommons.org/licenses/by/4.0/

References

Andiansyah, F., Hanafi, S. M., Haryono, S., & Wau, T. (2022). Pengaruh instrumen keuangan syariah terhadap pertumbuhan ekonomi Indonesia. *Al-Masraf: Jurnal Lembaga Keuangan dan Perbankan, 7*(1), 69–86. https://doi.org/10.15548/al-masraf

Anggriana, S. (2020). *Analisis KCA dan rahn di Pegadaian Indonesia: Studi kasus sewa modal PT. Pegadaian cp Padangsidimpuan dan ujrah PT. Pegadaian Syariah ups Sadabuan*. IAIN Padangsidimpuan. http://etd.uinsyahada.ac.id/id/eprint/6424

Antonio, M. S. (2001). *Bank syariah: Dari teori ke praktik*. Gema Insani.

Ascarya, A., Suharto, U., & Husman, J. A. (2022). Proposed model of integrated Islamic commercial and social finance for Islamic bank in Indonesia. *Eurasian Economic Review, 12*(1), 115–138. https://doi.org/10.1007/s40822-022-00201-z

Aysan, A. F., Disli, M., Duygun, M., & Ozturk, H. (2017). Islamic banks, deposit insurance reform, and market discipline: Evidence from a natural framework. *Journal of Financial Services Research, 51*(2), 257–282. https://doi.org/10.1007/s10693-016-0248-z

Bayat, A. (2013). Life as politics: How ordinary people change the Middle East. *Stanford University Press*. https://hdl.handle.net/1887/15229

Dusuki, A. W. (2015). Do equity-based ṣukūk structures fulfill the objectives of Sharīʻah (Maqāṣid al-Sharīʻah)? *Journal of Islamic Business and Management, 219*(3425), 1–25.

Dusuki, A. W., & Abdullah, N. I. (2007). Why do Malaysian customers patronize Islamic banks? *International Journal of Bank Marketing, 25*(3), 142–160. https://doi.org/10.1108/02652320710739850

Fauzia, A. (2013). *Faith and the state: A history of Islamic philanthropy in Indonesia* (Vol. 1). Brill.

Hakim, A., Najib, M., & Afendi, F. M. (2024). Analisis faktor-faktor yang mempengaruhi karyawan dalam mengambil pembiayaan di koperasi syariah. *IRTIQO': Postgraduate Journal of Islamic Economics, Finance and Accounting Studies, 3*(1), 160–180. https://jurnal.tazkia.ac.id/index.php/irtiqo/issue/view/77

Haryanto, S. (2019). The sociological context of religion in Indonesia. *In Research in the social scientific study of religion* (Vol. 30, pp. 67–102). Brill. https://doi.org/10.1163/9789004416987

Hassan, M. K., & Aliyu, S. (2018). A contemporary survey of Islamic banking literature. *Journal of Financial Stability, 34*, 12–43. https://doi.org/10.1016/j.jfs.2017.11.006

Hassan, M. K., Rabbani, M. R., & Ali, M. A. M. (2020). Challenges for Islamic finance and banking in the post-COVID era and the role of fintech. *Journal of Economic Cooperation & Development, 41*(3), 93–116.

Hefner, R. W. (2011). Civil Islam: Muslims and democratization in Indonesia. *Princeton University Press*. https://doi.org/10.1515/9781400823871

Huda, E. N., Tohirin, A., & Luqmana, M. A. A. (2023). A bibliometric analysis of Islamic philanthropy. *Journal of Islamic Economic and Business Research, 3*(1), 97–124. https://doi.org/10.18196/jiebr.v3i1.109

Iqbal, Z., & Mirakhor, A. (2011). *An introduction to Islamic finance: Theory and practice* (Vol. 687). John Wiley & Sons.

Jasmiko, A., Lestar, S. P., Pramudita, L. A., Marhania, S., Sartika, B., Ardianty, A., & Syauq, W. (2024). Perbandingan perlindungan harta (hifdz al-mal) antara perbankan syariah dan konvensional. *Journal of Economics and Business, 2*(1), 87–98. https://doi.org/10.61994/econis.v2i1.468

Jones, C. (2010). Materializing piety: Gendered anxieties about faithful consumption in contemporary urban Indonesia. *American Ethnologist, 37*(4), 617–637. https://doi.org/10.1111/j.1548-1425.2010.01275.x

Juhana, D. (2019). Effect of service quality on customer trust and its implications on customer satisfaction. *Kontigensi: Jurnal Ilmiah Manajemen, 7*(1), 27–32. https://doi.org/10.56457/jimk.v7i1.62

Kusumadewi, R. K., & Yusuf, A. A. (2019). *Literasi keuangan syariah di kalangan pondok pesantren*. CV. Elsi Pro. http://repository.syekhnurjati.ac.id/id/eprint/3148

Lajuni, N., Wong, W. P. M., Yacob, Y., Ting, H., & Jausin, A. (2017). Intention to use Islamic banking products and its determinants. *International Journal of Economics and Financial Issues, 7*(1), 329–333. https://www.econjournals.com

Latief, H. (2016). Philanthropy and "Muslim citizenship" in post-Suharto Indonesia. *Southeast Asian Studies, 5*(2), 269–286. https://doi.org/10.20495/seas.5.2_269

Mahdzan, N. S. A., Abd Sukor, M. E., Ismail, I., & Rahman, M. (2020). *Consumer financial vulnerabilities in Malaysia: Issues, trends and psychological aspects. Routledge*. https://doi.org/10.4324/9780429054358

Muzayyin, A., Irfan, M., & Ilham, M. L. (2024). Analisis minat dan kepuasan anggota koperasi simpan pinjam dan pembiayaan syariah di wilayah Bungatan Situbondo. *Jurnal Ilmiah Pengabdian pada Masyarakat, 1*(3), 355–360. https://doi.org/10.47233/jipm.v1i1.91

Nurdin, D. (2023). *Kepatuhan syari'ah dalam pelaksanaan akad rahn di PT Pegadaian Syari'ah*. UIN Sunan Gunung Djati Bandung. https://digilib.uinsgd.ac.id/id/eprint/74846

Pilarska, J. (2021). *Phenomenological qualitative research design*. *Research Paradigm Considerations for Emerging Scholars, 33*. https://doi.org/10.21832/9781845418281-008

Pradana, A. A., Khusnah, N., & Amri, A. (2025). Analisis akad cicil emas dan skema syariah dalam perspektif maqashid syariah pada Bank Syariah Indonesia. *Integrative Perspectives of Social and Science Journal, 2*(03 Juni), 4135–4144. https://ipssj.com/index.php/ojs/article/view/542

Rahmadani, R. (2024). *Pengaruh penerapan tarif jasa simpan gadai terhadap kepuasan nasabah di pegadaian syariah unit Mamuju* [The influence of the application of pawn deposit service rates on customer satisfaction at the Mamuju unit of Sharia pawnshops]. Universitas Sulawesi Barat. https://repository.unsulbar.ac.id/id/eprint/1313

Ramadhani, G. D., Karomah, N., & Negari, R. F. H. (2025). Implementasi pinjaman multiguna berkah menggunakan akad *rahn* di BMT NU cabang Jenggawah. *Khidmah: Jurnal Pengabdian Masyarakat, 3*(1), 12–18. http://jurnal.stittanggamus.ac.id/index.php/Khidmah

Rifa'i, A. (2017). Peran Bank Pembiayaan Rakyat Syariah dalam mengimplementasikan keuangan inklusif melalui pembiayaan UMKM. *Human Falah: Jurnal Ekonomi dan Bisnis Islam, 1*(1). http://dx.doi.org/10.30829/hf.v1i1.1011

Robin, R., Nilhakim, N., & Miswinda, M. (2024). Analisis fatwa DSN-MUI No. 25/DSN-MUI/III/2002 tentang *rahn* terhadap praktik pegadaian sepeda motor. *Borneo: Journal of Islamic Studies, 4*(2), 140–157. https://doi.org/10.37567/borneo.v4i2.2851

Rusli, W. (2011). Kualitas pelayanan pegadaian mempengaruhi loyalitas melalui kepuasan nasabah (Studi: Perum Pegadaian unit Timoho di kota Yogyakarta). *Optimum: Jurnal Ekonomi dan Pembangunan, 1*(1), 100–112. https://doi.org/10.12928/optimum.v1i1.7907

Said, H. B. (2024). *SSB characteristics and integrated reporting quality in Islamic banks: Evidence from MENA zone*. https://doi.org/10.21203/rs.3.rs-3915247/v1

Sakai, M., & Fauzia, A. (2022). Women entrepreneurs, Islam and the middle class. In *Women entrepreneurs and business empowerment in Muslim countries. Springer*. https://doi.org/10.1007/978-3-031-05954-4_1

Shaleha, S. H., & Ghufron, M. I. (2025). Implementasi akad *rahn* pada produk pembiayaan multi guna berkah: Kontribusi terhadap peningkatan kesejahteraan masyarakat.

SIBATIK Journal: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, dan Pendidikan, 4(6), 723–734. https://doi.org/10.54443/sibatik.v4i6.2852

Tanjung, H. (2020). *Ekonomi dan keuangan syariah: Isu-isu kontemporer*. Elex Media Komputindo.

Ummah, F. F., Aji, T. S., & Sopingi, I. (2024). Utilitarianisme Islam dan risiko pengaruhnya terhadap Shopee buyer satisfaction. *JIES: Journal of Islamic Economics Studies, 5*(1), 1–13. https://doi.org/10.33752/jies.v5i1.5909

Widyaningtyas, D. S., Rossa, H. A. K., Suganda, N. S., & Asiyah, B. N. (2025). Perencanaan pembayaran bagi hasil dalam meningkatkan kepercayaan investor. *Quranomic: Jurnal Ekonomi dan Bisnis Islam, 4*(1), 19–36. https://doi.org/10.37252/jebi.v4i1.1046

Wilson, R. (2021). Risk management and risk sharing in Islamic finance: Theory and practice. *In Contemporary issues in Islamic social finance. Routledge*. https://doi.org/10.4324/9781003050209

Yilmaz, I. (2024). Exploring the foundations of Islamic moral economy: A return to substantive morality. *International Journal of Ethics and Systems*. https://doi.org/10.1108/IJOES-03-2024-0085

Yulianti, N., & Nisa, F. L. (2024). Optimalisasi penerapan prinsip ekonomi syariah dalam industri keuangan mikro di Indonesia. *SHARE: Sharia Economic Review, 1*(01). https://journal.stai-almujtama.ac.id/index.php/share/article/view/76

Biography of Author

Efendi Hidayatullah, Pondok Pesantren Muhammadiyah Darul Falaah Mertoyudan, Magelang, Central Java 56172, Indonesia.

- Email: effendihidayatullah@gmail.com
- ORCID: N/A
- Web of Science ResearcherID: N/A
- Scopus Author ID: N/A
- Homepage: N/A