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AN OPINION SURVEY AMONG ULAMA WORKING IN THE GOVERNMENT REGARDING LOAN

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Abstract

The study is concerned with the opinions of the respondents on the loans granted by GSIS and PAG-IBIG, It cannot be denied that interests are part of subscribing loan agencies that will give loan without an interest because the interest is basic part of the scheme of loan. But problem arise if you are a true believer of the faith of Islam. Being a Muslim one should be conscious on Islamic teaching that advance that all forms of interests are considered as Riba(Interest), therefore considered as sin which has a big impact on different aspectsof life especially in spiritual like *Aqueeda(one's belief)*. Descriptive quantitative and qualitative method of research is also a fact-finding study with adequate and interpretation and accurate interpretation of findings. This research design was necessary to evaluate the opinions of the respondents, the motivations for availing loans and its impact. The design can also describe and emphasize on what actually exist such as current conditions, practices, situations or any problems. Most of the respondents who avail loan are based on their necessities. Riba could create lazy capital owner because they gain profit without any effort. Most of the respondents were aware that availing loan is committing riba. However, they still commit because of needs. Riba could also create other bad attitude like materialism, selfishness, arrogance and inhumane.

Keywords: Ulama, Loan, Riba, Haram, Halal, Sunnah, Cotabato City

INTRODUCTION

Loan is a phenomenon that is infesting our work force both public and private. As observed, most if not all of government employees and including workers in private sectors were always engage in loaning to satisfy their minimum basic needs like hospitalization, housing and basic amenities in life such as car for mobility and etc. Nowadays, most of the Muslim professionals especially working in the government are loan subscribers from the different lending agencies both government and private institution. Most of the Muslim professionals working in the government can't go away with this practice since it is already part of the system of being employed. One of its consequences is receiving a lesser amount after retirement due to unpaid loans.

It cannot be denied that interests are part of subscribing loan agencies that will give loan without an interest because the interest is basic part of the scheme of loan. But problem arise if you are a true believer of the faith of Islam. Being a Muslim one should be conscious on Islamic teaching that advance that all forms of interests are considered as Riba(Interest), therefore considered as sin which has a big impact on different aspectsof life especially in spiritual like *Aqueeda(one's belief)*.

Muslim professionals must have proper understanding on what does Islam says with this form of action through the opinions of Ulama working in the government. With this, the researcher believes that there is a need to conduct a study related to “Riba(interst)”, specifically on the aspect of loan and interest .

According to Hamza, (2001) there has been confusion about "riba" (interest) among Muslims all over the world. In spite of efforts of the ulama to find a solution to the problem of committing riba, the confusion remains. No consensus could be reached about the definition of “interest” during the early period of Islam and till today there are differences of opinion on the matter. On the one hand, interest is important from economic view point, however, there is strong warning against riba in the Qur’an. Many people and even ulama agree that without finding a solution on the problem the economic condition of Muslims is at stake.

Many Muslims in the Third World Countries are compelled to take loans from banks because of commercial and personal requirements. In big cities taking loans from banks and other financial institutions for purchasing houses, cars and for higher and professional education, have become a norm. People no longer have the Islamic spirit of helping their needy brethren by giving interest-free loans.

The issue whether interest is *riba* is important not merely as a scholarly discourse or polemics, but it is vitally important for Muslims, who want to abide by the guidance of Islam as entailed in the Qur’an and *Sunnah*, but also because they want to be convinced that nothing that is prohibited (*haram*) is made permissible (*halal*) and nothing that is *halal* is made *haram*. Among the contemporary educated Muslims, there is significant confusion and ambivalence about this issue of interest. Along this line, it has been observed by researcher that the loans availed by the members from PAG-IBIG and GSIS loaning institutions were having interests. But the said interest will return back by the institutions upon the retirement of the member. Can loans granted to the members be considered Riba? It is along this general query why this research is being conducted.

METHODOLOGY

Research Design

This present study is concerned with the opinions of the respondents on the loans granted by GSIS and PAG-IBIG, a Descriptive Method of Research is the most appropriate method to be used. Descriptive design according to Best (1974), “describes and interprets what is it]. This is appropriate in this study because it described the socio-economic profile of the Ulama working in the government, opinions of the respondents on the loans granted by the GSIS and PAG-IBIG and its motivations and impact of availing loans.

Descriptive quantitative and qualitative method of research is also a fact-finding study with adequate and interpretation and accurate interpretation of findings. This research design was necessary to evaluate the opinions of the respondents, the motivations for availing loans and its impact. The design can also describe and emphasize on what actually exist such as current conditions, practices, situations or any problems.

Locale of the Study

This study was conducted in Cotabato City. The selected public secondary, tertiary schools and selected government and non-government institution were included as the area of the

study. The City of Cotabato is one of the independent component cities of the Province of Maguindanao, in Mindanao Island Philippines. It has a total land area of 176.0 square kilometers, located at the mouth of the Rio Grande de Mindanao and Pulangi River. It is composed of thirty seven (37) barangays.

RESULTS AND DISCUSSIONS

Respondents' Profile

The data gathered included are the age, sex, civil status, work experience, number of siblings, type of home, and type of loans availed, educational attainment, position, ethnicity, status and salary.

Age

Below is a table that presented the data gathered on the age of the respondents categorized into four that were: 21-30, 31-40, 41-50 and 51-60.

Table 1a

Frequency and Percentage Distribution of Respondents in terms of their age

Age	Frequency	Percentage
21-30	15	15 %
31-40	36	36 %
41-50	28	28 %
51-60	21	21 %
TOTAL	100	100%

Table 1a revealed that most of the respondents (36%) belonged to the age bracket of 31-40 years old. This is followed by an age bracket of 41-50 comprises 28% of the total population, only 15% among the respondents are young with an age bracket between 21-30 years old. It implies that majority of the respondents are in the age of maturity.

Sex

Below is the table that reveals the data gathered on the sex classification of the respondents according to sex.

Table 1b

Frequency and Percentage Distribution of Respondents in terms of their Sex

Sex	Frequency	Percentage
Male	15	15 %
Female	36	36 %
TOTAL	100	100%

Table 1b shows that the female respondents outnumbered the male respondents with a frequency of 64 or (64%) while the male respondents were 36 or (36%). It implies that majority 64% of the respondents were female while few 36% percent were male.

Civil Status

Table 1c below that shows the data on the civil status of the respondents.

Table 1c

Frequency Distribution of Respondents in terms of their civil status

Civil Status	Frequency	Percentage
Single	20	20 %
Married	79	79 %
Separated	1	1%
TOTAL	100	100%

Of the 100 respondents, majorities 79 or 79% of these were married, few 20 or (20%) were single and only one or (1%) was separated. It implies obviously that majority of the respondents were married and mature enough to handle problems in life.

Work Experience

Table 1d presented the categories of the work experience of the respondents.

Table 1d

Frequency and Percentage Distribution of Respondents in terms of their experience

Experience	Frequency	Percentage
1-7	65	65%
8-14	15	15%
15-21	15	15%
22-28	5	5%
TOTAL	100	100%

Majority (65%) of the respondents have been working for seven (7) years. Some (15%) have been already working/teaching for at least 14 years in service and some also have been working/teaching for at least 21 years. Very few (5%) were working/teaching for at least 28 years in the government.

No. of Siblings

Table 1e below depicted the data on the number of siblings of the respondents.

Table 1e

Frequency and Percentage Distribution of Respondents in terms of their siblings

Siblings	Frequency	Percentage
0-3	68	68%
4-6	27	27%
7-10	5	5%
TOTAL	100	100%

The table 1e reveals that majority (68%) of the respondents have at least 3 siblings, few (27%) of them have at least 6 siblings and very few (5%) of them were blessed with at least 10 siblings. It implies that most of these employees/teachers have minimal/very few siblings of at least three (3) which is manageable even without availing the loans.

Type of Home

The data shown in table 1f has reflected the type of home the respondents has.

Table 1f

Frequency Distribution of Respondents in terms of their home type

Home Type	Frequency	Percentage
Rented	15	15%
Own	95	95%
TOTAL	100	100%

Of the 100 respondents, 95 or (95%) of them acquire their own home and only 5 or (5%) of them living in a rented home. It implies that majority (95%) of the respondents are living in their own house or home.

Type of Loan

The data on the type of loan subscribed by the respondent is seen on table 1g below.

Table 1g

Frequency Distribution of Respondents in terms of their type of loan

Types of Loan	Frequency	Percentage
PAG-IBIG Housing Loan	16	16%
PAG-IBIG MPL	5	5%
PAG-IBIG Emergency Loan	15	15%
GSIS Policy Loan	12	12%
GSIS Emergency Loan	21	21%
GSIS Consolidated Loan	18	18%
Did not avail loan	13	13%
TOTAL	100	100%

Table 1g reveals that many (21%) of the respondents availed loan on GSIS Emergency loan, some (18%) availed GSIS Consolidated Loan, another (16%) among them availed PAG-IBIG Housing Loan, 15% availed the PAG-IBIG Emergency Loan. It reveals that only 13% of the respondents did not avail loan any of the loans offered by the different government agency. It also reveals that 12% availed GSIS Policy Loan and 5% of them availed the PAG-IBIG MPL. Generally, out of 100 respondents, most of them (87 percent) avail the different types of loans and only 13 percent of them did not avail any kinds of loans offered by the government.

Educational Attainment of the Respondents in both Secular and Arabic

Table 1h shows the educational attainment of the respondents in both Secular and Arabic School.

Table 1h

Frequency and Percentage Distribution of the Respondents' Educational Attainment both in Secular and Arabic Education

Educational Attainment	Frequency		Percentage	
	Secular	Islamic	Secular	Islamic
Bachelors	100	95	100%	95%
Masters	57	4	57%	4%
Doctoral	1	1	1%	1%
w/ Masters Unit	40	0	40%	0%
w/ Doctoral Unit	2	0	2%	0%
TOTAL	100	100	100	100%

Table 1h reveals that in the secular education, all the respondents holding bachelor's degree, 57 or 57% of them were master's degree, 40 or 40% of them with Masters unit and 2 or 2% of them were currently taking their doctoral program. Of the one hundred (100) respondents, only one (1) or 1% of them was holding a doctoral degree. Base on the result, majority of the respondents (57%) were master's degree and mature enough to think wisely in all their decisions in life.

It also reveals in this table the educational attainment of the respondents in Islamic education (Arabic). Of the 100 respondents, 95 or (95%) holding college degree in different fields, 4 or (4%) of them were holding master's degree and 1 or (1%) were holding doctoral degree (Ulama). It implies that the respondents are well equipped with the knowledge and skills in both secular education and Islamic education is concern.

Position Held

Table 1i below shows the data on the position held by the respondents.

Table 1i

Frequency Distributions of the Respondents in Terms of their Position held

Position	Frequency	Percentage
Category 1	58	58%
Category 2	20	20%

Category 3	15	15%
Category 4	5	5%
Category 5	2	2%
TOTAL	100	100%

Table 1i reveals that majority 58 or 58% of the respondents were holding a position in category 1 comprising teacher 1 or the level of their position, some 20 or 20% fall on the category 2 which is equivalent to teacher 2, Instructor 1 or its equivalent position in government offices. Few, 15 or 15% of the respondents were holding the category 3 positions equivalent to asst. Prof 1 and its equivalent position. Five or 5% were holding higher positions and only 2 or 2% of the respondents were holding higher positions belongs to category 5. It implies that 78 or 78% of the respondents were holding lower positions labeled as category 1 and category 2 respectively.

Ethnicity

Table 1j below shows the data gathered on the ethnicity of the respondents.

Table 1j

Frequency Distribution of the Respondents I Terms of their Ethnicity

Position	Frequency	Percentage
1. Maguindanaon	57	57%
2. Maranao	17	17%
3. Iranun	26	26%
TOTAL	100	100%

Table 1j reveals that majority 57 or (57%) of the respondents are Maguindanaon, some 26 or 26% are Iranun and few 17 or (17%) are Maranao. It implies that all the respondents belong to the three major ethnicity who live in Maguindanao and Lanao.

Appointment Status

The data on the appointment status of the respondent was reflected in table 1k below.

Table 1k

Frequency Distribution of the Respondents in Terms of their Appointment Status

Appointment Status	Frequency	Percentage
Contractual	20	20%
Probationary	8	8%
Permanent	72	72%
TOTAL	100	100%

Based on table 1k, majority 72 or (72%) of the respondents have nothing to worry about the status of their appointment because they are permanent. Some 20 Or (20%) of them are contractual and few 8 or (8%) are in probationary status. It implies that these some, 2 or (2%) are

the ones who did not avail any of the loans granted by the government particularly the GSIS and the PAG-IBIG respectively.

Monthly Salary

The data on the monthly salary of the respondents is shown in table 11.

Table 11

Frequency Distribution of the Respondents in Terms of their Monthly Salary

Monthly Salary	Frequency	Percentage
P 20,000 and above	31	31%
P 21,000-P 30,000	49	49%
P 31,000-P 40, 000	17	17%
P 41, 000 and above	3	3%
TOTAL	100	100%

Table 11 reveals that most 49 or (49%) of the respondents receiving a monthly salary of between P 21,000.00 – P 30,000.00, at some 31 or (31%) of the respondents have at least P20,000.00 in month. Some 17 or 17% have higher salary of 31,000.00 to P40,000.00 and few or 3 or (3%) of the respondents were receiving a high salary that can sustain their needs, majority of the respondents a salary which is not enough to sustain their daily needs that motivates them to avail loan.

Opinions of the Respondents Regarding Loans granted by the GSIS and PAG-IBIG

This part presented the opinion of the respondents regarding loans granted by the GSIS and PAG-IBIG on what is loan, their opinion regarding loan granted by the GSIS and PAG-IBIG. It also composed of relevant feedback from the respondents on the part of Qur-anic injunctions and hadith in relation to Riba.

In the question what is loan, the respondents narrated the perceptions about loans. According to the respondents, loan is lending money from different lending agencies for the purpose of survival of individual/family necessities, loan is a program of the government for all government employees, and this is a system of borrowing money with interest. In order for the employee to upgrade his/her records she/he shall avail loans offered by the government lending institutions. They also said that loan is not good, meaning riba, but because of unavoidable circumstances, like call of necessity they have done it. Majority of the respondents stated that loan is unacceptable when rules and principles of Shariah is concern. Therefore loan is prohibited.

The following are the answers the question, please state your opinion regarding loan granted by the GSIS and PAG-IBIG. According to the respondents, loans from the GSIS and PAG-IBIG fall under the category of Riba due to fixed interest. Accordingly this is an issue and problem encountered by the Muslim employee since that they are working in non-Islamic institution; they were forced to avail of loans in order to upgrade their records and sometime they have also no choice out of necessity because some circumstances that cannot be avoided like members of the family being hospitalized

or any forms of adversity that me befall in the family. Some said that in Islam, it is prohibited upon the lender to stipulate any increase to his loan. Therefore, GSIS and PAG-IBIG system lending money, stipulating an interest on money, which is Haram.

Another respondent said that any interest based transaction is prohibited in the point of view of Shariah. Therefore, as a Muslim, an believer of Islam we must avoid availing of loans from different lending agencies, as it is forbidden and can harm our belief (Faith).

In the case of anticipated follow-up whether loans granted by the GSIS and PAG-IBIG categorized as usury (Riba)? Particularly on what specific Prophetic Traditions or Qur'anic injunctions can be cited to justify that loans granted by the GSIS and PAG-IBIG which cannot be categorized as usury (Riba).

Most of the respondents said, yes. It means that the loans are categorized as Riba. Any interest based transaction is prohibited in the point of view of Shariah, since the loans granted by the GSIS and PAG-IBIG is an interest based transaction so it falls into Riba. Another respondent said that loan is definitely usury or Riba due to interest stipulated, but the Hadith stated as "Wamaastakirowminho" ...meaning it is allowable because of the situation that the government is un-Islamic.

According to other respondent, loan is highly evident as usury due to its interest. As Allah stated in the holy Qur'an said,

وَمَا آتَيْتُم مِّن رَّبًّا لِّيَرْبُوًّا فِى أَمْوَالِ النَّاسِ فَلَا يَرْبُوا عِنْدَ اللَّهِ
وَمَا آتَيْتُم مِّن زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ الْمُضْعِفُونَ



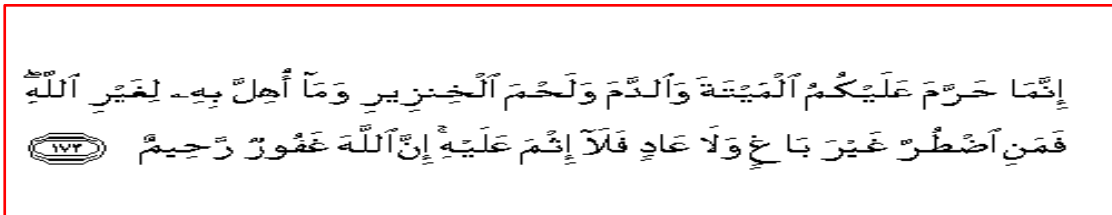
"What do you give (loan) in the form of usury to human property, then it does not increase with Allah": but that which ye lay out for charity, seeking the Countenance of Allah, (will increase): it is these who will get a recompense multiplied. (Sura .ar-Rum: 39).

"IbnMas'ud says that the Prophet (pbuh) cursed the consumer of interest and the 'one who feeds it' and the one who witnesses it and the one who documents it." Ibn Maja (2277).

Consequently, loan is forbidden in the eyes of Allah S.W.T, so as a Muslim or believers of Islam should be refrained from w availing any loan offered by different agencies whether private or government lending institution.

B. If the loans granted by the GSIS and PAG-IBIG fell under the category of usury (Riba), are there any excuses to the Muslims availing this loans living in the secular society like the Philippines?

According to Dr. Abdul M. Lantong one of the faculty members in Islamic Education said. "No. Being a resident of a secular society is not unexcused from the law that prohibits interest transaction. However, the law giver gives concession to the responsible person if he/she is in the state of necessity. But it does not mean that prohibited transaction becomes allowable or legal. But because of necessity the person is allowed to do so, she/he is exempted from punishment by Allah, example life between deaths or he is in danger, in order to save his/ her life he is allowed to do it, another example is eating pork if the person is in the state hunger and she/he have no choice but to eat pork she/ he is allowed to eat it".As analogy if the person is in the state of necessity he she allowed to do it as Allah said



“But if any forced by hunger with no inclination to transgression, God (Allah) is indeed off-forgiving Most Merciful.” Surah Al-Baqara Ayah 173. The Prophet S.A.w said " people are excused in punishment if he is in forced or in a situation in danger."

Another respondents said, No, law is law wherever you are, the place does not matter but the religion matters this does not mean that when you are living in the secular society you are excused in doing things that are against your religion, but there are some exemptions if the people is in danger there is no choice, but to do it, so this is an exemption to one not face the punishment, provided that the person is not willing to do it but only forced of the situation.

Therefore, religion does not evolve. But the people must adjust or live in accordance to its belief (Iman) as well in the teaching of the Prophet Muhammad S.A.W.

Motivations for Availing Loans

Table 2 presents the weighted mean of the motivations of the respondents for availing loans in the PAG-IBIG and GSIS loaning institutions.

Table 2

Motivations for Availing Loans in GSIS and PAG-IBIG

(n=100)

Item	Rating			Weighted Mean	Description
	1	2	3		
1. I prefer to avail loans from GSIS or PAGIBIG than to pawn my accessories.	33	35	32	1.99	Sometimes
2. I avail loan from GSIS and PAG-IBIG to buy a new car/ motor and other transportation for livelihood.	37	53	10	1.72	Sometimes
3. I avail loan from GSIS and PAG-IBIG to sustain my further study.	33	43	24	1.90	Sometimes
4. I avail loans from Pag-ibig and GSIS to finance my business/farm.	39	50	11	1.72	Sometimes
5. I borrowed from either PAG-IBIG for the renovation of our house.	44	39	17	1.72	Sometimes
6. I avail loans from PAG-IBIG and GSIS in payment for the hospital bill.	17	40	43	2.26	Sometimes
7. I borrowed money from private entities to augment the budget of the family.	34	33	33	1.99	Sometimes
8. I avail loans from GSIS and PAG-IBIG so that I can help others out of this money.	60	37	3	1.42	Never
9. I avail Loans from GSIS to purchase communication facilities needed (e.g. Cellphone and personal computers, etc.	81	19	0	1.19	Never
10. Every enrolment I avail loans for my children's needs.	35	49	16	1.81	Sometimes
OVERALL MEAN				1.77	Sometimes

Legend 2.50 – 3.49 Agree (A)
1.50 – 2.49 Disagree (DS)

1.00 – 1.49 Strongly Disagree (SD)

The table revealed that the respondents rated these institutions as sometimes with a grand mean of 1.77 described also as Sometimes in the scale used. Respondents availed of loans even though they are Muslim because it is a part of being employed; they don't have choice because it is mandatory.

The result implies that the Ibadah of Muslim professionals are not affected in availing of any loan either government loan or private loan because they are doing it for their necessity only. Ibadah of every individual could not be seen in attitudes towards Riba. Ibadah is something in our inner selves, somewhere in our spiritual beliefs that will be known only through one's honesty sincerity and religiosity.

It can be inferred that most of the respondents sometimes avail loans because of the motivations being mentioned in the table. It further shows that respondents are only availing loans occasionally.

Impact of Availing loans

The data gathered here have bearing on the impact of availing loans, that is, economic impact, social impact and psychological impact.

Table 3
Frequency and Weighted Mean Distribution on the Response of Respondents on the Impact of Government loans to the Ibadah (Worship)
(*n=100*)

Item	Frequency				Weighted Mean	Description
	1	2	3	4		
a. Salat Five times a day prayer	41	48	11	0	1.67	Disagree
b. Jum'a Friday Congregation Prayer.	54	37	9	0	1.55	Disagree
c. Observance of Fasting (Sawm)	50	50	0	0	1.50	Disagree
d. Recital of Shahada (Declaration of faith)	34	50	12	4	1.86	Disagree
e. Giving the alms/Zakat	54	46	0	0	1.46	Strongly Disagree
f. Performance of pilgrimage to Makkah.	52	48	0	0	1.48	Strongly Disagree
g. Giving charity/Sadaqa	48	37	15	0	1.67	Disagree
h. Food consumption	50	50	0	0	1.50	Disagree
i. Kindness to my co- teacher	41	44	15	0	1.74	Disagree
j. My cooperation to the extra-curricular activities.	34	50	12	4	1.86	Disagree

k. Kindness to my co- teacher.	48	44	8	0	1.6	Disagree
l. My cooperation to the extra-curricular activities.	41	53	6	0	1.56	Disagree
m. Helpfulness to my co- teacher.	32	46	22	0	1.9	Disagree
n. Helpfulness to my co- teacher.	54	46	0	0	1.46	Strongly Disagree
OVERALL MEAN					1.64	Disagree

Legend: 3.50 – 4.00 Strongly Agree (SA)
2.50 – 3.49 Agree (A)
1.50 – 2.49 Disagree (DS)
1.00 – 1.49 Strongly Disagree (SD)

Table 3 shows that the overall mean of 1.64 reveals that the respondents disagree in the statement mentioned in the table. Availing of Loans/ Riba will affect the Ibadah of every Muslim Professional because this is Haram or prohibited in Islam;

This means that the impact of government loans to the Ibadah of the respondents shows that availing loans did not help to strengthen the spiritual belief of individual. It implies that the respondents were fully aware about the consequences in availing loans but they still were doing it due to the call of necessity.

Economic Impact

In this table, it reveals the economic impact of availing loans.

Table 4
Frequency and Weighted Mean Distribution on the Response of Respondents on the Economic Impact Of Loan (n=100)

Item	Frequency				Weighted Mean	Description
	1	2	3	4		
a. Strengthened my business	41	51	8	0	1.69	Disagree
b. Strengthened my livelihood project.	54	37	9	0	1.75	Disagree
c. Widened my farm area.	39	51	10	0	1.71	Disagree
d. Riba will bring chaos and crisis to the economy.	0	0	50	50	3.5	Strongly Disagree
e. Loans increase my investment.	54	46	0	0	1.64	Disagree
OVERALL MEAN					2.06	Disagree

Legend: 3.50 – 4.00 Strongly Agree (SA)
2.50 – 3.49 Agree (A)
1.50 – 2.49 Disagree (DS)
1.00 – 1.49 Strongly Disagree (SD)

The respondent indicated that availing loans did not increase their business with a computed weighted mean of 1.69 described as disagree. This is also means that their business did not prospered by loans availed by them. The mean 1.75 strongly disagree stressed that the loans offered by the GSIS and PAG-IBIG have nothing to do in strengthening the livelihood of the respondents. The mean 1.71 strongly disagree that the livelihood of the respondents is widened. The 3.5 weighted mean described as strongly disagree simply means that Riba bring chaos and crisis to the economy. The mean 1.64 shows that the respondents strongly disagree that availing loans increase their investment. In the table, the respondents indicated that availing loans has no positive impact on their economy as indicated by the grand mean of 2.06 described as disagree in the scale used.

It implies obviously that the loans offered by the government did not help the economic growth of the respondents.

Social Activities Impact

Table 5 presents the weighted mean on the different variables that describe the social impact of loaning in the PAGIBIG and GSIS institutions.

Table 5
Frequency and Weighted Mean Distribution on the Response of Respondents on the Social Activities Impact of Loan (N=100)

Item	Frequency				Weighted Mean	Description
	1	2	3	4		
A. Riba will divide people into classes: a. Upper class b. Middle class c. Lower class	0	0	53	47	3.47	Agree
B. Riba generates envy and hatred among the poor toward the rich.	0	0	58	42	3.42	Agree
C. Resulting in social disorders, conflicts and at fines breeds	0	0	53	47	3.47	Agree
D. Riba also will create wide gap between the rich and the poor.	0	0	55	45	3.45	Agree
OVERALL MEAN					3.45	Agree

Legend: 3.50 – 4.00 Strongly Agree (SA)
 2.50 – 3.49 Agree (A)
 1.50 – 2.49 Disagree (DS)
 1.00 – 1.49 Strongly Disagree (SD)

The table revealed that the majority of the respondents rated agree all item on this particular category with the grand mean 3.45 that Riba will divide the people into classes like upper class, middle class and lower class.

This further generates envy and hatred among the poor toward the rich, resulting in social disorders and conflicts. Riba will also create wide gap between the rich and the poor. This

happened because the rich will gain profit through the interest of their money from debtor. It implies that the loans offered by the government affect the social activities of the people.

Psychological Impact

Table 6 presents the weighted mean on the different variables that describe the psychological impact of loaning in the PAGIBIG and GSIS institutions.

Table 6
Frequency and Weighted Mean Distribution on the Response of Respondents on the Psychological Impact of Loan

Item	Frequency				Weighted Mean	Description
	1	2	3	4		
A. Create lazy capital owner.	0	0	48	52	3.52	Strongly Agree
B. . Create bad attitude like: a. Materialism b. Selfishness c. Arrogance d. Inhumane	0	8	59	33	3.25	Agree
C.Riba harms human relationship.	0	6	57	37	3.31	Agree
D. Create greediness.	0	0	48	52	3.52	Strongly Agree
Grand Mean					3.40	Agree

Legend: 3.50 – 4.00 Strongly Agree (SA)
 2.50 – 3.49 Agree (A)
 1.50 – 2.49 Disagree (DS)
 1.00 – 1.49 Strongly Disagree (SD)

As revealed on this table, the respondents believed that loaning create lazy capital owner with a computed weighted mean of 3.52 described as Strongly Agree in the scale used. The same number of respondents had the opinion that the psychological impact of loan creates greediness with a computed mean of 3.52 also described as Strongly Agree on the same scale used. The respondents had the unanimous ideas that loan has negative psychological impact on human person with a computed grand mean of 3.40 described as Agree in the scale used.

Summary

This study aimed to find out the opinion of the Ulama working in the government regarding loans. Specifically, this sought to would answer the following questions: What is the Socio- Economic profile of the respondents in terms of; Age, Sex, Civil Status, Number of Years in service, Number of Children, Type of House, Type of Loan, Educational Attainments, Rank and Position, Appointment Status and Salary? What are the opinions of the respondents on the loans granted by GSIS and PAG-IBIG? What are the motivations for availing loans? What is the impact for availing loans?

A qualitative descriptive research design was utilized in the study. The study was conducted in Cotabato City. There were a total of 100 Ulama respondents purposively selected

using the criteria that they were working in the government who served as the main source of information using a self-made structured survey questionnaire and an interview schedule to key informant.

Findings

The findings that emerged from statistical analysis of the data gathered from the respondents were summarized as follows: Majority of the respondents 36 percent has an age bracket of 31-40 years old. It implies that majority of the respondents were in the age of maturity. In terms of their gender, the female respondents outnumbered the male respondents, that is, 64 percent female and 36 percent male. In terms of the present job, majority 65 percent of the respondents have been working for up to seven (7) years. Out of 100 respondents, majority 79 or 79 percent of these were married, few 20 or 20 percent were single and only one or 1 percent was separated. It implies obviously that majority of the respondents were married and mature enough to handle problems in life. It implies that most of these employees/ teachers have minimal/ or very few siblings of at least three (3) which are manageable even without availing the loans. Most of the respondents sometimes availed loans because of the motivations being mentioned in the table.

It further shows that respondents only availed loans occasionally. The respondents were fully aware about the consequences in availing loans but still there were doing it due to call of necessity.

The loans offered by the government did not help the economic growth of the respondents. The loans offered by the government affect the social activities of the people and create a pang of guilt and conscience in their Shariatic knowledge.

Implication

Based from the forgoing findings, the following implications were drawn:

Most of the respondents who avail loan are based on their necessities. Riba could create lazy capital owner because they gain profit without any effort. Most of the respondents were aware that availing loan is committing riba. However, they still commit because of needs. Riba could also create other bad attitude like materialism, selfishness, arrogance and inhumane.

Recommendation

The following are the recommendations of this study:

Muslim government employee should strive hard not to engage in any kind of Riba and government loan except on what was said in the Quran as excuses on forced by the situation. *“But if any is forced by hunger with no inclination to transgression, God (Allah) is indeed oft-forgiving Most Merciful” (Al-Imran) Ayah 3,* *“But if one is neither forced by necessity, without willful disobedience, nor transgressing due limit, and then is he guiltless. For God is oft-forgiving Most Merciful” (Surah Baqara Aya 173)* and the Hadith of Prophet Muhammad (S.A.W.)

Institutional administrator or heads should cooperate in helping the employee to avoid Riba and government loans because these are not excused in the punishment of Allah because they signed and agreed that those under them would engage in Riba and loan, as said in the Quran, *Those who charge Riba are in the same position as those controlled by the devil's influence. This is because they claim that Riba is the same as commerce. However, God permits commerce,*

and prohibits Riba. Thus, whoever heeds this commandment from his Lord, and refrains from Riba, he may keep his past earnings, and his judgment rests with God. As for those who persist in Riba, they incur Hell, wherein they abide forever” (Quran 2:275) as in the Hadith said by the Prophet Muhammad (S.A.W.) “Jabir said that Muhammad cursed the accepter of usury and its payer, and one who records it, and the two witnesses, and he said: They are all equal in punishment”.

Additional recommendation is for the sinner of Riba to study and learn the way of salvation and repentance in Allah. They must not avail of loan except by forced of circumstances or by worst situation like hunger or it is between life and death situation but after committing it , it is a requirement that they should repent. For after all Allah is merciful and forgiving as stated that Allah said in the Qur an, “And turn all of you in repentance to Allah, Oh believers, in order that you may be successful.” Surah An- Noor Ayah 31 Prophet Muhammad (S.A.W.) said in his Hadith “One who repents from sin is like one without sin.” Ibn Maajah. Quran said also “Surely I will repeatedly forgive those who repent, believe and do righteous deeds, and then accept right guidance.” Surah Taha Ayah 82.

Finally, there is need to strengthen the Da’wah among the members to avoid availing loans if the sole purpose is for extravagance in all forms because it is highly prohibited in Islam. In big cities taking loans from banks and financial institutions for purchasing houses, car and for higher and professional education, have become norm. People no longer have the Islamic spirit of helping their needy brethren by giving interest-free loans.

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