



The Web of Debt: Informal Credit, Social Capital, and Student Financial Survival in Indonesian Universities

Ashri Putri Rahadi^{1,2*} , Anggara Wisesa², Deddy Priatmodjo Koesrindartoto²,
Fikri Mohamad Rizaldi¹, Faqih Ahmad Muzakky¹, Yulia Nur Hasanah¹

¹ Telkom University, Indonesia

² Institut Teknologi Bandung, Indonesia

Received: July 03, 2026

Revised : August 17, 2026

Accepted : September 12, 2026

Online : October 12, 2026

Abstract

In contexts where broadly accessible student loans are limited, financial shortfalls may be absorbed through students' close relationships rather than formal credit. This study examines how Indonesian university students mobilise and regulate informal debt through these relationships. It employed an ethnographically informed, sequential cross-context qualitative design. The framework-building phase combined ethnographic interviews, participant observation, informal conversations, and field notes with 22 participants at Institut Teknologi Bandung. A second phase involved semi-structured interviews with 10 financially vulnerable students at Telkom University to corroborate and refine the emerging framework. Data were analysed using domain, taxonomic, componential, and cultural-theme analyses, followed by cross-context comparison. The findings show that student debt is relationally distributed: the person whose need generates an obligation, the person who borrows, and the person who repays may be different. Social capital becomes informal liquidity only after two-sided relational filtering, as lenders assess borrowers' trustworthiness and the legitimacy of their needs while borrowers assess potential lenders' capacity and relational safety. Reciprocity and accountable repayment sustain trust and relational continuity, while unaccountable conduct can become reputational information that travels across the network and contracts future access to support. The Web of Debt is therefore conceptualised as conditional relational liquidity: it can operate as a financial safety net, but also as a system of relational discipline. The study contributes a student-in-network perspective and shows why student financial vulnerability cannot always be understood from the individual borrower alone.

Keywords: *Informal Debt, Social Capital, Relational Liquidity, Reciprocity, Student Financial Vulnerability, Higher Education, Indonesia*

INTRODUCTION

Student debt is usually discussed through formal educational lending: how much students borrow, who is most likely to struggle with repayment, and what indebtedness does to later economic and personal choices. This literature has produced important evidence. Repayment problems are associated with both debt burden and borrowers' economic circumstances, while student debt may affect occupational choices, family formation, asset accumulation, homeownership, and psychological well-being (Elliott & Lewis, 2015; Gicheva, 2016; Gross et al., 2010; Lea, 2021; Lochner & Monge-Naranjo, 2016; Rothstein & Rouse, 2011). Much of this work, however, comes from countries where student borrowing is organised through established loan systems and the borrower can be identified relatively clearly.

That starting point is less useful when affordable educational credit is not broadly accessible. During the study period (October 2022-April 2026), Indonesia did not have a large-scale government-backed student loan programme comparable to those operating in several Western higher-education systems. Commercial educational credit existed, but access could depend on

Copyright Holder:

© Rahadi, Wisesa, Koesrindartoto, Rizaldi, Muzakky & Hasanah. (2026)
Corresponding author's email: ashriputriahadi@telkomuniversity.ac.id

This Article is Licensed Under:



collateral, guarantors, income documentation, and other conditions that are difficult for financially vulnerable students to meet (Faozan, 2020; Hutari, 2024). Financial pressure was also visible within universities themselves. In January 2024, Institut Teknologi Bandung (ITB) reported 1,768 requests for tuition remission and 2,732 applications for instalment arrangements (ITB, 2024). Other reports similarly described students and families borrowing, selling assets, delaying payments, or seeking alternative arrangements to keep education going (Aisyah, 2023; Mashabi & Ihsan, 2024; Prasetyo, 2024).

When formal credit is limited, debt does not disappear. It can move into the relationships surrounding the student. Parents may borrow from relatives to cover tuition, a sibling may provide emergency cash, a spouse may absorb academic costs, or a close friend may lend money until a scholarship or stipend arrives. The same student may be a borrower in one episode and a lender in another. In these situations, the person whose need generated the obligation, the person who obtained the money, and the person who eventually repaid it are not always the same.

This relational arrangement also changes how credit works. Informal loans between family members and friends generally do not rely on payslips, property deeds, standardised credit scores, or formal collection procedures. Instead, access is built through familiarity, trust, disclosure, perceived need, and judgments about responsibility. Repayment can also carry meanings beyond financial settlement. It may demonstrate that a person remains *amanah* (trustworthy and worthy of being entrusted with another person's resources), protect reputation, and preserve *silaturahmi* (the maintenance of harmonious social ties) after money has temporarily disturbed the relationship. A delayed payment may be tolerated when hardship is explained, while avoidance or deception can change how the borrower is judged later.

These practices sit between several established literatures, but each addresses only part of the configuration examined here. Formal student-debt research—developed largely in settings with established educational lending—explains debt burdens, repayment difficulty, and downstream consequences (Gross et al., 2010; Elliott & Lewis, 2015; Lochner & Monge-Naranjo, 2016; Lea, 2021). Family financial socialisation explains how families transmit financial knowledge, values, and behaviour (Gudmunson & Danes, 2011; Jorgensen & Savla, 2010; Shim et al., 2009, 2010), but gives less attention to family members directly carrying and reallocating one another's debt. Social-capital and microfinance research explains soft information, social collateral, monitoring, and enforcement (Cassar et al., 2007; Hermes et al., 2005; Postelnicu et al., 2014), while reciprocity and sanction research explains repeated exchange and exclusion (Kujala & Danielsbacka, 2019; Baland et al., 2017). These latter mechanisms have generally been examined in institutional or organised-group lending rather than fluid student networks. The gap, therefore, is not that prior theories are irrelevant, but that their mechanisms have not been integrated to explain how informal student debt is distributed across close relationships and governed without a common lender, contract, or credit record. Accordingly, formal student-loan studies are used here to establish the dominant student-debt framing, while family-finance, social-capital, and microfinance studies are used to identify relational mechanisms; their institutional settings are not assumed to be directly equivalent to Indonesia.

This study addresses that problem through the concept of the Web of Debt: a fluid relational arrangement through which students mobilise informal resources from parents, siblings, spouses, relatives, friends, and other trusted contacts during periods of financial shortfall. The web is not a formal lending institution and it has no fixed membership. Its participants may move between borrower, lender, guarantor, and supporter roles as circumstances change. We use the term to capture not simply who lends to whom, but the process through which relationships become financially usable, obligations are managed, and later access is updated.

The study employed a sequential cross-context qualitative design in two Indonesian universities. The framework-building phase was conducted at ITB with 22 participants through ethnographic interviews, participant observation, informal conversations, and field notes. A second phase at Telkom University (Tel-U) involved semi-structured interviews with 10 students who had experienced financial difficulty during university life. The two sites were selected to provide institutional contrast rather than statistical representativeness: ITB is a public university, whereas Tel-U is a private university. The Tel-U phase was not intended as statistical replication. It was used to examine which mechanisms recurred, which varied, and which required refinement in a different institutional setting.

The study asks: How do Indonesian university students mobilise and regulate informal debt through their social relationships in order to navigate financial difficulties during university life? Three connected issues guide the analysis: how financial responsibility is distributed within close networks; how students decide whom they can safely approach for financial help and how potential lenders decide whether to provide it; and how repayment, reputation, and social sanctions affect later access to support.

The article makes three contributions. First, it shifts the unit of analysis from the isolated borrower to the student-in-network by showing that need generation, borrowing, and repayment can be distributed across different people. Second, it identifies two-sided relational filtering: potential lenders assess borrowers' trustworthiness and the legitimacy of their needs, while borrowers assess potential lenders' capacity, relational safety, and likely response. Third, it explains how interpersonal debt conduct can become reputational information that shapes later screening across a decentralised network. The loss of future access is not new in credit theory; what matters here is how that information travels where there is no common lender, formal credit history, or fixed lending group.

Taken together, these mechanisms position the Web of Debt as a form of conditional relational liquidity. Social relationships can provide flexible and relatively low-cost assistance, but they can also produce moral pressure, reputational exposure, and exclusion. The same network may therefore operate as both a safety net and a disciplinary structure. The remainder of the article reviews the relevant literature, explains the sequential qualitative design, presents the empirical findings, and then develops the integrated Web-of-Debt framework and its implications.

LITERATURE REVIEW

Student Debt and the Formal-Loan Emphasis

Student debt research has developed most extensively in countries where higher education is supported by established student-loan systems. Within that literature, debt becomes particularly problematic when borrowers cannot meet repayment obligations from available income and wealth (Lea, 2021). Studies have consequently examined debt accumulation, repayment difficulty, and default, showing that repayment outcomes are related both to the amount borrowed and to borrowers' later economic circumstances (Gross et al., 2010; Lochner & Monge-Naranjo, 2016).

The consequences extend beyond repayment. Student debt has been associated with occupational choices, delayed marriage and family formation, weaker asset accumulation and homeownership, and psychological strain (Elliott & Lewis, 2015; Gicheva, 2016; Rothstein & Rouse, 2011). Policy discussions in these settings therefore tend to centre on the design of educational lending, income-contingent or income-driven repayment, debt relief, and the wider financing of higher education (Barr & Turner, 2013; Dynarski & Kreisman, 2013).

This literature is important, but its most common analytical arrangement is a formal one: an identifiable student receives credit, becomes responsible for repayment, and is later observed as repaying, becoming delinquent, or defaulting. That arrangement is less complete for contexts in

which affordable student credit is not broadly available and a financial shortfall is instead absorbed through parents, siblings, spouses, relatives, or friends. The issue is then not only how much a student owes, but where the obligation is actually carried.

Family Financial Socialisation and Material Financial Interdependence

Research on family financial socialisation provides a more relational account of young adults' financial behaviour. Parents shape financial knowledge, saving habits, borrowing decisions, and attitudes through modelling, communication, and direct experience (Danes, 1994; Gudmunson & Danes, 2011; Jorgensen & Savla, 2010; Norvilitis & MacLean, 2010). Shim et al. (2009, 2010) similarly show that parental influence remains important during the transition to adulthood and is associated with later financial learning and well-being.

Family resources also affect students' exposure to debt. Students from households with fewer financial resources generally have less parental support available for education and may expect or incur more debt (Bachan, 2014; Chudry et al., 2011). This already suggests that student borrowing cannot be understood independently of household circumstances.

Yet financial-socialisation research mainly explains how families transmit financial values, knowledge, behaviour, or support. It gives less attention to situations in which the debt itself becomes distributed across family members: parents borrow for a student's needs, students assume obligations originating with parents, or siblings and spouses become lenders, guarantors, or repayers. These cases suggest that the family should be treated not only as a socialising environment, but also as an active financial unit in which obligations can move between people.

Social Capital, Social Collateral, and Informal Liquidity

Social capital provides a useful lens for understanding how relationships can become economic resources. Bourdieu (1986) conceptualises social capital as resources linked to durable networks of mutual recognition. Putnam (2001) likewise emphasises benefits created through social connection, although access to those benefits is not necessarily equal. In informal borrowing, this means that money may become available because a person is known, trusted, and connected to someone who is willing and able to help.

The economic value of social ties has been examined extensively in microfinance. Group-lending arrangements can use relational knowledge, peer monitoring, and social pressure to address information asymmetry and reduce dependence on physical collateral (Armendáriz & Morduch, 2005; Cassar et al., 2007; Hermes et al., 2005). Postelnicu et al. (2014) further conceptualise internal and external social ties as social collateral: relationships provide soft information for screening, monitoring, and enforcement, while default may compromise those ties through direct relational loss or reputational effects.

These insights are relevant to student informal debt, but the institutional structure is different. The Web of Debt has no fixed borrowing group, central lender, common contract, or formal joint liability. A student may approach a parent in one episode, a friend in another, and later become a lender. The key question is therefore not simply whether social capital exists, but how a particular relationship becomes financially usable.

This distinction raises another issue that lender-centred screening models only partly address. Informal lenders clearly evaluate borrowers, but borrowers also decide whom they can reasonably approach. Financial capacity, relational closeness, anticipated reaction, and the emotional safety of disclosure may all matter. In a fluid network, access to informal liquidity is therefore potentially filtered from both sides of the transaction.

Reciprocity, Repayment, and Relational Continuity

Access alone does not explain how informal support persists. Social capital is reproduced through recognition and exchange rather than connection alone (Bourdieu, 1986). Kujala and Danielsbacka (2019) distinguish balanced reciprocity, in which a relatively equivalent return is expected, from generalised reciprocity, in which help may be returned later, indirectly, or in another form. This distinction is useful for family and friendship debt because support can circulate even where participants do not keep a precise monetary account of every exchange.

Repayment nevertheless carries particular significance in credit relationships because it provides information about responsibility. In informal lending, a prior borrowing history can reduce uncertainty in later transactions. Charles and Mori (2017), for example, show that progressive lending and repeated borrower-lender interaction can improve access to soft information, while the possibility of losing future lending can operate as a dynamic incentive. Repayment can thus affect not only the settlement of one loan but also the credibility of later borrowing requests.

At the same time, repayment in close relationships cannot be treated as purely mechanical. The possibility of delayed repayment, renegotiation, indirect reciprocity, or forgiveness means that relational continuity may depend on communication and perceived accountability as much as punctuality. This is one reason why informal debt needs to be examined as a social relationship as well as a financial transaction.

Reputation, Social Sanctions, and Future Access

A further body of research explains how social relationships can discipline borrowers. In microfinance, peer monitoring, social sanctions, exclusion, and reputational effects have been used to explain repayment under conditions where formal collateral and enforcement are limited (Ahlin & Townsend, 2007; Al-Azzam et al., 2012; Postelnicu et al., 2014). Baland et al. (2017) show experimentally that exclusion from valuable collective activities can provide repayment incentives, linking credit behaviour to continued participation in a group.

However, the effects of social sanctions are not uniform. Griffin and Husted (2015) found that social sanctions were negatively related to repayment in their Mexican microfinance setting and argued that harmonious social relations also deserve attention. This cautions against assuming that stronger pressure always produces better repayment. Social ties can enforce obligations, but they can also soften them, protect members experiencing genuine hardship, or create costs that are disproportionate to the unpaid amount.

For fluid student networks, reputation may be especially important because there is no common credit registry or formal record available to all potential lenders. Information about a previous transaction can nevertheless move through family or peer communication and become part of later screening. The consequence of problematic debt conduct may therefore be the withdrawal of one lender, or, if the information travels further, the contraction of several possible channels of support.

Research Gap and Analytical Position

Across these literatures, three unresolved issues remain salient for informal student debt. First, formal student-debt research generally locates borrowing and repayment in one identifiable debtor, whereas obligations in close networks may be distributed across several people. Second, social-collateral research explains how lenders use relational information, but gives less attention to borrowers' own assessment of whom it is materially and emotionally safe to approach. Third, repayment and sanction research explains future-credit incentives in institutional or group-lending settings, but less is known about how reputational information travels across a decentralised

student network. The Web-of-Debt framework integrates these mechanisms by treating the student-in-network as the analytical unit and examining how relationships provide possible liquidity, how access is filtered from both sides, and how conduct in one transaction reshapes later access.

METHODOLOGY

Research Design

This study used an ethnographically informed, sequential cross-context qualitative design. The first phase, conducted at Institut Teknologi Bandung (ITB), developed the initial Web-of-Debt framework through ethnographic fieldwork. The second phase, at Telkom University (Tel-U), used semi-structured interviews to examine whether the mechanisms identified at ITB recurred in a different institutional setting and to identify variation, contradiction, or processes requiring refinement. The Tel-U phase was not intended as a statistical replication or an independent validation of the ITB findings. Its purpose was analytical corroboration and framework refinement. Both universities enrol students from varied regional, ethnic, religious, and socio-economic backgrounds, but they differ institutionally: ITB is a public university, whereas Tel-U is a private university. Using two settings allowed the study to retain the contextual depth of the ITB ethnography while examining the explanatory usefulness and boundaries of the emerging framework in a different institutional context. The comparison was designed for analytical corroboration and framework refinement rather than population-level comparison.

Study Sites and Participants

The study involved 32 participants: 22 from ITB and 10 from Tel-U. Participants were eligible when they were current students, or had been students during the experience described, and had encountered financial difficulty connected to university life. Relevant experiences included borrowing, lending, assuming another person's financial obligation, or relying on informal assistance for tuition, living costs, academic equipment, transportation, emergencies, and other expenses affecting university participation.

At ITB, recruitment began with criterion-based purposive sampling and developed through maximum-variation and theoretically informed sampling. Variation was sought across study level, faculty, gender, socio-economic background, ethnicity, religion, borrowing source, and position within the informal financial network. Fieldwork took place from October 2022 to May 2023 and continued until later interviews and observations no longer produced materially different semantic relationships or altered the developing framework. At Tel-U, recruitment was conducted by the second, third, and fourth authors rather than by the first author. An open recruitment invitation was distributed online within the campus community.

The invitation stated the eligibility criterion of having experienced financial difficulty connected to university life and emphasised that participation was voluntary and unrelated to academic evaluation. Ten students responded to the recruitment, met the eligibility criteria, and participated in the study. Because recruitment was conducted through an open online call rather than direct individual invitations, the number of students who viewed the invitation but chose not to respond could not be determined. The ten interviews, conducted from late 2025 to April 2026, were used to examine recurrence and variation rather than reproduce the demographic composition of the ITB group.

Data Collection

The ITB phase combined ethnographic interviews, participant observation, informal conversations, and field notes. Formal interviews generally lasted 2.5-3 hours, but the ethnographic

engagement was not limited to a single encounter. All 22 ITB participants were engaged through repeated interactions during the ethnographic fieldwork, although the form and intensity of engagement varied across participants. These interactions included formal interviews, informal conversations, observation-related encounters, and subsequent discussions. For some participants, substantive discussion of sensitive financial experiences emerged only after rapport had developed through earlier encounters, even when consent had already been obtained. The ethnographic engagement was therefore iterative rather than organised as a standardised series of follow-up interviews. Interviews encouraged accounts of specific events rather than abstract opinions. Observation and field notes focused on how students discussed financial difficulty, sought assistance, managed repayment, and interpreted trust, shame, reciprocity, religious responsibility, and social consequences. Data collection and analysis proceeded iteratively, so emerging domains from earlier encounters shaped later probes.

The Tel-U phase used semi-structured interviews informed by the initial framework while remaining open to experiences that did not fit it. Participants first described their financial circumstances in their own words. Subsequent probes examined sources of assistance, borrower and lender assessment, repayment, reciprocity, reputation, non-payment, and future access. Particular attention was given to both sides of informal credit access: how lenders evaluated requests and how borrowers assessed a potential lender's capacity, closeness, likely response, and relational safety. Participant observation was not repeated at Tel-U because the second phase was not designed as a second ethnography. Its narrower purpose was analytical corroboration and refinement of mechanisms developed through the deeper ITB fieldwork; it therefore prioritised comparable semi-structured accounts across framework domains rather than reproducing the duration and intensity of the first-site ethnography. Interviews at both sites were conducted in Indonesian, audio-recorded with permission, and transcribed verbatim.

Interview Guide

The broad interview guide was adapted from [Davies and Lea \(1995\)](#) and reviewed by the research team for relevance and cultural appropriateness. It covered financial practices and difficulties, borrowing and lending experiences, sources of informal assistance, borrower and lender assessment, reciprocity, repayment, family and cultural socialisation, trust, reputation, sanctions, and future access. The wording and sequence were flexible because participants did not occupy fixed roles as borrowers or lenders. The Tel-U guide retained the same core domains used to elicit accounts of financial difficulty, borrowing and lending, repayment, family and cultural socialisation, trust, and relational consequences. It differed from the ITB ethnographic interviewing by adding explicit framework-informed probes on lender capacity, borrower-side assessment of whom to approach, relational safety, prior repayment conduct, reputational diffusion, and future access. These additions did not replace open-ended narration: participants were first invited to describe their circumstances in their own terms, after which the framework-informed probes were used for comparison.

Data Analysis

The ITB data were analysed using [Spradley's \(2016\)](#) domain, taxonomic, componential, and cultural-theme analyses. Domain analysis identified broad categories such as reasons for borrowing, sources of assistance, repayment practices, reciprocal obligations, and relational consequences. Taxonomic analysis examined the internal organisation of those domains, while componential analysis compared contrasts across relationships and situations, including family versus peer assistance, balanced versus generalised reciprocity, accountable repayment delay versus unaccountable default, and supportive versus disciplinary uses of social ties. Cultural-theme

analysis then connected these domains into the initial Web-of-Debt framework.

Tel-U transcripts were analysed against that framework using four comparison categories: corroboration, variation, extension, and contradiction or negative evidence. A cross-context comparison matrix documented evidence for each mechanism, differences in how it operated, deviant cases, and implications for the framework. Analysis moved repeatedly between individual accounts, within-site patterns, and cross-site comparison. The final five empirical themes concerned relational distribution of debt, conditional access to social capital, reciprocity, repayment and relational continuity, and reputational sanctions affecting future access.

Researcher Positionality and Reflexivity

The first author's long familiarity with ITB supported access, rapport, and interpretation of locally meaningful practices, but it also created the risk of treating familiar practices as self-evident. Field notes were therefore used to separate participants' accounts and observed events from preliminary interpretation, and emerging categories were discussed within the research team. Contradictory accounts were retained rather than removed to produce an artificially coherent framework.

A different issue arose at Tel-U, where the first author held an academic position. To reduce perceived coercion and socially desirable disclosure, she did not conduct the Tel-U interviews; these were undertaken by other members of the research team. The first author remained involved in framework development and cross-context interpretation.

Ethical Considerations and Confidentiality

Ethical clearance for the ITB framework-building phase was granted by the ethics board of the School of Business and Management, Institut Teknologi Bandung, on 17 July 2022. The Tel-U corroborating and framework-refining phase received approval from the Ethics Commission for Social Sciences and Humanities of Indonesia's National Research and Innovation Agency (Komisi Etik Bidang Sosial Humaniora, Badan Riset dan Inovasi Nasional-BRIN), Approval No. 967/KE.01/SK/12/2024.

Before data collection, participants were informed about the study's purpose and procedures, the voluntary nature of participation, the sensitivity of the topics, and confidentiality protections. Informed consent was obtained before interviews and audio-recording. Participants could decline any question or withdraw without academic or other penalty. They were not required to disclose exact monetary amounts, identify lenders or borrowers, or discuss experiences that caused discomfort. Pseudonyms were used, and identifying details concerning family members, faculties, programmes, and specific incidents were removed or modified in reporting.

Audio recordings, verbatim transcripts, field notes, analytical matrices, and related materials were stored in encrypted, password-protected cloud storage accessible only to the first author. At Tel-U, participants were also explicitly informed that participation or refusal would not affect grades, academic standing, access to university services, or relationships with university staff.

Methodological Integrity

Credibility was strengthened through several linked procedures rather than a single validation device. The ITB phase triangulated interviews, observation, informal conversations, and field notes; data collection and analysis were iterative; and interpretations were discussed within the research team. The second university setting was used not only to seek recurrence but also to identify variation, contradiction, and mechanisms that had been less visible at ITB. Negative and deviant cases were retained, and the final framework distinguishes recurring mechanisms from context-dependent variation. The resulting claims are therefore aimed at analytical transferability,

not statistical generalisation.

FINDINGS AND DISCUSSION

The cross-context analysis produced five related themes. The ITB phase provided the original ethnographic framework, while the Tel-U accounts were used to examine recurrence, variation, and mechanisms that were less visible in the first site. The findings are presented as connected parts of the Web of Debt rather than as five independent categories. Participant stories are retained where they show how the mechanism actually worked, including cases that complicated the initial interpretation.

The five mechanisms recurred across relationship types, but not identically. Family and spousal or close-relative support was more often embedded in durable obligation and generalised reciprocity, whereas peer lending was more discretionary and more visibly contingent on trust, purpose, and repayment conduct. The themes below therefore identify common mechanisms while explicitly noting how their operation varied by relational context.

Debt as a Relational Rather Than Individual Condition

The first theme concerns where debt is actually located. Across the ITB data, a financial obligation could begin from a student's need but be borrowed, carried, or later repaid by somebody else. Parents, spouses, siblings, and close relatives were not merely people who influenced the student's financial decisions. They could become part of the debt itself.

Miya's story was one of the clearest examples. She did not personally arrange every loan used for her needs. Her mother sometimes borrowed from relatives, while her father provided day-to-day money. Still, Miya did not describe those loans as something separate from her own financial condition:

"I've been in debt, maybe not super often, but quite a bit because... yeah, it's like that, like money from my dad daily, but mostly from my mom, maybe she borrows from relatives. It's still for me though, I mean the money is for my needs. So it's the same as me being in debt, I guess..."

The phrasing "it's still for me" is important. The formal borrower was her mother, but Miya located the obligation partly in herself because her needs had generated it. Lia described the movement in the opposite direction. She assumed responsibility for her parents' debts and treated this as part of filial obligation rather than as someone else's liability. Other ITB participants relied on spouses or extended family for tuition, research equipment, and living costs. The student, in other words, could be the need generator, the borrower, the repayer, or only one of those positions. The Tel-U accounts showed the same fluidity, although often in smaller everyday transactions. Daren (TU01) borrowed emergency transportation money at one point but also lent a substantial amount to a senior colleague looking for work. Luki (TU09) kept a small savings buffer for friends even when he still sometimes needed help from his own family. Zahra (TU10) regularly provided dana talangan, temporary bailout money, for friends in her organisational circle who could not meet administrative dues at the end of the month.

Faisal (TU05) described the movement between roles in very ordinary terms. Small amounts for petrol or meals travelled among siblings and close high-school friends according to who happened to have money at that moment:

"Yeah, Sir. It's like, sometimes it's reversed. Sometimes I'm the one lending. Yeah... that's actually what makes us closer, Sir, because we help each other out."

His account also shows that relational debt is not necessarily experienced as damage to a relationship. When help moves in both directions, borrowing may become part of mutual reliance. Still, the web was not equally broad for everyone. Jovan (TU08), for instance, kept financial disclosure largely inside his nuclear family because he worried that borrowing from friends could create tension or alter how they saw him. Naufal (TU02), by contrast, was mainly a lender and was reluctant to borrow because of strong family teachings against debt.

Across the two settings, then, student debt did not map neatly onto one person's balance sheet. A student's apparent stability could partly come from other people absorbing the shortage, while family difficulties could create additional obligations for the student. Relationship type mattered: family, spousal, and close-relative ties more often redistributed the obligation itself across people, whereas peer cases more often showed movement between borrower and lender roles in smaller, discretionary transactions. This is the empirical basis for treating the student-in-network as the relevant unit of analysis.

Social Capital Provides Conditional Access to Informal Liquidity

The second theme concerns how a social relationship becomes financially usable. At ITB, students repeatedly described family members and close friends as easier and safer sources of short-term money than banks, cooperatives, or other formal lenders. The security underlying these transactions was not a payslip or property. It was familiarity: the lender knew the person, the history of the relationship, and usually something about the need.

Sandri, a graduate student, explained why borrowing from her parents felt different from approaching a formal lender:

"I'm not that scared because I'm still borrowing from my parents. If I had to go to a coop or a bank, I'd definitely be scared. That's why I don't dare borrow from businesses, coops, or banks, because I'm afraid I suddenly won't be able to pay it back or something."

The advantage here was not simply zero interest. The relationship gave room for disclosure, negotiation, and the possibility that a temporary delay would not immediately become a formal penalty. Trust reduced the perceived risk of asking. But the later Tel-U interviews made clear that closeness alone was not enough.

Tania (TU04), for example, said she would not approach a close friend who was also financially struggling. She preferred someone whose economic situation looked sufficiently secure, because asking the struggling friend would merely move the financial problem from one person to another. This was a small but important refinement: borrowers also assess lenders. A strong tie without capacity cannot produce liquidity.

Lenders were doing their own assessments at the same time. Tamara (TU06) was reluctant to lend repeatedly to someone who borrowed for lifestyle consumption or "healing," especially when the person had already repaid late. Jovan (TU08) went further and used everyday academic behaviour as a signal. A peer who was consistently lazy or uncooperative in group assignments could appear less trustworthy with money. The judgment may be imperfect, but it shows how informal lenders build a social credit history from ordinary interaction rather than from a formal record.

Purpose also mattered. Dara (TU07) and Daren (TU01) wanted a clear explanation and, in some situations, evidence of the need. Food, transportation, academic expenses, or necessary dormitory items were easier to justify than prestige or discretionary spending. Participants did not use the language of credit assessment, yet they were doing a kind of relational due diligence: who

is asking, what for, what has this person done before, and can I afford the risk?

The Tel-U cases therefore added a two-sided quality to the original ITB finding. Social capital opened a possible channel to money, but borrower and lender each decided whether that channel was safe to use. The result was conditional access, not entitlement. A close person may have no money; a wealthy person may not be close enough; and a legitimate need may still go unfunded when the relationship cannot carry the request. The filtering also varied by relational context: family ties could be easier to approach because of pre-existing obligation, but they were still constrained by capacity, while peer lending was more visibly contingent on closeness, the legitimacy of the need, and prior conduct.

Reciprocity Governs the Circulation of Assistance

The third theme concerns what happens after help has been given. The ITB material initially suggested that reciprocity kept the Web of Debt moving, but reciprocity did not always mean an immediate one-to-one return. Some transactions were quite explicit. Rose borrowed from a friend, voluntarily prepared a written agreement, and committed herself to repaying within three months:

"But I already said three months, and for those three months I want to stay consistent, so if one day I need her again, she won't feel... you know, she'll trust me because she knows I have the commitment to pay her back."

Rose's story shows balanced reciprocity, but repayment also mattered for what came next. Returning the money protected the possibility that the same relationship could still be used later. Lia's assumption of her parents' debt was different. She did not calculate an equivalent return to one specific loan. She understood helping her parents as part of a much longer history of care: "My parents and I help each other. I trust them to do their best, and bearing their debt is also part of my filial piety."

Tel-U provided another version of this longer relational memory. Raynar (TU03) described his aunt, or Uwa, who had helped when he struggled with tuition. The original crisis had passed, but the obligation remained active:

"Like it or not, I have to help because in the context of my aunt (Uwa), she's the one who helped me when I was struggling, you know? So I have to help... if she asks for help, I'll definitely do it because she helped me when I was down."

His "I have to help" did not refer to a fixed amount or deadline. It referred to responsiveness. Zahra similarly expected that someone she helped today might help her if their positions were later reversed. Faisal's small rotating exchanges with siblings and friends showed the same logic in a more everyday form: money moved back and forth, while the relationship remembered that help had circulated.

There were also forms of return that were not monetary. Jovan observed that some borrowers became "much more friendly" and attentive after receiving help. Daren used the Indonesian word *utang* (debt) more broadly for non-financial help, including academic assistance: once somebody had helped, the recipient might feel bound to respond later through time, effort, or another kind of support. In this sense, financial debt sat inside a wider moral economy of remembered assistance.

The strongest boundary case came from Dara and Tania. Both said that in a genuinely difficult situation they might sincerely forgive or release (*mengikhlaskan*) a close friend's debt rather than merely postpone repayment. This matters because it prevents the Web of Debt from

looking like an informal accounting machine. In some high-trust relationships, care can take priority over equivalence.

The cross-context pattern is therefore closer to a loose relational memory than to a precise hidden ledger. Repayment may settle the money, but reciprocity keeps the relationship responsive over a longer period. What weakens the web is not every imbalance. It is repeated taking without acknowledgement, communication, or willingness to respond when circumstances later change. Relationship type shaped this circulation: family and close-relative support more often reflected generalised or filial reciprocity, whereas peer lending more often carried clearer expectations of repayment or reciprocal responsiveness.

Repayment Protects Trust, Reputation, and Relational Continuity

Reciprocity explains the longer circulation of support; the fourth theme concerns what repayment itself protects. ITB participants often treated repayment as a moral practice learned long before university. Mars was especially attentive to very small debts. He wrote them down so they would not be forgotten, because the size of the amount did not cancel the obligation. For him, unsettled debt conflicted with being a responsible person. Religious teaching gave this responsibility an additional weight: debt could remain morally consequential beyond the immediate transaction.

Rose's written agreement also belonged to this theme. The document did not signal absence of trust. Quite the opposite: she used a more formal gesture inside a personal relationship to show that the friend's trust had not been misplaced. Repayment returned the money, but it also confirmed the kind of person she wanted to remain in that relationship.

At Tel-U, participants described this social exposure more openly. Tania (TU04) was worried not only about owing money but about what borrowing revealed about her:

"Actually, what I feel is guilt. I keep thinking, what if people think, 'Oh, she's not as well-off as I thought.'... I'm just afraid their view of me will change after I borrow money. That's it, Sir."

Her wording around how people might "see" her shows why repayment cannot be reduced to cash flow. Needing help had already exposed a private financial weakness. Responsible repayment could not erase that disclosure, but it could show that financial difficulty was temporary and did not make her unreliable. Tania also wanted freedom from the unresolved claim itself; until repayment, the relationship still contained something unfinished.

Faisal (TU05) expressed the same concern in a more relational language. Unsettled debt could become a rupture in *silaturahmi* (harmonious social ties): money that remained unresolved could create distance between people who had previously trusted one another. Tamara described responsible repayment as "watering the seeds of trust." Trust was therefore not treated as a permanent personal trait. It had to be demonstrated again through conduct.

This distinction was also visible when repayment was delayed. Participants generally did not equate inability with irresponsibility. A borrower who explained the problem, remained reachable, and negotiated a new arrangement could still be regarded as *amanah*, a person who can be entrusted with another person's resources. What created deeper damage was disappearance, deception, or behaving as if the lender's sacrifice did not matter.

Repayment, then, did several things at once. It returned scarce resources, reduced guilt and dependence, confirmed reliability, and prevented a financial episode from becoming the defining feature of a friendship or family relationship. These motives were mixed together in the participants' stories; they were not cleanly separated into economic versus moral reasons. Their

emphasis nevertheless differed by relationship type: in peer ties, repayment more visibly protected reputation and the willingness to lend again, while durable family obligations allowed greater scope for negotiation during genuine hardship without making accountability irrelevant.

Social Sanctions Regulate Access to Future Support

The fifth theme reveals the disciplinary side of the Web of Debt. Informal lending had no common collection procedure, but it was not without consequences. The clearest distinction in the data was between hardship that remained accountable and conduct interpreted as a violation. Delayed repayment could be negotiated. Avoidance, deception, repeated broken promises, or misuse of another person's resources was more likely to damage the relationship and the borrower's reputation.

Sibo's ITB account was unusually stark. He described a student whose difficulties with online loans, or pinjol, had escalated until the person borrowed a friend's laptop and pawned it to pay instalments:

"...but because of those online loans (pinjol), he even borrowed a friend's laptop and pawned it just to pay the monthly instalments, stuff like that. [The impact was that] his reputation turned bad... If he does that to other people too, I don't think anyone will want to help him anymore."

The sanction in this story was not a formal penalty for poverty or even only for non-payment. Pawning entrusted property changed how others understood the person. Sibon immediately connected that judgment to future help: the practical consequence of a bad reputation was that other people might no longer risk their resources. Lia described something similar in her home community, where chronic unreliable debt gradually narrowed access until neighbours and informal cooperatives also became reluctant to lend.

The Tel-U stories showed how this reputational information could travel. Daren (TU01) described a relative whose debt conduct became widely discussed within the family:

"To put it bluntly, he immediately became a public enemy. Oh, I see. So nobody wants to help him anymore later on. His reputation also... changed... his uncle can't be lent to anymore, and it eventually affects stuff like that."

"Public enemy" is Daren's own phrase, not a formal family status, but it captures the collective quality of the response. There was no official blacklist. Stories and previous experiences were enough to make several people independently reluctant to help.

Jovan (TU08) described the same reputational mechanism spilling into an ordinary canteen transaction. A student known for chronic debt was checked more carefully even when somebody else placed the order:

"People have a trust issue with him... the canteen will check first who is ordering and whether they will pay or not. His reputation changed completely."

The debt history here was not written anywhere, yet it worked like locally produced credit information. Naufal added that a borrower who still displayed an affluent lifestyle while leaving debts unpaid could become "the talk of the circle." The moral judgment was partly about priorities: inability caused by hardship was read differently from asking others to carry the cost while continuing prestige consumption.

Tania described the most extreme form of networked sanctioning: a borrower was publicly circulated online (diviralin), and the controversy was later followed by cancellation of the student's scholarship. This account needs to remain cautious. The data do not establish the university's decision process or prove that the debt allegation alone caused the cancellation. What the story does show is the possibility of reputational information escaping the original relationship and creating institutional spillover.

Across both sites, therefore, the most consequential sanction was not embarrassment alone. It was network contraction. One lender could withdraw privately; reputational communication could make several other people reconsider future requests. At the same time, this process was not necessarily fair. Informal stories can be partial, exaggerated, or difficult to reverse. The same network that protects itself from repeated exploitation may also deepen the vulnerability of somebody who has already lost support. The cases also suggest variation by relationship type: durable family obligations could sometimes soften withdrawal when hardship was explained, whereas peer support appeared more discretionary and therefore more directly contingent on trust and prior conduct; in both contexts, reputational information could extend beyond the original dyad.

Taken together, the five themes describe a connected process: debt may be distributed across relationships; social ties provide possible but conditional liquidity; reciprocity keeps assistance circulating; repayment demonstrates responsibility and preserves relational value; and remembered conduct shapes whether future access remains open. Appendix A provides a cross-context comparison of the five mechanisms, showing recurrence, site-specific evidence, and differences in how they operated across ITB and Tel-U. The following discussion develops the theoretical implications of these mechanisms.

Discussion and Synthesis: Lived Realities of the Web of Debt

The comparison between ITB and Tel-U suggests that the Web of Debt is more than a collection of private loans among people who know one another. It is better understood as a form of conditional relational liquidity. The Tel-U phase did not reproduce every ITB account in the same form, and that is useful. It confirmed the broad relational pattern while making several mechanisms clearer: who actually carries an obligation, how a relationship becomes financially usable, what keeps assistance circulating, and how earlier debt conduct affects later access. The framework is not intended as a claim that all Indonesian students borrow in this way. Rather, it explains a recurring process observed across two university settings in which formal and affordable student credit was limited and close relationships were repeatedly mobilised during financial shortfalls. We organise this discussion around four connected propositions. First, debt may be distributed across relationships rather than contained in one formal borrower. Second, social capital becomes liquidity only after relational filtering by both borrower and lender. Third, reciprocity and accountable repayment keep the relationship financially and socially usable. Finally, reputational information can travel beyond one transaction and shape later access. These processes make the Web of Debt supportive, but not automatically safe or equally accessible.

Student Debt as a Relational Rather Than Individual Condition

Student-debt research commonly begins with an identifiable borrower who receives a loan and later repays, struggles, or defaults. That approach is appropriate for formal lending, and it remains important for understanding debt burden and repayment difficulty (Gross et al., 2010; Lea, 2021; Lochner & Monge-Naranjo, 2016). It is less able, however, to describe cases in which the person whose needs created the obligation is not the same person who borrowed the money. Across the present data, parents borrowed for students, students assumed family obligations, spouses

absorbed academic costs, and siblings or close peers moved in and out of lending roles. The financial burden was not always attached to one person in a stable way.

This finding is related to family financial socialisation, but it goes somewhat further. Family financial socialisation explains how financial knowledge, values, habits, and expectations are learned through family interaction (Gudmunson & Danes, 2011; Shim et al., 2009, 2010). In the Web of Debt, family influence is also material. Family members may become the lender, borrower, repayer, or financial buffer themselves. Thus, the family is not only a setting in which financial behaviour is learned; at times it is part of the debt arrangement. The useful analytical shift is therefore from an isolated student borrower to the student-in-network. A student may look financially stable partly because another person is carrying the shortage, while a student who appears indebted may also be carrying obligations generated elsewhere in the family.

This does not mean that individual responsibility disappears. Participants still spoke strongly about personal promises, repayment, and accountability. The point is narrower: the lived location of debt can differ from its nominal location. For student financial vulnerability, identifying only who signed, borrowed, or received the money may miss who is actually sustaining the obligation.

Social Capital Provides Conditional Access to Informal Liquidity

Bourdieu (1986) describes social capital in terms of resources made available through durable relationships. The present findings show one concrete financial use of such resources. Students could sometimes convert family ties, friendship, partnership, or other trusted relations into short-term liquidity without conventional collateral. Yet the data also make clear that having a close relationship is not the same as having access to money.

This distinction matters when the findings are compared with social-collateral research. In microfinance, social ties can provide soft information that supports screening, monitoring, and repayment enforcement, reducing dependence on physical collateral or formal credit history (Cassar et al., 2007; Postelnicu et al., 2014). The Web of Debt shares this informational function, but it does not sit neatly inside the group-lending model. There is no fixed membership, common institutional lender, standard joint-liability rule, or single procedure for deciding who is creditworthy. Each request is negotiated within a particular relationship.

The cross-context evidence also revealed a mechanism that was less visible in the ITB phase: two-sided relational filtering. Lenders assess whether the borrower is trustworthy, whether the purpose appears legitimate, and how earlier obligations were handled. Borrowers also screen. They consider whether a potential lender can afford to help, whether asking is emotionally safe, and whether the request may place strain on the relationship. A close friend who is also short of money is not a usable source of liquidity; an affluent acquaintance may also remain inaccessible when trust is weak. Social capital therefore creates a possible channel, but relational judgment and material capacity determine whether that channel opens. This difference should not be read as evidence that borrower-side filtering was absent at ITB. The ITB ethnography initially foregrounded how students used trusted ties when financial shortfalls occurred; after that framework emerged, the Tel-U guide deliberately probed whom borrowers chose not to approach, lender capacity, anticipated reactions, and relational safety. The second phase therefore made a mechanism that was implicit in parts of the ITB material more analytically visible. We treat this as both a substantive refinement and a consequence of the sequential design.

For this reason, we describe the Web of Debt as conditional relational liquidity. The resource is embedded in relationships, but it is not available in advance. It must be requested, interpreted, and accepted, sometimes under uncomfortable conditions of disclosure. The borrower is not simply being screened by a lender; both sides are deciding whether the relationship can safely

carry a financial transaction.

Reciprocity Sustains the Circulation of Support

Once assistance has been provided, reciprocity helps explain why support can continue to circulate. The distinction between balanced and generalised reciprocity is useful here ([Kujala & Danielsbacka, 2019](#)). Some exchanges resembled balanced reciprocity: the amount was known, a repayment date was discussed, and returning the money demonstrated reliability. Others were much looser. Help given by parents, siblings, relatives, or long-standing friends could be returned later, to another person, or in another form.

The findings therefore suggest a relational memory rather than a precise hidden account. People remembered who had helped, under what circumstances, and whether that help was treated seriously. This fits [Bourdieu's \(1986\)](#) emphasis on continued recognition and exchange in sustaining social capital, but the ethnographic material also shows the limits of a purely exchange-based reading. In very close relationships, lenders could sincerely forgive or release a debt when repayment was genuinely beyond the borrower's capacity. The monetary claim might be released even though gratitude or a broader sense of obligation remained.

Repayment and reciprocity should therefore not be collapsed. Repayment closes a particular monetary claim. Reciprocity describes the longer social circulation around it. A borrower may repay fully and still remain grateful; a lender may forgive repayment but still expect care, honesty, or future responsiveness. What weakens the web is not every asymmetry, but repeated taking without acknowledgement, communication, or a credible effort to remain responsible.

Repayment Protects Trust, Moral Identity, and Relational Continuity

The repayment findings also show why informal debt cannot be reduced to low-cost finance. For many participants, repayment was bound to how they wished to be known by others and by themselves. Terms such as *amanah* (being trustworthy and worthy of being entrusted with another person's resources) and *silaturahmi* (the maintenance of harmonious social ties) were not decorative cultural labels. They named what participants believed was at risk when an obligation remained unresolved: being someone who could be entrusted with another person's resources, and being able to continue a relationship without money turning into a lasting rupture.

In this sense, repayment converts assumed trust into demonstrated reliability. Before a loan is given, trust rests on prior familiarity, reputation, or the borrower's explanation. Afterwards, repayment behaviour provides new evidence. Importantly, punctuality was not the only indicator of responsibility. The findings repeatedly distinguished financial incapacity from avoidance. A delayed borrower who explained the problem and negotiated could retain trust more successfully than someone who disappeared, concealed information, or behaved as though the lender's sacrifice did not matter. This flexibility is part of what makes informal support different from formal credit. Repayment can therefore serve several purposes at once: returning scarce resources to the lender, reducing the borrower's sense of obligation, protecting a relationship, and preserving a reputation for reliability. These motives need not be treated as competing explanations. In the participants' accounts they often sat together, rather messily, which is probably closer to how informal debt is actually lived.

Social Sanctions Regulate Access to Future Support

The disciplinary side of the Web of Debt becomes visible when responsibility is judged to have been violated. Research on microfinance has long discussed peer pressure, social sanctions, exclusion, and the threat of losing future credit as possible repayment mechanisms ([Baland et al., 2017](#); [Postelnicu et al., 2014](#)). Informal-lending research likewise shows that borrowing history and

the prospect of future lending can become dynamic incentives (Charles & Mori, 2017). We therefore do not treat exclusion or the loss of future credit as a new mechanism in itself.

What is distinctive in these student networks is how an interpersonal event can become information for other potential lenders even though there is no shared credit register or common lending institution. Non-payment combined with avoidance, deception, repeated broken promises, or misuse of entrusted resources can be communicated through family discussion, peer talk, warnings, or public exposure. That reputational information is then folded into later relational screening. One lender's experience can, in this way, affect access to several other people.

This mechanism also explains why sanctions are uneven and why they should not be romanticised. Griffin and Husted (2015) found that social sanctions did not straightforwardly improve repayment in their microfinance setting, which is a useful warning against treating social pressure as universally effective. In the present data, strong ties could soften sanctions when hardship was explained, while public exposure could produce consequences far beyond the unpaid amount. Reputation is decentralised, and stories can be partial or wrong. Social enforcement may protect scarce resources, but it can also magnify stigma.

The practical consequence is network contraction. The loss of one lender may be manageable; the circulation of negative reputational information can close several channels at once. For a student whose family and friends are the main source of emergency liquidity, that contraction may deepen financial vulnerability and push the person toward costlier alternatives. The sanction that matters most is therefore not embarrassment by itself. It is the shrinking of relationships through which future assistance might otherwise have been mobilised.

The Integrated Web-of-Debt Framework

Taken together, the Web of Debt can be understood as one connected process. A financial shortfall first appears somewhere around the student, but responsibility for it may be distributed across a wider network. Students then identify possible sources of assistance. Borrower and lender each assess whether a particular relationship is financially and relationally usable. When assistance is granted, social capital is temporarily converted into liquidity. Reciprocity, repayment, communication, and care then shape whether trust is renewed. The outcome of one transaction becomes part of the relational memory used in the next.

The process is not deterministic. Lender capacity can close access even where trust is high; genuine hardship can interrupt repayment without destroying a relationship; and forgiveness can suspend the monetary claim altogether. Conversely, serious deception can accelerate the movement from one failed transaction to wider exclusion. The Web of Debt is therefore both a safety net and a disciplinary structure, but neither function is complete on its own.

The broader theoretical contribution is a student-in-network account of financial vulnerability. Social capital matters not simply because networks exist, but because relationships are selectively mobilised, tested through financial exchange, and updated through remembered conduct. In these two university settings, financial resilience did not come from individual capability alone. It also depended on the resources and judgments of people around the student.

CONCLUSION

This study examined how students mobilise and regulate informal debt through their social relationships when their own resources are insufficient and affordable formal credit is limited. Across ITB and Tel-U, debt did not remain neatly attached to one person. Parents borrowed for students, students carried obligations originating in their families, spouses absorbed academic costs, and friends or siblings moved between lending and borrowing roles. The person whose need generated the obligation, the person who obtained the money, and the person who eventually

repaid it could be different people. For these cases, the student-in-network is therefore a more useful analytical unit than the isolated borrower.

The Web of Debt operates through a conditional relational process. A financial shortfall opens the search for possible sources of help, but a close relationship does not automatically become credit. Potential lenders assess trustworthiness, previous conduct, and whether the need appears legitimate. Borrowers also make their own assessment: whether the other person can afford to help, whether asking feels safe, and whether using the relationship for money may create another problem. Social capital becomes liquidity only when these conditions align.

Once assistance is given, repayment is only part of what keeps the web functioning. Reciprocity can be immediate and monetary, delayed, indirect, or, in some close relationships, suspended when a lender sincerely forgives or releases the debt. Communication matters as much as timing. Participants generally distinguished a borrower who could not repay but remained accountable from someone who disappeared, misrepresented a need, or repeatedly broke promises. Repayment and honest negotiation protected trust, helped preserve harmonious social ties (*silaturahmi*), and allowed borrowers to remain seen as trustworthy and worthy of being entrusted with another person's resources (*amanah*).

The reverse process is also important. Debt conduct becomes social information. When a perceived violation is discussed beyond the original lender-borrower relationship, it may shape how other people respond to later requests. One failed transaction can therefore remain private, or it can travel through a network and narrow several sources of support. The Web of Debt is consequently both enabling and disciplinary. It gives students access to flexible liquidity, but it can also impose moral pressure, reputational exposure, and exclusion. Financial resilience in these two settings was not only an individual capability. It was shared, negotiated, and conditional.

Novelty and Theoretical Contributions

The contribution of the Web-of-Debt framework lies less in identifying isolated mechanisms such as trust, reciprocity, or social sanctions—each of which is well established in earlier research, than in showing how those mechanisms are configured within informal student credit.

The first contribution is the shift from the individual borrower to the student-in-network. Family financial socialisation has shown how families shape financial knowledge, attitudes, and behaviour. The present findings add a material dimension: family members and other close ties may also participate directly in producing, reallocating, carrying, and settling debt. This distinction matters because student financial vulnerability can be partly hidden when the burden is being absorbed elsewhere in the network.

The second contribution is two-sided relational filtering. Existing informal-credit and social-collateral research has paid considerable attention to how lenders use relational information to screen borrowers. In the present cases, borrowers also screened potential lenders. They considered capacity, relational safety, closeness, and likely response before deciding whom to approach. Informal access therefore emerged through assessment from both sides rather than lender evaluation alone. A relationship created the possibility of liquidity, but not an entitlement to it.

The third contribution concerns how reputational memory regulates later access in a decentralised network. The loss of future credit after poor repayment is not itself a new mechanism. What the present findings make visible is how an interpersonal event can become information used by other potential lenders even where there is no shared lender, formal credit history, or common lending group. In that sense, private conduct can become networked credit information. The result may be limited withdrawal by one person or a broader contraction of the student's support

network.

Taken together, these contributions also refine the meaning of social capital in student financial vulnerability. Social capital is not simply a stock of supportive relationships that a student possesses. It is a conditional capacity to mobilise resources, and that capacity can strengthen, weaken, or disappear as relationships are used and interpreted over time.

Practical Implications

The findings suggest that universities should recognise the relational character of student financial hardship without treating families as substitute welfare institutions. A student who appears to have 'managed' tuition or living expenses may in fact be relying on repeated family borrowing, asset sales, informal loans, or fragile peer support. Financial-needs assessment can therefore ask more carefully how costs are being met, not only whether a bill has eventually been paid.

Institutional support should also be available before students exhaust their private networks. Depending on institutional capacity, this could include emergency grants, short-term bridge assistance, more flexible instalment arrangements, or faster referral to scholarships and social services. The point is not to replace informal support. It is to prevent access to education from depending too heavily on whether a student happens to have financially capable relatives or friends.

Financial literacy programmes can also move beyond budgeting and interest calculations. Students may benefit from guidance on deciding when informal borrowing is reasonable, discussing repayment expectations clearly, documenting larger personal loans, and communicating early when circumstances change. The findings also suggest a need to discuss reputational harm and online exposure. Financial difficulty should not become a licence for public shaming, and institutions should be cautious about acting on informal debt allegations without verification.

For policymakers, the findings support the broader case for accessible student-finance arrangements with manageable repayment and hardship protection. A financing system that simply shifts risk to parents, relatives, or guarantors may redistribute financial vulnerability rather than resolve it. This study does not test a particular loan design, but it shows why the surrounding household and relational context deserves attention when student-finance policies are developed.

LIMITATIONS AND FURTHER RESEARCH

Several limitations define the boundaries of the framework. The study involved 32 participants from two Indonesian universities selected through criterion-based and theoretically informed qualitative sampling. The findings are therefore intended for analytical transferability rather than statistical generalisation. They do not establish how common the Web of Debt is across Indonesian higher education, or whether the same mechanisms would take the same form in settings with widely accessible student loans.

The two phases also differed in timing and depth. The ITB phase involved extended ethnographic engagement during 2022-2023, whereas the Tel-U phase relied mainly on semi-structured interviews conducted from late 2025 to April 2026. Differences across the sites may reflect institutional context, temporal change, the different intensity of field engagement, or all three. Participant observation was available only at ITB, so some apparent cross-site differences may also reflect differences in data-collection depth rather than institutional context alone. Tel-U provided corroborating and framework-refining evidence, but it should not be read as an independent validation of the ITB framework.

The analysis was centred primarily on students' accounts. Parents, siblings, spouses, lenders, guarantors, and university support staff were not systematically recruited as linked

participants. Some descriptions of sanctioning also concerned events that participants had witnessed or heard within their networks rather than transactions in which they were the direct borrower or lender. For this reason, reported institutional consequences—particularly consequences following public exposure—should be interpreted cautiously. The study did not independently establish the decision process behind those outcomes.

Finally, the research did not build a transaction-level record of informal debt. Exact amounts, repayment schedules, repeated lending histories, and changes in network access were not followed longitudinally for all participants. Future research can extend the framework in three directions. First, a longitudinal dyadic or family-network design could follow linked borrowers and lenders over time, documenting amounts, renegotiation, repayment, forgiveness, and changes in access after each transaction; this would test the proposed relational-memory process directly rather than retrospectively. Second, comparative qualitative work across public and private universities, regions, and countries with different student-finance systems could identify which mechanisms are context-dependent and which travel across settings. Third, once the constructs are refined across these settings, a quantitative study could develop measures of two-sided relational filtering, accountable versus unaccountable repayment, reputational diffusion, and network contraction, and test their association with financial resilience and use of high-cost credit. Such quantitative testing should complement rather than replace the contextual meanings established here.

ACKNOWLEDGEMENT

We express our gratitude to Prof. Dr. Ir. Sudarso Kaderi Wiryono, D.E.A., Dedy Sushandoyo, S.T, M.Sc.Eng., M.A.Sc., Ph.D. from SBM-ITB, and Dr. Astrie Krisnawati from FEB-Telkom University who read this manuscript from the beginning and gave fruitful direction for further development. This study was a part of Ashri Putri Rahadi's dissertation in ITB and was developed further in Telkom University. We also thanked our participants, and the anonymous reviewers for their valuable contributions to improving this manuscript. We thanked Telkom University for supporting the grant funding under contract No. 680/LIT06/PPM-LIT/2025

REFERENCES

- Ahlin, C., & Townsend, R. M. (2007). Using repayment data to test across models of joint liability lending. *The Economic Journal*, 117(517), F11–F51. <https://doi.org/10.1111/j.1468-0297.2007.02014.x>
- Aisyah, N. (2023, January 17). Cerita mahasiswa UNY sulit bayar UKT, ada yang utang bank hingga mandek kuliah. *detikEdu*. <https://www.detik.com/edu/edutainment/d-6520701/cerita-mahasiswa-uny-sulit-bayar-ukt-ada-yang-utang-bank-hingga-mandek-kuliah>
- Al-Azzam, M., Carter Hill, R., & Sarangi, S. (2012). Repayment performance in group lending: Evidence from Jordan. *Journal of Development Economics*, 97(2), 404–414. <https://doi.org/10.1016/j.jdeveco.2011.06.006>
- Armendáriz, B., & Morduch, J. (2005). *The economics of microfinance*. MIT Press.
- Bachan, R. (2014). Students' expectations of debt in UK higher education. *Studies in Higher Education*, 39(5), 848–873. <https://doi.org/10.1080/03075079.2012.754859>
- Baland, J.-M., Gangadharan, L., Maitra, P., & Somanathan, R. (2017). Repayment and exclusion in a microfinance experiment. *Journal of Economic Behavior & Organization*, 137, 176–190. <https://doi.org/10.1016/j.jebo.2017.02.007>
- Barr, A., & Turner, S. E. (2013). Expanding enrollments and contracting state budgets: The effect of the Great Recession on higher education. *The ANNALS of the American Academy of Political and Social Science*, 650(1), 168–193. <https://doi.org/10.1177/0002716213500035>

- Bourdieu, P. (1986). The forms of capital. In J. G. Richardson (Ed.), *Handbook of theory and research for the sociology of education* (pp. 241–258). Greenwood Press.
- Cassar, A., Crowley, L., & Wydick, B. (2007). The effect of social capital on group loan repayment: Evidence from field experiments. *The Economic Journal*, 117(517), F85–F106. <https://doi.org/10.1111/j.1468-0297.2007.02016.x>
- Charles, G., & Mori, N. (2017). Loan repayment performance of clients of informal lending institutions: Do borrowing histories and dynamic incentives matter? *International Journal of Development Issues*, 16(3), 260–275. <https://doi.org/10.1108/IJDI-04-2017-0039>
- Chudry, F., Foxall, G., & Pallister, J. (2011). Exploring attitudes and predicting intentions: Profiling student debtors using an extended theory of planned behavior. *Journal of Applied Social Psychology*, 41(1), 119–149. <https://doi.org/10.1111/j.1559-1816.2010.00705.x>
- Danes, S. M. (1994). Parental perceptions of children's financial socialization. *Journal of Financial Counseling and Planning*, 5, 127–149.
- Davies, E., & Lea, S. E. G. (1995). Student attitudes to student debt. *Journal of Economic Psychology*, 16(4), 663–679. [https://doi.org/10.1016/0167-4870\(96\)80014-6](https://doi.org/10.1016/0167-4870(96)80014-6)
- Dynarski, S., & Kreisman, D. (2013). *Loans for educational opportunity: Making borrowing work for today's students* (Discussion Paper No. 2013-05). The Hamilton Project, Brookings Institution. https://www.brookings.edu/wp-content/uploads/2016/06/THP_DynarskiDiscPaper_Final.pdf
- Elliott, W., & Lewis, M. (2015). Student debt effects on financial well-being: Research and policy implications. *Journal of Economic Surveys*, 29(4), 614–636. <https://doi.org/10.1111/joes.12124>
- Faozan, N. (2020, May 28). *Pinjaman pendidikan: Syarat pengajuan di BRI/BNI/BCA/Mandiri*. Sikatabis.com. <https://komunitas.sikatabis.com/syarat-pinjaman-pendidikan/>
- Gicheva, D. (2016). Student loans or marriage? A look at the highly educated. *Economics of Education Review*, 53, 207–216. <https://doi.org/10.1016/j.econedurev.2016.04.006>
- Griffin, D., & Husted, B. W. (2015). Social sanctions or social relations? Microfinance in Mexico. *Journal of Business Research*, 68(12), 2579–2587. <https://doi.org/10.1016/j.jbusres.2015.06.023>
- Gross, J. P. K., Cekic, O., Hossler, D., & Hillman, N. (2010). What matters in student loan default: A review of the research literature. *Journal of Student Financial Aid*, 39(1), Article 2. <https://doi.org/10.55504/0884-9153.1032>
- Gudmunson, C. G., & Danes, S. M. (2011). Family financial socialization: Theory and critical review. *Journal of Family and Economic Issues*, 32(4), 644–667. <https://doi.org/10.1007/s10834-011-9275-y>
- Hermes, N., Lensink, R., & Mehrteab, H. T. (2005). Peer monitoring, social ties and moral hazard in group lending programs: Evidence from Eritrea. *World Development*, 33(1), 149–169. <https://doi.org/10.1016/j.worlddev.2004.09.001>
- Hutari, F. (2024, February 1). *Gagalnya student loan Kredit Mahasiswa Indonesia*. Alinea.id. <https://www.alinea.id/gaya-hidup/gagalnya-istudent-loani-kredit-mahasiswa-indonesia-b2k1A9P60>
- Institut Teknologi Bandung. (2024). *ITB menegaskan komitmen untuk keberlangsungan pendidikan mahasiswa*. <https://itb.ac.id/pers/siaran/62it1b032hm2024>
- Jorgensen, B. L., & Savla, J. (2010). Financial literacy of young adults: The importance of parental socialization. *Family Relations*, 59(4), 465–478. <https://doi.org/10.1111/j.1741-3729.2010.00616.x>
- Kujala, A., & Danielsbacka, M. (2019). *Reciprocity in human societies: From ancient times to the modern welfare state*. Palgrave Macmillan. <https://doi.org/10.1007/978-3-319-96056-2>
-

- Lea, S. E. G. (2021). Debt and overindebtedness: Psychological evidence and its policy implications. *Social Issues and Policy Review*, 15(1), 146–179. <https://doi.org/10.1111/sipr.12074>
- Lochner, L., & Monge-Naranjo, A. (2016). Student loans and repayment: Theory, evidence, and policy. In E. A. Hanushek, S. Machin, & L. Woessmann (Eds.), *Handbook of the economics of education* (Vol. 5, pp. 397–478). Elsevier. <https://doi.org/10.1016/B978-0-444-63459-7.00008-7>
- Mashabi, S., & Ihsan, D. (2024, January 31). Masalah pinjol, ITB: Bermula dari banyaknya mahasiswa yang nunggak UKT. *Kompas.com*. <https://www.kompas.com/edu/read/2024/01/31/164647371/masalah-pinjol-itb-bermula-dari-banyaknya-mahasiswa-yang-nunggak-ukt>
- Norvilitis, J. M., & MacLean, M. G. (2010). The role of parents in college students' financial behaviors and attitudes. *Journal of Economic Psychology*, 31(1), 55–63. <https://doi.org/10.1016/j.joep.2009.10.003>
- Postelnicu, L., Hermes, N., & Szafarz, A. (2014). Defining social collateral in microfinance group lending. In R. Mersland & R. Ø. Strøm (Eds.), *Microfinance institutions: Financial and social performance* (pp. 187–207). Palgrave Macmillan. https://doi.org/10.1057/9781137399663_10
- Prasetyo, A. J. (2024, January 31). Mahasiswa ITB tunggak UKT, Kemendikbud dituntut rasional berikan target ke kampus. *Tempo*. <https://www.tempo.co/ekonomi/mahasiswa-itb-tunggak-ukt-kemendikbud-dituntut-rasional-berikan-target-ke-kampus-92085>
- Putnam, R. D. (2001). Social capital: Measurement and consequences. *Isuma: Canadian Journal of Policy Research*, 2, 41–51.
- Rothstein, J., & Rouse, C. E. (2011). Constrained after college: Student loans and early-career occupational choices. *Journal of Public Economics*, 95(1–2), 149–163. <https://doi.org/10.1016/j.jpubeco.2010.09.015>
- Shim, S., Barber, B. L., Card, N. A., Xiao, J. J., & Serido, J. (2010). Financial socialization of first-year college students: The roles of parents, work, and education. *Journal of Youth and Adolescence*, 39(12), 1457–1470. <https://doi.org/10.1007/s10964-009-9432-x>
- Shim, S., Xiao, J. J., Barber, B. L., & Lyons, A. C. (2009). Pathways to life success: A conceptual model of financial well-being for young adults. *Journal of Applied Developmental Psychology*, 30(6), 708–723. <https://doi.org/10.1016/j.appdev.2009.02.003>
- Spradley, J. P. (2016). *The ethnographic interview*. Waveland Press.