

Application of Sharia Principles in Village Economic Institutions Case Study in Mamala and Morela Villages, Central Maluku Regency

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Abstract

The Islamic economic system is increasingly widespread in Indonesian society. Prohibiting the imposition of usury, maisir, gharar, dzolim and haram are fundamental conditions for implementing the Islamic economy. This is because the economy based on Islamic Law has become an obligation for Muslims everywhere to learn, understand and apply it. Morella Village is a village in the Leihitu sub-district, Central Maluku Regency is one of the target areas for cluster-based community economic empowerment in Maluku Province, a work program of the Regional Financial Access Acceleration Team of Maluku Province. Cluster-based community economic empowerment in Maluku Province is a joint work program between TPAKD Maluku Province, TPAKD Southeast Maluku Regency and the Sharia Economic Community of Maluku Province. With the principle of an Islamic-based economic system, it is hoped that the community can be empowered to drive local economic centers, including development in rural areas. This study seeks to examine the Islamic Economic review of the role of Village Economic Institutions, one of which is BUMNeg in improving community businesses in Mamala and Morela Villages, Central Maluku Regency. The results showed that there needs to be a sharia concept developed in Mamala SOEs is a rental contract or ijarah, namely chair and tent rental services, a contract for buying and selling goods or Bai Al-Murabahah consisting of gallon businesses, material materials and fisheries while in Morella SOEs is a microfinance business, namely a savings and loan cooperative business. In the savings and loans business unit, the Islamic economic contract that can be applied in savings is the Al-Wadi'ah contract. In carrying out their business activities, BUMNeg Mamala and Morella can apply the principles of BUMDES management according to an Islamic Economic perspective combined with management principles, including Shirkah or cooperation, participation, and transparency. Meanwhile, accountability has not been applied to both SOEs, Mamala, and Morella.

Keywords: LED/BUMNeg, Community Economic Empowerment.

INTRODUCTION

The Islamic economic system is increasingly widespread in Indonesian society. Prohibiting the imposition of riba, maisir, gharar, dzolim and haram are fundamental conditions for implementing the Islamic economy. This is because the economy based on Islamic Law has become an obligation for Muslims everywhere to learn, understand and

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apply it. The law of economic practice based on Islamic Law is mandatory for Muslims as a form of human obedience kaffah to Allah SWT.

Sharia values have a very important influence (Cermagic, 2010), not only for a Muslims but for followers of other religions. When conducting business transactions, these Sharia values merge into a system that realizes fair business transactions and does not harm either party.

With the principle of an Islamic-based economic system, it can be possible to be used as an option for community empowerment that can move local economic centers in every corner of Indonesia, including development in rural areas coupled with the majority of Muslims in Indonesia so that the sharia-based economic system can easily be applied. The poverty rate in Indonesia reaches 17.92 million people, most of which is dominated by people living in rural areas. Law Number 22 of 1999 concerning Regional Government has given birth to a new paradigm in implementing regional autonomy, which places full, broad, and responsible autonomy in regencies and cities (including villages). In a village, there are not a few whose natural resources are adequate, but the human quality is less professional in managing these natural resources.

Morella Village is a village in the Leihitu sub-district, Central Maluku Regency is one of the target areas for cluster-based community economic empowerment in Maluku Province, a work program of the Regional Financial Access Acceleration Team of Maluku Province. Cluster-based community economic empowerment in Maluku Province is a joint work program between TPAKD Maluku Province, TPAKD Southeast Maluku Regency, and the Sharia Economic Community (MES) of Maluku Province.

In its implementation, TPAKD collaborates with the Sharia Economic Community (MES) of Maluku Province to ' Outreach' the Community Economic Empowerment Program in Mamala Village and Morela Village to develop tourism clusters and cottage industries. The first step of the Outreach activity for the Economic Empowerment Program of the Mamala Village and Morela Village was conducted through training on the Management of Nutmeg Tea and Essential Oils.

The Village Economic Institute is a program fund management institution at the village level tasked with verifying proposed activities from the target group. Submitting the proposal to the Financial Institution (LK) selected as the program fund channelling, then distributing program funds to the target group. Strengthening the village economy through Village Economic Institutions is believed to align with the Islamic economy's objectives to achieve falah welfare for the community. This is very relevant, because the management of BUMDes that apply Islamic economic principles has not been found. In addition, most Indonesian Muslim people, especially rural communities considered more religious than urban communities, will be very helpful in developing the Islamic economy in these BUMDes. Applying Islamic economics in the business sector and business entities also increasingly opens up these opportunities.

LITERATURE REVIEW

Village Economic Institutions and Village-Owned Enterprises

The Village Economic Institute is a program fund management institution at the village level tasked with verifying proposed activities from the target group. Submitting the proposal to the Financial Institution selected as the program fund channelling, then distributing program funds to the target group. The existence of the Village Empowerment Program, namely the Village Economic Institution, is felt to play a role in the community because it can:

1. Increase the motivation and behavior of poor people in target villages to strive in groups through the use of local resources.

2. Improve the technical capacity of business/production, management and institutional strengthening of the poor economy.
3. Increase the effectiveness and sustainability of the program, so that the community/target group becomes more independent.

Suharyatno & Hastowlyono (2016) classify the business units of Village-Owned Enterprises into 6 (six) types of businesses, including:

- a. Serving
- b. Banking
- c. Renting
- d. Brokering
- e. Trading
- f. Holding

Sharia Economic Principles

There are four principles of business entity management in the perspective of Islamic economics, namely:

1. Cooperation (Shirkah)
2. Participation (Participative)
3. Transparency
4. Accountable

RESEARCH METHODS

This field research is conducted in the arena or field of symptoms (Hasan, 2002). Field research is also referred to as a broad approach in qualitative research. Researchers make direct observations about the occurrence of something in the field, and this is an important idea of this type of research. The research method carried out in this study is qualitative with a descriptive character. Descriptive research is a problem-solving procedure carried out by describing the current state of the subject/object of research based on facts that appear or as they are (Nawawi & Hadari, 2012).

The population and Population Sample in this study is all communities that are customers of the Village Economic Institution management of the Village Economic Institute. While the sample, the author took as much as 30% of the total population.

In terms of data analysis, the method used is descriptive. Descriptive analysis is a method of analyzing data by describing or describing the data collected so that researchers can see that something is the case. With this method, the author can understand, weigh and conclude from the analyzed data to obtain the right answer from the object under study or the problem in the study.

RESULTS AND DISCUSSION

1. Sharia Design for Business Activities of Village-Owned Enterprises Mamala and Morella

The application of the Sharia-based BUMDes concept in Mamala SOEs is as follows:

Next:

1. Chair and Tent Rental Service Business

Ijarah Is a Lease Agreement; this concept explains that Ijarah means to hand over (give) the benefits of objects to others in exchange for payment. So according to fatwa DSN-MUI No. 09/DSN-MUI/IV/2000 lease or ijarah means a contract to transfer the right to use/benefit a good/service, within a certain time with the payment of rental wages (ujrah), without followed by the transfer of ownership of the goods themselves.

The legal basis for the underlying lease contract is

: Al-Qur'an: QS. Az-Zukhruf: 32

It means: "What are they who distribute the grace of your Lord? We have determined among them their livelihood in the world's life, and we have exalted, some of them above others by some degree, that some may use others. And the grace of your Lord is better than what they gather." (Q.S Az-Zukhruf: 32).

The Pillars of Renting as a reference in this contract are:

1. The leasing perpetrator which includes mu'jir and musta'jir. Regarding leasing, the mu'jir/lessor is the person who rents something, while the musta'jir/lessee is the person who rents something. The requirements for mu'jir and musta'jir are people who are puberty, sensible, capable of tasharruf (controlling property), and sorry for each other.
2. The object of the contract includes asset/ma'jur benefits and rental or service benefits and wage payments.

The benefits of assets/services must meet the requirements according to Islamic law are as follows:

1. Appraisable & enforceable in contract;
2. Not haram;
3. Sharia-compliant transferable;
4. Specifically recognized; and
5. The term of use of benefits is clearly defined.

Based on the basis above, the application of sharia principles in seat rental services includes:

1. Kuri and Tent for rent are rental items that can be assessed & can be executed in the contract;
2. Kuri and Tent for rent are rental goods that are not haram in nature;
3. Kuri and Tent for rent are sharia-transferable rental items;
4. Kuri and Tent for rent are specifically identifiable rental items; and
5. Kuri and Tent for rent are rental items for which the period of use of benefits is clearly defined.

2. Gallon Sales Business, Material Store Business and Fishery Business

The application of sharia principles in the Gallon Sales Business, Material Store Business and Fishery Business and tents run by the Mamala SOE can be explained as follows:

1. Financing by the capital owner (state government) in the form of a bailout to the management of BUMNeg Mamala for the procurement of goods/services with the obligation to return the bailout in full plus the profit margin between the difference in the purchase price from the supplier and the selling price to the management. In bai' Al-murabahah, the seller tells the product's price. Bai' Al-murabahah can also be made for booking purchases.

2. Pay attention to the terms of sale and purchase in accordance with applicable Islamic teachings, among others:

a) Buyers are those who are sensible. According to Jumhur ulama, the person who makes the sale and purchase contract must have puberty and be intelligent. Those who make buying and selling contracts are different people.

b) The goods traded are on the spot. Still, the seller expresses his ability to hold the goods, can be used and useful to humans, goods that are not yet owned by someone may not be sold, goods may be handed over during the contract and at a mutually agreed time when the transaction takes place.

The application of the sharia-based BUMDes concept in SOEs Morella is included in the microfinance business category, namely savings and loan cooperative businesses. In the savings and loans business unit, the Islamic economic contract that can be applied in savings is the Al-Wadi'ah contract. Akad Al-Wadi'ah is a pure deposit that can be taken anytime if the owner wishes. BUMDes that run community savings businesses must not use the money deposited, but really must maintain it in accordance with custom (in accordance with the Qur'an Surat An-nisa: 58). BUMDes that use the Al-Waidah contract can also charge custody fees to people who use the BUMDes savings products (Antonio, 2009 in (Zulaeha et al., 2019)).

The legal basis of the Qur'an on the contract of Al-Wadi'ah is found in Surah An-nisa Verse 58 and also in Surah Al-Baqoroh verse 283. Here is the meaning of these two verses:

"Verily Allah commands you to deliver the commission (entrustment), to those who deserve it" (Q.S An-nisa: 58)

"But if some of you believe in others, let the believer fulfill his commission (his debt) and let him fear Allah his Lord..." (Q.S Al-Baqarah: 283)

In the application of the Al-Wadi'ah contract to the savings business unit, the Morella SOE can apply between the Al-Wadi'ah Yad Al-Amanah contract, namely the receiving party may not use and utilize the money or goods deposited, but must maintain it according to custom. And can apply the contract of Al-Wadi'ah Yad Yad Dhamanah, that is, the party who receives the entrustment may use and utilize the money or goods deposited. Of course, the Morella SOEg gets a profit share from fund users.

In terms of loans for business capital or financing, Islamic economic contracts that can be applied in savings and loans in the form of loans by SOEs Morella are Al-Musharakah is a cooperation agreement between two or more parties in a particular business where each party contributes funds (charity) with the agreement that profits and risks will be borne jointly in accordance with the agreement. In this agreement, BUMNeg Morella and the customer spend capital to finance a business that the customer wants to start. In this contract transaction, there are benefits in the form of profit sharing. Understanding profit sharing is the process of sharing profits from the results of the business that has been done. The profit sharing system has two systems, namely a profit sharing system based on profit sharing and revenue sharing.

The legal basis of the contract of Al-Musyarakah is found in the word of Allah SWT in Surah Shaad verse 24 which means:

"And indeed most of the people who are associated with some of them are tyrannical to others, except those who believe and do good deeds" (Q.S Shaad: 24)

In the hadith it is stated as follows:

"From Abu Hurayrah, he said: The Prophet (peace be upon him) said: Allah (swt) said: I am the third party of two people in association as long as one of the two does not betray his brother (his friend). If any betray, I will come out of them" (H.R Abu Dawud).

Triyani (2016) in his research stated that in the distribution of financing, Baitul Maal Wa Tamwil optimizes financing using musharakah contracts as one of the ways taken to distribute funds to the community. Musharakah can be implemented to improve micro-enterprises for members, especially for small entrepreneurs.

The management of Mamala and Morella SOEs has also built the village economy. In practice, village/State Owned Enterprises adhere to four management principles that will be applied to the Islamic Economy. In carrying out their business activities, BUMNeg Mamala and Morella can apply the principles of BUMDES management according to the perspective of Islamic Economy and combined with management principles. The Islamic Economic perspective is shirkah, participation, honesty (shiddiq), and accountability. The four principles will be analyzed in each business unit run by Mamala and Morela SOEs and it will be known whether the management of SOEs is in accordance with the principles of Islamic Economic management.

1. Shirkah (Cooperation). Shirkah is a cooperation between two or more people in terms of capital, expertise, and energy with the aim of mutual benefit to each other. Shirkah in Islam is an attitude of helping each other as long as the cooperation is not in the form of sin and hostility. The practice of Mamala and Morela SOEs shows that shirkah containing helpful elements can be found in all business units run by Mamala and Morela SOEs. In managing SOE products, Mamala and Morela capital is disbursed by the State government to assist the community through capital to cooperate to obtain income that can improve the community's economy. The concept of help is carried out by providing capital to citizens who want to develop their business activities or lending capital for productive activities.

2. Participation (Participation). Participating in participation means physical involvement and the involvement of one's mental, mind, and emotions or feelings that encourage him to contribute to achieving goals and take responsibility for the effort concerned. A person's participation or contribution in an activity will not be separated from authority and responsibility. BUMNeg Mamala and Morela apply this principle of participation in several business units that are run, including the involvement of community energy or resources in running the business which is the participation of citizens to be able to develop state-owned enterprises Mamala and Morela. In addition, BUMNeg Mamala and Morela are given the authority to manage in accordance with the number of requests for orders and rental services provided by not disappointing their consumers.

3. Transparency. Transparency is the delivery of information by a trustworthy person/group. Information can be in money, assets or other resources Transparency must provide relevant, accurate, and appropriate information. In Islam, transparency is honest shiddiq). As Surah An-Nahl 105 reads:

"Surely those who fabricate lies are only those who do not believe in the verses of Allah, and they are liars". (QS. An-Nahl: 105) (in Kemenag RI.2011).

4. Accountable. Accountability in managing Mamala and Morela SOEs means that all activities carried out can be accounted for to the State government and the community, and all activities must be neatly and documented. According to Triyuwono, accountability concerns human accountability towards fellow humans and the surrounding environment. In this case, financial reporting in an entity is based on the right of the community to know and receive explanations for the collection of resources and their use. As Allah Almighty says in surah At-Tawbah verse 71 which reads:

"And believers, men and women, some of them (are) helpers to others. They command (do) the ma'ruf, prevent the munkar, establish prayers, pay zakat, and obey Allah and His Messenger. Allah will give them mercy; Allah is mighty and wise again".

The practice of Mamala and Morela SOEs shows that this accountable principle is still not applied and implemented in the management of business units owned by SOEs. The management of Mamala and Morela SOEs does not/has not had clear bookkeeping related to the results each month. Therefore, the manager cannot provide clear financial reporting records regarding developing existing business units. Likewise, other business units cannot provide information related to financial reporting for the public to know. Financial reporting is only consumed by the State government. SOEs Mamala and Morela must also pay attention to the wage system in accordance with management principles, which explains that there must be wages or payroll for performance or achievements that have been done. This increases the work of the managers of Mamala and Morela SOEs in carrying out their duties with group spirit to achieve the desired goal, namely improving the economic welfare of citizens through the development of economic businesses and contributing to increasing the village's source of income.

CONCLUSION

1 The concept of sharia developed at BUMNeg Mamala is a lease contract or *ijarah*, namely chair and tent rental services, a contract for buying and selling goods or *Bai Al-Murabahah* consisting of gallon business, material materials and fisheries.

2 The sharia concept developed by BUMNeg Morella is a microfinance business, namely a savings and loan cooperative business. In the savings and loans business unit, the Islamic economic contract that can be applied in savings is the *Al-Wadi'ah* contract.

3 In carrying out their business activities, BUMNeg Mamala and Morella can apply the principles of BUMDES management according to an Islamic Economic perspective combined with management principles including *Shirkah* or cooperation, participation, and transparency. Meanwhile, accountability has not been applied to both SOEs, Mamala and Morella.

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