

POLICY OPTIONS IN THE MANAGEMENT OF THE RURAL FUNDS: BASED ON ISLAMIC ECONOMY

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ABSTRACT

Introduction: This study aims to describe the management of funds related to the village by Islamic economics. **Background Problems:** Unemployment is a problem faced by all countries in the world, especially in developing countries, one of which is Indonesia. Unemployment is a complex problem that is influenced by various interrelated factors, including the lack of available jobs, education and ability in their expertise. The unemployment rate in West Kalimantan is still quite high, which is ranked nineteen out of thirty-four Provinces. **Research Methods:** This research is a descriptive approach literature study (library research). **Results:** this study concluded that management of village funds when applying the sharia system, not only emphasizes on management, but also must be based on Islamic concepts and work culture. In addition there is an additional strategy in the management of village fund with the mirror of the Islamic economy era, Umar Bin Al-Khattab that the development of human resources, property supervision, and establishment of an independent Rural Baitul Mal (BMD). BMT concept has characteristics similar to BMT, the difference in the source of the funds coming from government and user objects funds specifically targeted at local village communities. **Conclusion:** The concept of Baitul Mal Village itself has characteristics similar to BMT (Baitul Mal Wat Tamlik), the difference in the source of funds derived from the government and the object of the user funds specifically aimed at the local village community.

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INTRODUCTION

Economic liberalization dominates the economics of developed countries (west), then transformed to developing countries one of Indonesia. It is a way to unite the same views and economic system as developed countries, such as America and Europe (Muhammad, 2009). The liberal economic system is an extension of the interests of the capitalist system. Two important things that mark the system, first oriented to personal interests, market mechanisms, and profit oriented motives (Turner in Muhammad, 2009). Secondly, this liberal system releases from the moral and religious ties (Kleden in Muhammad).

The economy will not be uniform if using a liberal economic system. Indonesia is a developing country that must optimize the distribution of wealth equally. Increased microeconomics is the solution. However, if a microeconomic improvement that touches the grassroots community needs to combine justice and economic progress. This ensures progress if the standard of living of society is accompanied by high moral standards.

The alternative is needed in formulating the economic development system that is able to put linear interests of individuals and society, economic growth and equity, synergy between the real sector and monetary sector as well as material and spiritual needs (Muhammad, 2009). Islamic economy is the only way to solve economic problems.

The reason is because Islamic economics has a more harmonized principle in social justice of the economy. There are some basic principles that become the reference of Islamic economics (Abbasi and Kenneth, 1989). First, the Islamic economy is against the actions that result in losses, corruption and the exploitation of the weak. Islamic economics is more than capitalism or socialism, emphasizing humans as part of a collectivity and trying to balance and harmonize individuals with religion and fulfill justice for society. Islam emphasizes virtues that have an integration with morality in human relationships with other human beings in the business undertaken. Secondly, Muslims are not averse to legitimate benefits through trade and other kinds of business. Third, Islam considers that wealth is a gift that comes from God. God is the Creator and has everything. Man is merely a temporary agent. This is shown in the quoted verses of the Qur'an:

“Allah it is He Who has created the heavens and the earth, and all that is between them in six Days. Then He Istawa (rose over) the Throne (in a manner that suits His Majesty). You (mankind) have none, besides Him, as a Wali (protector or helper etc.) or an intercessor. Will you not then remember (or be admonished)?”(Q.S. Al-Sajdah [32] :4)

Islam gives the command of how this trust should be fulfilled. Those who are entrusted by God in the holding of the command are grateful for being responsible for their management, distributing them properly and profitable socially and wisely, and not abusing them. Deposited wealth should be shared with the less fortunate through the payment of zakat and the wise giving of charity to the poor and the needy.

Because of the excessive concerns of every aspect of the level of the human economy, the current practice of Islamic economic development is on a large scale not only in Muslim countries, but also in its development. So also with Indonesia who became one of the Muslim-majority countries. Currently the State of Indonesia has a big task in the prosperity of its people. Especially in rural areas.

Based on data from BPS-Statistics Year 2016 in Indonesia, the percentage of poor people in urban areas in September 2015 amounted to 8.22 percent, down to 7.79 percent in March 2016. While the percentage of poor people in rural areas rose from 14.09 percent in September 2015 to 14 , 11 percent in March 2016 (BPS, 2016). From this condition the government policy to increase the granting of village funds continue to be done.

The Government of Indonesia gives the village funds from year to year and continues to increase, for example nationally in 2015 worth Rp 21.7 trillion, in 2015 rose to Rp 46.9 trillion,

and in 2017 again rose to Rp 60 trillion so that the average occurred Increase of Rp 20 trillion. An additional increase of about Rp 20 trillion is directed to the construction of dam or village embung with the allocation range of Rp300 million to Rp 500 million per village. The existence of village embungs, he said, in order to support the farmers who are only able to grow rice on average 1.4 times per year, can plant up to 3 times a year so that farmers' income will double even with the same rice field area (Republika.co.id, 2016).

The Indonesian government is rolling out village funds to improve the nation's micro-economic sector. In order to avoid continuous poverty. In practice, the distribution of village funds is accommodated by the village head who is responsible for each village. However, if this is only authorized by 1 person, it will result in a low level of control over the distribution. The village funds obtained must be managed transparently, accountably, and participatively so that the government-derived funds can really solve the problems of the current state of Indonesia.

Based on these issues, the authors are interested in explaining and offering related methods or strategies that can be applied in the management of village funds based on syari'ah islamiyah. So in this study the author has a goal; First, explain related to the management of village funds based on Islamic economics. Secondly, Offer the concept of Baitul Mal Desa that can be applied by the Government of Indonesia. Third, the financing pattern that can be applied by Rural Baitul Mal.

METHOD

This study uses a literature review approach. Literature review is a part of the research process that provides insight and direction in a series of scientific research. Basically, a literature review is needed since the first time the writer planned to make a research. The author is directed at generating "contribution to the body of knowledge". A good literature study will produce a basis for comprehensive theoretical development (Ferdinand, 2014).

In terms of objectives, this study uses a descriptive model. Descriptive models are intended to describe or describe a situation or series of processes (Ferdinand, 2014). The resulting data processing is described regularly and then given an explanation and understanding so that it can be well understood by the reader.

DISCUSSION

At the time of Umar bin Khattab R.A. According to Dr. Jaribah bin Ahmad Al-Haritsi has a number of major sectors of the economy that received the Khalifah's attention, and influenced his economic policies, such as agriculture, trade and industry. For umar advanced or not the three sectors greatly determine the level of community welfare (Beik, 2011).

In Umar's economic fikih, there are several strategies that can be applied by the village:

1. Human Resource Development
2. Assets of Control
3. Independence of Baitul Mal Rural

a. Human Resource Development

Man is the ultimate goal of procuring expediency and growth. However, at the same time, humans are also a means for it. Packaged humans as an explorer of natural resources available in producing goods and services, then humans as well as consumers of goods and services.

Development of human resources is necessary. The village head must create activities that can create the competitiveness of the community. Villagers should be upgraded and upgraded. A good village leader will try to create changes to his village. The leader or village head can make his / her training done. Training can be done through three things. First, knowledge; Second, skill, and third, attitude (Hafidhuddin, 2003).

Reflecting from the figure of Umar Bin Khattab who provides guidance to traders, ranging from personal motivation, techniques to choose merchandise, to how to market products that

will provide benefits. Even if not hesitate to forbid merchants to bersmuamalah with people who have deceptive character and reduce the dose. According to Dr. Jaribah, this prohibition is intended as a business protection against honest merchant groups, as well as against the cheating merchants. In addition, Umar always visited his farm, although at that time he had become a khalifah. Then Umar also always encourage industry players to improve the quality of skills (Beik, 2011).

The leader or village head In Indonesia can make his / her training done. Training can be done through three things. First, knowledge; Second, skill, and third, attitude (Hafidhuddin, 2003). Based on the research of Agung Panudju (2003), that the factor of autonomy and feedback has a significant influence on employee job satisfaction. Based on this, the management of the production unit needs to give more flexibility to the employees in terms of planning and controlling the execution of their duties, as long as in accordance with the description and specification of the work assigned to him and the company's objectives are achieved. In addition leaders, also need to provide more feedback on the implementation of work that has been completed.

So it can be interpreted that village leaders or village heads need to provide guidance, direction, direction, attention, responses and perhaps also praise on the work performed by the village community.

b. Assets Control

The control of assets held by Umar Bin Khattab is not just a goal without a way. Here is an explanation related to the supervision of property by Umar Radhiyallahu Anhu (Al-Haritsi, 2006)

1) Strengthening personal supervision

Umar is very guarded in watching him, he is very wara 'against the wealth of Muslims. Umar argued that the People did to the leader what he did to Allah and if the leader was distorted, then the People would also deviate. Personal supervision by Umar is not only focused on the more important side of a sense of direct responsibility for the people's property and avoids any violation or destructive effort.

2) Independence of Baitul Mal Rural

Among those necessary for the success of the rule of property control are the independent perceptions of the assets of the executive power and rely on the system of administrative task separation and accounting tasks in the State apparatus.

3) Create a Parent book

Umar was the first person to create a master book in Islam in accordance with the above understanding of the book. The making of the parent book is one of the important ways of controlling the treasures that Umar inserted in the rules of Islamic property. The purpose of making the master book is to monitor the income and expenditure of the baitul mal.

Accounting plays a role in this as the provision of information. However, modern materialistic accounting is clearly not conducive to support to support this. It is therefore necessary to deconstruct modern accounting in order to create an accounting system that is capable of stimulating human behavior towards or the condition of "consciousness of God" (God consciousness). This divine consciousness is an awareness that causes a person to realize God's presence at all times. Under these conditions will always be subject to His laws; Totally submissive to Allah is a highway to arrive at Him with a calm soul. Accounting is what is meant by Islamic accounting (Triyuwono, 2006).

If Muslims want to do business, then it should be more appropriate with the teachings of Islam. This implies that there must be some kind of change in financial reporting practices. The growing religious commitment throughout the Muslim world has resulted in an increase in the

number of Muslim countries. So it harmonizes their economic activities to conform to Islamic teachings (Sulaiman and Roger, 2001).

Accounting options and policy reporting adopted by companies will have a significant impact on resource allocation and income distribution. Islam emphasizes equitable and equitable distribution of wealth in society. Indeed, equity in wealth distribution is mentioned forty-six times in different verses in the Qur'an (Haniffa and Muhammad, 2002).

Baitul Mal Rural is a house of rural fund from the Government managed by competent parties in terms of BMT. So the village head is not alone in granting responsibility for the management of village funds from the Government.

The main characteristics of Baitul Mal Desa are :

1. Oriented to prosperous local villagers, increasing the most economic utilization for members and the environment, in this case local villagers.
2. Grown from village funds and based on community participation, around them.
3. Have a role in the provision of education, fund management, and oversight efforts run by villagers to avoid misuse of funds provided
4. Belonging to the small and lower communities of the BMT environment itself, not belonging to an individual or from outside the community.
5. Business oriented, profit-making together. So from the funding, the profits will be made as salaries of employees or BMD staff and the rest will be screened for the financing of village infrastructure. So as to improve the discipline and sense of responsibility of the villagers who are given loans, unless there is a loss.
6. Make transparent, accountable, and relevant administration and accounting related to the rural funds.

Besides that, the main characteristic above Baitul Mal Desa (BMD) also has special traits, that is (Andri, 2009):

1. BMD staff and employees act actively, dynamically, productively, not waiting for the villagers who come, but also invite the community to join in this business program
2. The office is opened within a certain time and staffed by a number of staff must move in the field to monitor, and supervise the customer's business.
3. BMD conducts regular recitation or regular meetings in accordance with the agreement of the villagers' time followed by business talks from BMT customers.
4. Management of BMD organized professionally and sharia, where:
 - a) Financial administration, bookkeeping and procedures are organized and implemented with accounting system in accordance with Indonesian accounting standards that are adjusted to the principles of sharia.
 - b) Activate, pick up the ball, take proactive, proactively, find the problem sharply and solve the problem wisely, wisely, winning all parties.
 - c) Thinking, behaving, and behaving ahsanu amala (service excellence).

The pattern of financing of financial institutions (micro) sharia is different from conventional. The difference lies in some of the instruments that apply, profit-sharing instruments (profit and loss-sharing), buying and selling instruments, instruments of cooperation with the pattern of profit-sharing. These instruments provide many options that enable micro business actors to obtain ease. In addition, this instrument also became an alternative interest system (interest rate system) applied in conventional financial institutions. (Muhammad, 2009).

The interest system is regarded as usury which is contrary to the teachings of Islam. The literal meaning of Riba is the excess, and in terms of sharia, riba is defined as an addition, as small as anything, above and beyond the principal amount of a loan or debt. Conventional bank lending transactions containing interest contain Riba Al Nasiyah and Riba Al-Fadl which means

there is a sum of money paid at the time of payment due under the contract (Loan Agreement). Thus, riba means an increase over and above the principal amount to be paid in a contract (Akad) obligation without being matched by an appropriate increase in labor, profits, commodities, risks, or expertise. (Job, 2009).

Then interest is regarded as an injustice because of the profit-making mechanism that benefits one party, which precedes the process of capital management by another party that is uncertain future of the customer's business. While the system of profit sharing in the system of micro-sharia institutions is believed to meet the taste and standard of justice in Islam. Revenue sharing is realized by the concept of mudaraba, syirkah, mudharabah musytarakah, musyarakah mutanaqishah, and muzara'ah. While ijara is realized with regular ijarah, ijarah muwazy (parallel), IMBT. (Muhammad, 2009).

Products that can be applied in Baitul Mal Desa (BMD):

1. Mudharabah is a cooperation agreement between two parties who transact, where the owner of the fund (shahib al-mal) provide capital or property to the manager of funds (mudharib) to be managed and developed. By agreement if there is a loss not due to mistakes or negligence of the fund manager, then 100% loss will be borne by the fund manager (mudharib). While the profit is divided according to the profit-sharing ratio. This is where the role of Baitul Mal Desa plays an active role in providing training and guidance to businesses that will be managed by villagers, in order to minimize the risks of losses that occur.
2. Musharaka is a cooperation contract between two parties who both contribute funds. Profits are divided by agreement, and losses are divided by percentage of capital. In musyarakah financing, BMD can participate in business management financed.
3. Murabaha is financing the sale and purchase or in the form of financing the necessary funding bribes Villagers with the obligation to return the bail in the maturity that has been set. BMD gains profit margin from the sale and purchase transactions. Generally this type of financing is given to objects that do not immediately produce, for example for the needs of farmer tractor is not possible to be paid back before the plants produce. (Perwataatmadja, 2007).
4. Bai al Salam is the purchase of goods by BMD to the producer (where the producer is a member of the village community who borrows) with the initial pembayaeaan and delivery later in the day after completion diprodukai. The goods after production are then sold to the buyer, and the profits are shared. (Muhammad, 2009).

Various Islamic financing products that can be applied Baitul Mal Village in improving the welfare of the community and to accommodate the interests of parties who have entrepreneurial talent and capital constraints, Baitul Mal Village will raise village funds from the government to be distributed in the framework of a loan of goodness.

With this scheme, villagers who find it difficult to obtain loans from banks or other formal financial institutions, can have the opportunity to manggali creativity and high work in utilizing the available capital as a way to build the economy of the country, especially in rural areas.

CONCLUSION

From the results of this paper, it can be concluded that in the management of village funds if based on sharia, not only emphasizes the management, but also the concept and culture of Islamic work. The concept of Islam is that officials who are entrusted with the management of village funding resources must be responsible, trustworthy and transparent.

Secondly, switching from using the capitalist system is shifting to a system that aims to prosper society, namely the sharia economic system. While the Islamic work culture should be applied must contain SIFAT, which is Shiddiq (true), Istiqomah (consistent in truth), Fathanah (Understanding of the role and duties that should be done), Amanah (responsible for carrying

out every duty and obligation) and Tablig (Invite as well as give examples to other parties to implement the provisions of Islamic teachings in our daily lives).

In addition there are additional strategies in the management of village funds with a mirror in Islamic economics dizaman Umar Bin Al-Khattab is the development of Human Resources, supervision of property, and the establishment of indepeni Baitul Mal Rural (BMD).

The concept of Baitul Mal Village itself has characteristics similar to BMT (Baitul Mal Wat Tamlik), the difference in the source of funds derived from the government and the object of the user funds specifically aimed at the local village community. In addition BMD should also make reporting based on islamic accounting to realize the management of funds in a transparent, relevant, and accountability. This is an attempt to avoid frequent misuse of village funds. The pattern of financing applicable to Baitul Mal Desa may be mudaraba, musharaka, bai al-salam, and murabaha. As a suggestion, further research can refine this research by examining the associated village fund management and evaluating the deficiencies that need to be improved.

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