

QHILAZ: AN ALTERNATIVE MICRO FINANCING MODELS FOR LABORER FISHER IN WEST JAVA INDONESIA

QHILAZ: ALTERNATIF MODEL PEMBIAYAAN UNTUK NELAYAN BURUH DI JAWA BARAT INDONESIA

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ABSTRACT

The purpose of this study is to find out an alternative for micro finance model for labor fishers in west Java Indonesia. This study was conducted using a qualitative approach. The data analysis technique used is ANP (Analytic Network Processing). The results of the study showed that the model that can be applied to labor fishers in west Java Indonesia is the *QHILAZ* model, which is a financing model for labor fishers using the *qardhul hasan* agreement that combines cooperation between Islamic Microfinance Institution, *Amil Zakat* institutions and the government.

Keywords: Fisher, QHILAZ, Financing

ABSTRAK

Tujuan penelitian ini adalah untuk mencari alternatif model pembiayaan mikro bagi nelayan buruh di Jawa Barat Indonesia. Penelitian ini menggunakan pendekatan kualitatif. Metode analisis data menggunakan ANP. Hasil dari penelitian menunjukkan bahwa model yang dapat diaplikasikan pada nelayan buruh di wilayah Jawa Barat Indonesia adalah model QHILAZ yaitu model pembiayaan yang menggunakan akad qardhul hasan yang merupakan kombinasi dari kerjasama antara lembaga keuangan mikro Islam, lembaga pengelola zakat dan pemerintah.

Kata kunci: Nelayan. QHILAZ, Pembiayaan

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INTRODUCTION

Fishers in Indonesia are divided into three categories, namely big fishers, small fishers and labor fishers. This categorization is based on ship ownership. Large fishers are fishers who have more than one boat and usually they employ other fishers to go to sea. Meanwhile, small fishers are fishers who have their own boat with a relatively small size with 1-2 boat

crews. Labor fishers are fishers who do not have a boat. They work to small fishers and big fishers.

Labor fishers are fishers with the lowest income level among other groups of fishers. The total income of laborers in Palabuhan Ratu and Pangandaran ranged between Rp. 41,125 - Rp.150,000, - per time fishing at a time when fish is difficult to obtain and sometimes 0 rupiah during a famine. In harvest time their income ranges

between Rp. 2 million rupiah to Rp.4 million rupiah (Rahman & Alhifni, 2018). The number of labor fishers are higher compared to the number of small fishers and big fishers. Fishers of Sungai Buntu village workers, Pedes sub-district, Karawang regency get Rp. 2,648,333 per month using gillnet (Siregar, Suryana, Nurhayati, & Rostika, 2017).

Those amount of income is the average amount in which there is a period for the labor fishers get no income at all. This causes the unstable economic conditions of labor fishers. It impacts on food security and poverty levels of labor fishers. For example, the condition of labor fishers in Bajo Sangkuang Halmahera where there are no labor fishers who are in food-resistant conditions, with 92.78 percent non food-resistant and the remaining 7.22 percent less food-resistant (Salim & Dharmawaty, 2016).

The condition of labor fishers in most parts of Indonesia did not experience significant changes for years. Some programs related to fishers funding are more directed towards two other groups of fishers, so that labor fishers have a relatively lower opportunity to be touched by government programs or policies for labor fishers. Other weaknesses also for labor fishers are the low access to capital because labor fishers do not have assets to be guaranteed and their income is relatively low (Hifni, 2015; Ascariya, 2011; Dasuki, 2008). In order to improve the ability of fishers in the financial aspect, a model that can help increase the income of fishers is needed related to the access for labor fishers in financial institutions.

LITERATURE AND METHOD

Islamic Microfinance Institutions

Islamic Microfinance Institution (IMFIs) is an integrated business that develops productive and investment businesses to improve the quality of economic activities, or can be called as an institution that provides storage, financing and payment services for various transaction services aimed at the public for middle, lower, and small entrepreneurs on the basis of helping and be managed based on sharia principles. The characteristics Islamic Microfinance are as follows; business oriented, looking for mutual profit; Can be used to make effective use of zakat, infaq, alms and endowments; Growing from the bottom based on the participation of community in the surrounding; jointly owned and controlled by small communities; prioritizing savings rather than lending.

The Islamic foundation of IMF, like other Islamic economic institutions, IMF has the same reference as the Islamic economic system and cannot be separately (Buchori, 2012). The purpose of the IMF System according to Buchori (2012) is to provide halal and good financial services especially for its members and generally for the people. Sharia Financial Institution is a business entity or institution that has wealth, especially in the form of financial assets (financial assets and non financial assets) or real assets operated in accordance with the sharia principles of this institution can also be called IMFIs Baitul Wat Tamwil Mall. The main concept of Islamic Financial Institutions is to provide guidance and funding in accordance with sharia principles in all of its economic activities, especially in supporting economic activities of middle and lower classes of society.

Broadly speaking, IMFIs is accompanied by *PINBUK* (Small Business Incubator Center), as a primary institution *PINBUK* has a broader mission, namely to provide opportunities for SME (Small Medium Enterprise) to gain access

from financial institutions, and in turn if IMFIs has performed its functions optimally, the expectation of IMFIs as a microfinance institution that supports improvement SMEs through the distributing funds can be achieved. The functions that must be carried out by IMFIs according to Huda and Heykal (Huda, 2013) are as follows.

- 1) Collecting and distributing funds by saving money in IMFIs, the money can be increased utility, resulting in a surplus unit.
- 2) Creator and liquidity provider, can create a legal payment instrument capable of providing the ability to meet the obligations of an institution or individual.
- 3) Sources of income IMFIs can create new jobs and provide income to its employees proportionally.
- 4) Provide clear information to the public about the risks, benefits, and opportunities that exist in the financial institution.
- 5) Can provide financing for the community and SMEs by not burdening the enforcement of the required collateral.

Micro Financing Products For Fishers Through Islamic Microfinance Institutions

The *akad* that can be used by fishers included *murabahah*, *salam*, *ijarah*, *mudharabah*, *musharaka*, *zakat*, *infaq* *sadaqah* and endowments. It can clearly be explained as the following picture:

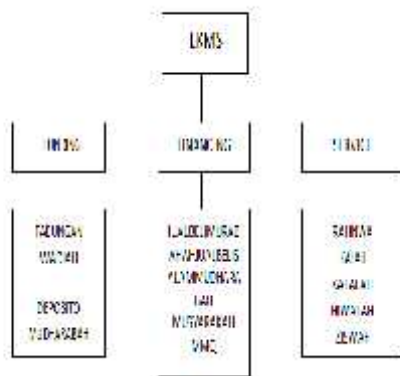


Figure 1. IMFIs/ LKMS product that can be distribute to fishers

Based on Figure 1, it can be explained that there are several IMFIs products that can be utilized by fishers, both products that are fund raising, such as *wadiah* savings, *mudharabah* deposits, financing products such as *murabahah*, *salam*, *mudharabah*, *musyarakah* and MMQ, service products such as *rahn*, *wakalah*, *kafalah*, *hiwalah* and ZISWAF. Between many products, one of which can be used by fishers and guaranteed by micro insurance. The existence of micro insurance aims to provide security for IMFIs, especially in overcoming the high NPL in IMFIs.

Sharia Micro Insurance

Sharia micro insurance is *Ta'awun* Micro *Takaful*, which is an effort to protect each other and help one of the members and / or a group of members who receive financing from IMFIs to face certain risks through contracts that are in accordance with sharia principles. This activity is a form of guarantee for IMFIs members which is the principle of micro *takaful*. Participants of the *Takaful* Micro *Ta'awun* program are IMF Members and / or a Collection of IMFIs Members receiving funding with voluntary participation. This means that the guarantee process in the *Takaful* Micro system is followed consciously, voluntarily and or without coercion. All participants are willing to follow the terms and conditions specified in this program (Cokrohadisumantoro, 2016). Islamic microinsurance can be formed with *ta'awun* funding sources derived from participant contributions that contribute to *ta'awun* in the amount of 0.25% per year from the financing ceiling they receive. This amount can be included with 0.021% per month.

Research Method

This research is a research with a qualitative approach. It begins with collecting as much data as possible about the research problem, and from these data patterns, laws, principles, and finally draw conclusions (Denzin, 1994). The study was conducted from April 2018 to May 2019 in the Palabuhan Ratu and Pangandaran areas. Data collection was carried out using a questionnaire given to 30 labor fishers in the Palabuhan Ratu and Pangandaran areas of West Java. Data analysis techniques use Networking Process Analysis (ANP). Related to the use of the ANP method, based on information obtained at the time of data collection through interviews, a general perception was obtained from the sources regarding the financing models that have been made by researchers by considering all the BOCR criteria and sub criteria. Furthermore, all data is processed using super decision software.

RESULT AND DISCUSSION

Ship is the main capital for fishers to go fishing. There are lot types of ship and varitive sizes. Each fisherman needs a boat in accordance with their needs and abilities. Based on the results of interviews and questionnaires, big fishers need a 5-10 GT GPS-engined boat and small fishers need a GT5 GT engined boat as shown in the following:

Table 1. Types of Ships Required by Fishermen Based on Class

Types of Fishers	Types of Ship	Ship Size	Price
Big Fishers	Ship engines that uses GPS	5-10 GT	90-150 million
Small Fishers	ship engines	≤5 GT	40-90 million

Based on the variable criteria of the amount of funds needed, the type of financing agreement, the term of financing and payment, financing patterns and profit sharing. ANP analysis results show each variable as follows; the amount of funds (capital) needed by each fisherman varies. The amount of funds they need is adjusted to their needs including fishing gear needs (such as boats, nets, fuel, and other needs including fishing equipment), business capital needs and other needs to meet their daily lives. The amount of funds needed by fishers based on the range of funds submitted to each fisherman are as follows:

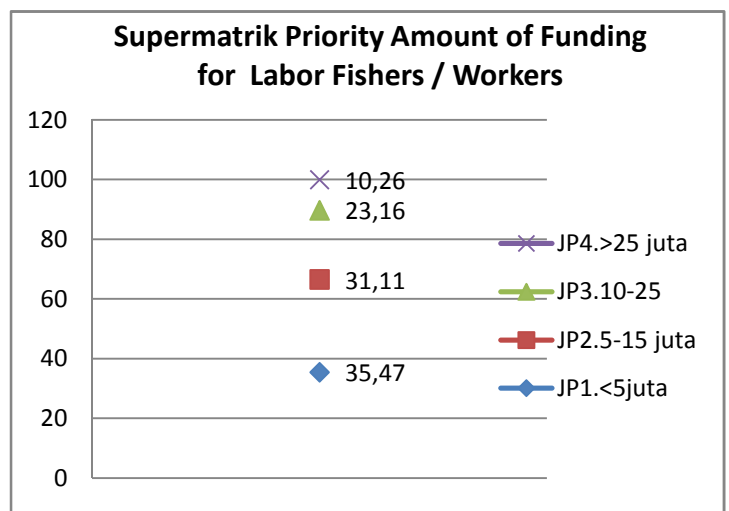


Figure 2. Supermatrik Priority Amount of Funds (Capital) Financing

The results showed that the supermatrik priority sub-criteria of the amount of financing (JN) which has the highest value in laborfishers / workers is in the range of <5 million with a value of 35.47 and the lowest in the range of > 25 million with a value of 10.26. Based on the results of interviews, most of the fishers workers / workers only need funds for their daily needs because their salaries or wages cannot meet other needs that exceed the income earned. The main need is for

food needs such as rice, vegetables and fruits, the next is the educational need because, most fishers including laborfishers have cared about their children's education in the hope that in the future their children will be better than them.

Financing period is the amount of time needed by fishers to pay off the financing carried out. While the payment period is the installment time or installment of fishers to pay the installment financing in accordance with the agreement of the fishers with IMFIs including the amount of installments, sanctions for default, additional time and so forth. Each fisherman has a different financing period. This is caused by the needs and the amount of financing proposed. ANP results show that the fishers financing period is as follows:

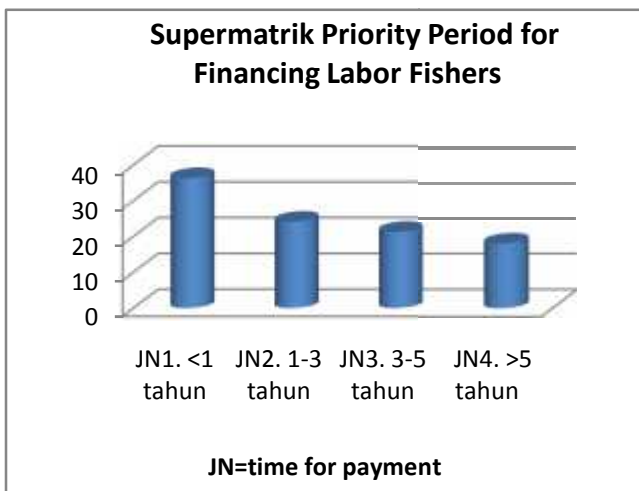


Figure 3 Priority Supermatrik Financing Period for Labor Fishers

Figure 3 shows that the most priority for the financing period of the most desirable and considered appropriate for labor fishers / workers with an average loan below 5 million is 36.30 for periods <1 year and a maximum of 1 year. This time period adjusts the amount of loans made by fishers. Based on the results of interviews,

the average loan that is most often done between 500 thousand-1 million, where the funds are used to meet their daily lives such as buying rice, vegetables and so forth.

Figure 4 shows the supermatrik priority of the payment term sub-criteria which has the highest monthly payment method (34.31) and the lowest quarterly (18.20). That is, monthly is the most preferred choice of fishers (respondents) compared to payment methods with other time periods such as quarterly, semesterly, as well as annually. Based on interviews that have been conducted, fishers are more dominant in choosing a monthly period because it is considered the most appropriate, (standard time). When compared with quarterly, semester and yearly, fishers consider it to be complicated and even forgotten. However, if the fishers get more income they will choose to pay it at once so that it is finished quickly and is no longer a burden.

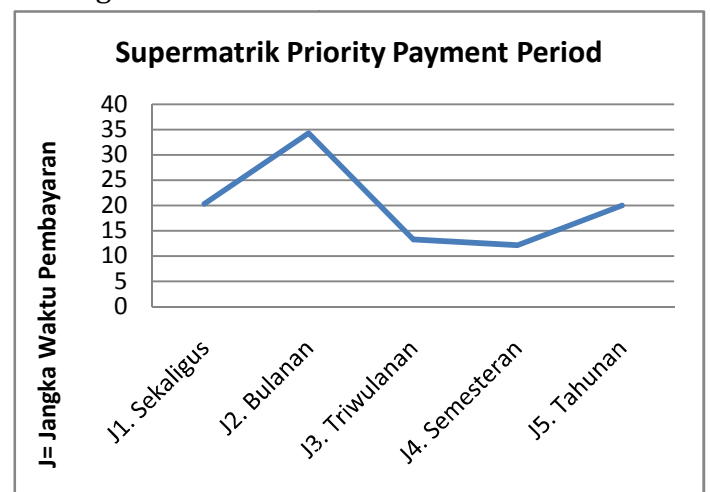


Figure 4. Supermatrik Priority Payment Period

The pattern of financing in question is the number of borrowers whether financing is done in groups or individually. Based on data obtained from interviews with fishers, the financing patterns favored by fishers are individual or individual financing patterns as shown in the following figure:

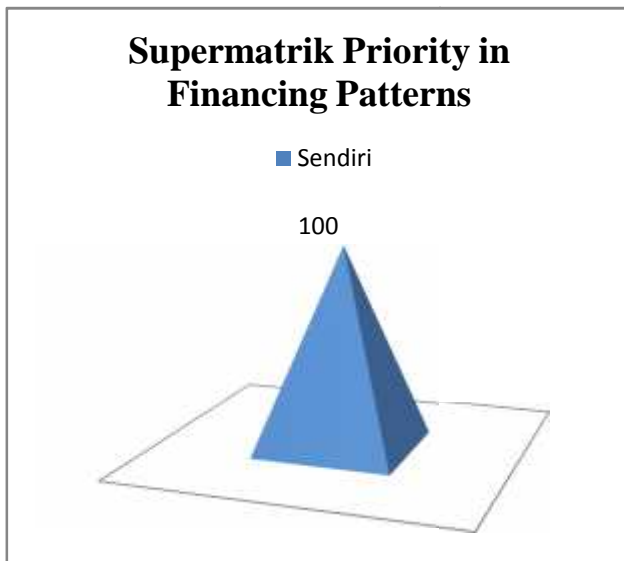


Figure 5. Supermatrik Priority in Financing Patterns

Figure 5 shows that all respondents (fishers) preferred their own loan system compared to the group. This is caused by each fisherman having different needs such as the amount of funds needed, allocation of funds and so on. In addition, the loans themselves are considered better, free and uncomplicated compared to group loans.

The financing system is the type (contract) of financing carried out to obtain the funds (capital) needed. In this study, the proposed financing system is a financing system with a *mudharabah muthlaqah syirkah* agreement (cooperation between capital owners and capital managers), *murabahah* (buying and selling), *istishna' paralel* (orders) and *ijarah muntahiya bit tamlik* (leasing with rights option). The results of processing questionnaire data through the ANP method are as follows:

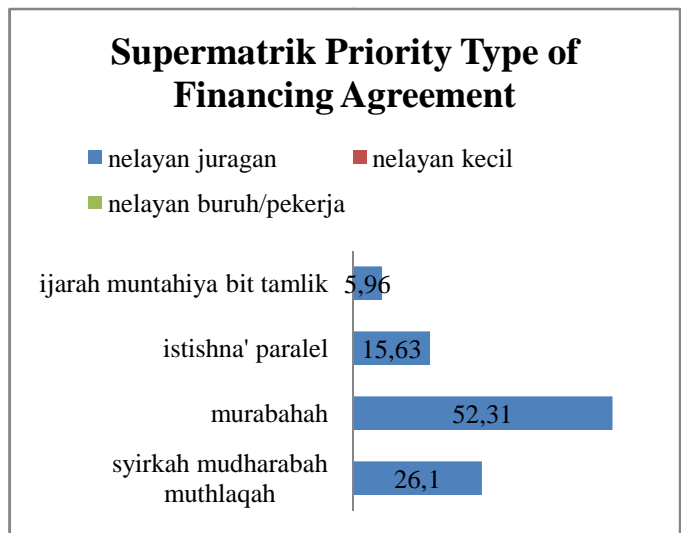
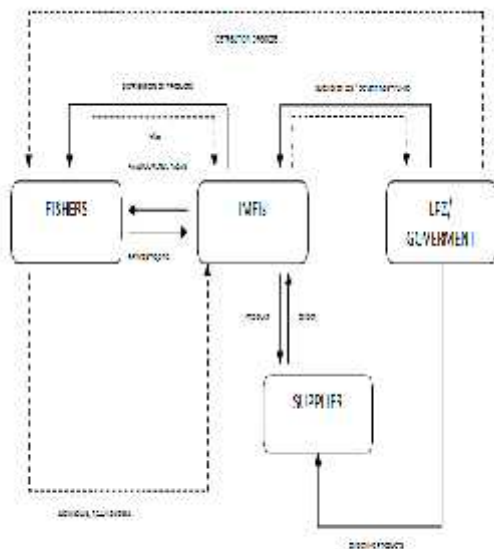


Figure 6. Priority Supermatrik Type of Financing Agreement

Based on Figure 6, it can be concluded that the results of the acquisition of interviews and questionnaire data distributed to fishers in Pangandaran and PelabuhanRatu, West Java, as many as 30 workers / laborers indicate that the financing contract that is most sought after and needed by fishers is a *murabahah* (sale-purchase) contract with supermatrik number of 52.31 is far greater than other contracts namely *syirkahmudharabahmuthlaqah* (26.1), *istishna' paralel* (15.63) and *ijarahmuntahiya bit tamlik* (5.96). This is because fishers want to have their own boat as the main assets and capital in fishing activities.

The Financing Model for Labor Fishers
 Sharia micro financing model for labor fishers through IMFIs by involving Zakat Management Institution (LPZ). The involvement of LPZ in the financing model for labor fishers, considering that labor fishers have a relatively low income level with a range of income between Rp. 40,000 up to Rp. 2,000,000 per month or the average month around Rp. 810,000, - with fluctuating conditions. Therefore,

the majority of labor fishers are still categorized in the *mustahik* category (people who are entitled to get zakat funds). The probability of laboring fishers owning their own vessels by looking at the economic conditions of labor fishers is relatively small. Therefore, assistance or subsidies from institutions or other parties are needed. Government assistance or subsidies provided usually have certain conditions and labor fishers are unable to meet these requirements. One of the institutions that makes it possible to channel aid is the zakat management agency. So the collaboration between IMFIs and LPZ becomes an alternative in funding for labor fishers. Then the financing model that can be arranged can be seen in Figure 7.



Gambar 7. QHILAZ Model

Image description:

1. Labor fishers apply for financing to IMFIs along with the fulfillment of the requirements.
2. IMF has applied for fishers to LPZ who have cooperated with IMFIs.

3. LPZ analyzes the submission, if appropriate then LPZ can provide the necessary funds to IMF or LPZ can provide the goods requested to IMFIs.
4. IMF distributes goods to fishers if the LPZ provides in the form of goods but if in the form of funds the IMFIs must order the product to the supplier and notify the fisherman that the submission has been approved and is in the process of disbursement.
5. Fishers sign the Qordhul Hasan agreement with IMFIs, as well as IMFIs
6. The IMFIs explains the agreement or contract that was agreed upon and then delivers the items requested by the fisherman.
7. Fishers provide periodic payments to IMFIs in accordance with agreed agreements.

QHILAZ Model (Financing with the Qordhul Hasan contract through IMFIs in collaboration with LPZ / government institutions. The selection of the Qardhul Hasan contract is based on the ability of the fishers to labor related to the return based on the income of the labor fishers. The *qardhul hasan* contract is a good / soft loan agreement without compensation that not commercial, but social (Ascarya, 2012) *Qardhul hasan* is categorized in the *taa'wun* agreement (helping each other) so that it is given to people in need. This contract is given to help the poor. Workers fishers who get this contract if in In the future unable to pay due to strong reasons, it is freed from the payment process, but the payment is still made due to train fishers to be responsible, therefore, the source of funds from the QHILAZ model comes from *Zakat, Infak, Sadaqah* funds or

from other grant funds from the government.

In accordance with ANP results, the administrative or application requirements requested by fishers must be as simple as possible. LPZ conducts intensive surveys by visiting prospective customers, so LPZ is demanded to be more active in assessing the needs of fishers. Meanwhile, the IMFIs only acts as the recipient of the installment payment funds from fishers and then reports to the LPZ.

The payment method used is the installment tempo of 1 to two years with a gradual payment in accordance with the fishers's income cycle which is divided into five stages, namely a maximum payment of 1, a maximum payment of 2, a transitional payment 1, a transitional payment 2 and a minimum payment 1. A maximum payment of 1 and 2 lasts 4 months in accordance with the agreement when the fishers experience maximum income. Then the minimum payment occurs in one period in one year with a duration of two months and the transition payment that occurs two periods for one year with a duration of 6 months.

As an example of a simulation if a fisherman finances Rp. 5,000,000, with a period of 1 year, monthly payment excludes administrative costs. Then the payment is divided into 3 parts: 60 percent is made at the time of maximum payment, 30 percent is made at the time of the transition payment and 10 percent is made at the time of minimum payment. So that the total payment becomes a maximum payment of Rp. 3000,000, - which is divided into 4 months so that monthly fishers pay around Rp. 750,000 per month with an income of around 2 million rupiah per month, the amount is still within the reach of labor fishers to pay for it. Then in

the transfer payment of Rp. 1,800,000 divided by 6 months so that monthly pay Rp. 300,000, - and in a month with a minimum income, fishers workers only pay around Rp. 100,000 rupiah per month. Setting payment stages and duration of distribution in each month can adjust each coastal region / region. The percentage also adjusts the amount of income in each region. But this method is expected to reduce the possibility of default by fishers workers.

CONCLUSION AND IMPLICATION

Based on the results of research that has been done, the fishers want financing with the following criteria: the amount of financing is less than 5 million rupiah, the financing is done individually, with the time of payment being monthly and the appropriate contract is syirkah. The model that can be applied to labor fishers is the QHILAZ model, which is a financing model for labor fishers using the qardhul hasan agreement that combines cooperation between IMFIs, *amil zakat* institutions and the government.

Islamic Microfinance Institutions (IMFIs) is the most possible institution to provide funding for workers fishers, with the fishers's financial condition, IMFIs must establish cooperation with Amil Zakat institutions and the Government. Likewise, the government should provide opportunities for IMFIs to be able to develop labor fishers and increase government cooperation programs for labor fishers by involving IMFIs, so that the sustainability of the program can take place and be more targeted.

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