

E-Money Based Boarding School Cooperative Development Model (Kopontren) As An Sharia Economic Acceleration Effort In Indonesia

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Abstract

Purpose - This research aims to know E-money based boarding school cooperative (Kopontren) development models.

Method - This research is used descriptive qualitative by discussing the development of the co-model with sharia economic agreements and e-money as a transaction tool.

Result - The results of the research showed three models, namely development model of Islamic boarding school cooperative (Kopontren) as community economy developer, model of sharia agreement implementation in Kopontren operations, and e-money application as transaction media in Kopontren business unit.

Implication - This study uses the data from the study of literature.

Originality - The paper looks into the development model of the co-op with e-money based. Previous studies have only focused on development models. This paper contributes to introducing the application of an inclusive financial system.

Keywords: kopontren; e-money; sharia economic;



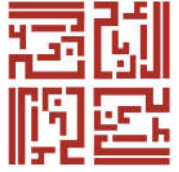
Introduction

Islamic boarding school is an educational treasure that was present long before the founding of the school. This institution has contributed greatly to the world of education and the formation of human resources. Over time, Islamic boarding schools have experienced developments in Indonesia, both in terms of quantity and quality. Based on data published by the Ministry of Religion of the Republic of Indonesia (2012), there are 27,230 Islamic boarding schools scattered throughout Indonesia. With a total of 3,759,198 students, consisting of 1,886,748 male students (50.19%), and 1,872,450 female students (49.81%).

The largest boarding school population is in the Province of West Java with 7,624 huts (28%), East Java with 6,003 huts (22.05%), Central Java with 4,276 (15.70%), Banten with 3,500 huts (12.85%) and the remaining 21.4% or equivalent to 5827 lodges are in other provinces.

In the initial phase of its establishment, pesantren only referred to the development of the field of religious education. But over time, pesantren have succeeded in carrying out social movements by empowering people in the surrounding environment. According to Azyumardi Azra (1997) as quoted by Nadzir (2015), the pesantren is now expected to not only play a traditional function as an institution that transfers Islamic sciences. More than that, pesantren must also be able to become the center of community empowerment.

In addition, with the development of society and the flow of globalization, Islamic boarding schools are required to make changes slowly without leaving their characteristics as religious education institutions. One of the changes made by the pesantren is that the pesantren is developed not only to teach about religion or the yellow book, but also that the pesantren can be developed into a people's economic base and a center for economic development of the people in the regions, both in the form of Islamic financial institutions or Islamic boarding school cooperatives (Eljunusi, 2012).

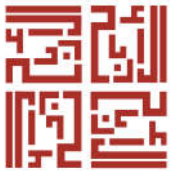


One issue that is being discussed a lot in relation to Islamic boarding schools in relation to economic and financial elements is the collaboration between Bank Indonesia and several Islamic boarding schools in implementing Digital Financial Services (LKD). Islamic boarding schools are potential in developing LKD because the institution has a strong network and great influence to the alumni of their students and the surrounding community. In addition, pesantren also has business units that have legality, which have experience serving financial transactions for rural communities. (BI Communication Department, 2015).

One indicator related to DFS is the implementation of non-cash payments. During its development, from 2010 to 2014, non-cash transactions in Indonesia experienced a significant increase. Based on Bank Indonesia's publications in the third quarter of 2014, the value of non-cash payment transactions increased by Rp8,742.08 trillion (26.97%). While the volume of transactions increased by 36.12 million transactions, equivalent to 3.16% (Bank Indonesia, 2014).

Although the value of non-cash payment transactions has increased, however compared to the use of cash, the difference is still far behind. The value of transactions using Electronic Money in 2013 was Rp 1.27 trillion and the transaction volume was recorded at Rp 64.99 million transactions or the transaction value was smaller than the use of currency at Rp 420.9 trillion (Bank Indonesia, 2014). The percentage between the use of e-money with cash the difference is very large difference, which is 0.3% compared to 99.7%.

In fact, there are several advantages to using electronic money. According to Dias (1999) in Pramono et al (2006), the existence of a non-cash payment instrument using a card can reduce waiting costs and transaction costs for holding money for both transactions and precautions. The use of card-based non-cash payment instruments can be more practical and efficient and saves transaction costs and saves time. The convenience provided by e-money makes the user does not need to prepare or carry cash wherever they go and avoid fake money that might be obtained if doing a transaction in cash (Abidin, 2015).



Based on the explanation above, this paper aims to offer a model for developing e-money implementation as an electronic payment instrument. This form of development can be implemented through collaboration with Islamic boarding schools as institutions that have strong networks and are trusted by the community. Where e-money must be used in the boarding school environment when transacting in all business units incorporated in boarding school cooperatives.

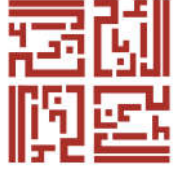
The hope is that Islamic boarding schools and the surrounding communities will be able to be economically independent with the existence of Islamic boarding schools (Kopontren) cooperatives. In addition, the application of transaction activities in Kopontren can take place practically, efficiently and safely by using e-money payment instruments. Of course this is at the same time encouraging and accelerating the National Non-Cash Movement (GNNT) so that it is immediately recognized by various levels of society.

Literature Review

Islamic boarding school

The term pesantren is taken from the word santri which means student. While the cottage comes from the word funduk (in Arabic) which means lodging house or hotel. However, pondok in Indonesia is a simple housing which is divided into rooms which is a dormitory for students (HA Timujailani, 1982 in Abdullah, 2012). Pesantren can also be understood as educational institutions and religious subjects, which are held in a non-classical way. A cleric teaches Islamic religious knowledge to students based on books written in Arabic by medieval scholars, and his students usually live in the pondok in the pesantren (Sudjono, 1982 in Azizah, 2014).

Quoting from Rasyid (2015), according to ZamakhsariDhofier, there are five basic elements that are elements of pesantren, namely pondok, mosque, santri, teaching of classical books, and kyai. The function of pesantren is not only as a center for cadre of religious thinkers (center of excellence), as an



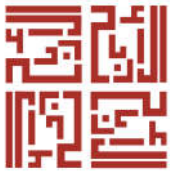
institution that prints human resources, but is also expected to be an institution that can empower people (agents of development) in all fields including in the economic field (Nadzir, 2015). In line with the opinion of Abdurrahman (2015), that boarding schools are expected to be able to co-exist and contribute to the development of the community around their environment, both in the religious and other fields, such as social, economic and cultural.

Islamic boarding school is one institution that is still weak in the economic field. Therefore, according to Suwito (2010) as quoted by Azizah (2014), pesantren require management concepts that are intended to encourage and strengthen the santri economy, institutions, innovation and networking, strengthen local economic potential, and empower the economic economy of the people. As a result of the successful implementation of the management of Islamic boarding school business units, general characteristics will be formed, such as the implementation of business units based on learning by doing, the implementation of the principle of self-uring system, the establishment of the economic independence of pesantren and the balance of welfare in lahiriyah and batiniyah (Phase, 2014).

Pondok Pesantren Cooperative (Kopontren)

Islamic boarding school cooperatives are boarding schools that have business entities in the form of cooperatives and their members are pesantren communities both inside and outside the cottage. Organizationally, the pondokpesantren cooperative is not only an organization that uses a social economic system but also has a religious dimension that is integrated with individual activities (members) that are determined to improve their economic and social situation, through mutual efforts to build mutual trust. religious creeds for the common good (Eljunusi, 2012).

Aji (2011) in his research concluded that the things that must be considered in managing boarding school cooperatives include: providing equal educational and training opportunities to members; openness of ideas; all members have the same opportunity in accessing information; improve



the welfare of members; improve service to members; members are always involved in various strategic policies; as well as collaborating with other institutions in order to strengthen and establish cooperative Islamic boarding school cooperatives.

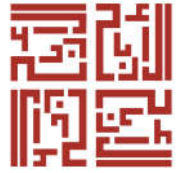
Islamic boarding school cooperatives have a strategic position to continue to be developed due to several things as follows: there are many boarding schools in Indonesia; Islamic boarding school is in direct contact with the social and religious life of the community around the pesantren; pesantren live 24 hours a day overnight; pesantren is rooted in society; pesantren trusted by the community; and pesantren is a populist and egalitarian character development institution (Eljunusi, 2012).

Wadiah, Musyarakah, and Mudharabah Agreements

Wadi'ah is a pure deposit from one party to another, both individuals and legal entities that must be guarded and returned at any time when the entrusted will (Mustofa, 2013). In the context of wadi'ah, the items deposited are only limited to safekeeping, no allowances are added when returned to the requester, except for a bonus (Murdadi, 2016). The following is a wadi'ah contract scheme.

Musyarakah is a collaboration between two or more people, where everyone who collaborates contributes to capital (be it money or labor). If you experience profits, they are distributed to each according to agreement. And if you experience a loss, then also divided based on the percentage of capital contributions (Antonio, 2008). The following is the musyarakah contract scheme:

While mudharabah is a collaboration between two or more people, in which some people only contribute capital, and some contribute as labor. If a loss occurs, it is borne by the capital owner. However, if the loss is a result of the mistakes of the capital manager, then the responsibility is borne by the capital manager. The benefits obtained are distributed according to the agreement (Antonio, 2008).



However, its implementation in financial institutions has problems that are not in accordance with muamalat'sfiqh theory. As a result of Nugraheni's research (2010) which concluded that in practice the Shari'ah Financial Institution (LKS) did not clearly state the obligations associated with LKS in dealing with losses and risks together. In addition, the LKS also sets income projections which in turn can obscure the profit sharing mechanism and tend to resemble the practice in conventional banks.

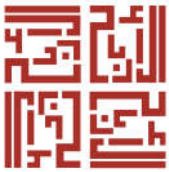
Electronic Money (E-Money)

Electronic money is money used in internet transactions by electronic means. Usually, this transaction involves the use of a computer network. Electronic money has a stored value or prepaid where a number of values of money are stored in an electronic medium that is owned by someone (Adiyanti: 2015). Electronic money (e-money) can be used for various types of payments (multi-purposed), unlike telephone cards which are single-purpose prepaid cards (Ramdani, 2016).

The value of electronic money can be obtained by depositing a sum of cash or by debiting an account at a bank for later deposited in electronic equipment that belongs to him. With this equipment, the owner can make payments or receive payments, where the value will decrease when used to make payments or increase if receiving payments or upon replenishment (Abidin, 2015).

Electronic money (e-money) is an innovation for the needs of payment transactions that are micro (retail) that is payment in small amounts. The use of e-money only attaches the card to the sensor tool provided by the issuer to the merchant, so the payment transaction is successfully carried out by deducting the balance on the card. This makes it easier for consumers because they do not need to carry cash if they want to make payments, so as to reduce the level of crime (Candrawati, 2013).

Unlike other electronic payment instruments (phone banking, internet banking, debit / credit cards, ATM cards), electronic money does not cut the account balance of customers who use it. Thus the principle of someone who



has e-money is the same as having cash. It's just that the value of money has been converted into electronic form (Utomo, 2016).

Methods

Types of Research

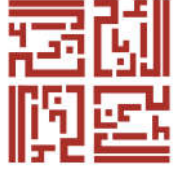
The method used in this paper is through a research approach, data collection methods and data analysis methods. The research approach used is a qualitative approach. A qualitative approach is expected to be able to provide a more exploratory picture when explaining the important components discussed in this paper. The data collection method is by conducting a study of literature from various books, academic texts, journals, articles, and other related documents. And the data analysis used is descriptive.

Results and Discussion

Development Model of Islamic Boarding School Cooperative (Kopontren) as the Community Economy Driving Wheel

Currently boarding schools are seen as capable of being an institution that functions in empowering the surrounding community, including in the economic field. According to Azizah (2014), the concept of ekoproteksi is needed in every boarding school. He further explained that ekoproteksi is protection in the framework of economic independence and to realize or escape from dependence. As well as building and maintaining its existence, through actualized economics in the economic management function.

In this case the writer offers the concept of boarding school cooperative (Kopontren) as an institution affiliated with boarding school. With the cooperation, the community around the boarding school can open business units that support the needs of students and other businesses needed by the community. Surely this is an interesting thing that can be used as a wheel of economic community. Both in terms of reducing unemployment and increasing public income.

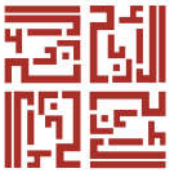


According to Sinaga (2010), cooperatives have a socio-economic system with characteristics such as cooperatives groups, self help, cooperative enterprises, and member promotion. Besides that, cooperatives also have the principle of the people for the people by the people. So if it is implemented in a boarding school environment that is full of togetherness, help and kinship are felt to be easily accepted by all parties.

One of the many functions of the Kopontren is as a micro-scale savings and loan institution that is accessible to large boarding school families, students and the surrounding community. In its implementation, this savings and loan institution operates in accordance with Islamic sharia. Therefore, this institution is called the Sharia Microfinance Institution (LKMS). This LKMS must have a permit from the Financial Services Authority (OJK) as an institution that oversees all financial institutions in Indonesia. So that it will become a formal, legal institution and not violate existing regulations. Besides under the supervision of the OJK, the Kopontren also cooperates with Bank Indonesia in the use of e-money payment instruments, which will be specifically explained in the final discussion section.

Kopontren is a joint institution owned by members who are members of it. Then the capital or sources of Kopontren funds are obtained from members as well as from infaq and shadaqoh funds. Where the results of the funds collected are used for mutual interests, not only for the benefit of one party. Namely returning to its members and to facilitate the infrastructure of boarding school infrastructure as a public institution. Because as explained earlier that the co-conference was established by members and for members.

Types of business units under Kopontren can be various types according to the potential and conditions in each boarding school location. Business units that are generally located around Islamic boarding schools are polyclinics, pharmacies, photocopies, Sharia Microfinance Institutions (LKMS), food stalls, photo studios, telephone shops, telephone shops, printing houses, printing shops, mini marts, bookstores, public transportation, internet cafes, water drink and so on. With the business units that have been the examples of the authors above, surely can provide convenience for



students who live in boarding schools in meeting their daily needs. So as to create something that is mutually beneficial between the boarding school with the community.

Model of Sharia Agreement Implementation in Kopontren Operations

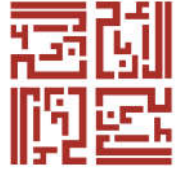
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Kopontren as Sharia Microfinance Institutions (LKMS) was established to provide business development services and community empowerment, whether through loans or financing in micro-scale businesses to members and the community. Another thing is to manage savings and provide business development consulting services. This Kopontren is not merely looking for profit, but rather focuses on the welfare of the Islamic boarding school and the surrounding community.

In addition, the community around the boarding school can also make deposits at the Kopontren by using the Wadiah and Mudharabah agreements. The wadiah contract is used for members who want to keep their money. Whereas the mudharabah contract is used for members who want to save their money to later be used as an investment for members with a deficit. So that later members who are surplus will get profit sharing. Members can also finance or borrow funds using musyarakah and mudharabah agreements. Musyarakah is carried out by members who need additional funds. Whereas mudharabah is conducted by members who have no funds for their business.

Funds collected in the Kopontren are empowered through business units formed in two clusters, namely the service cluster and the goods cluster. Clusters of services can be exemplified such as photocopy, photo studio and laundry services. The clusters of goods such as mini markets, food stalls and bookstores. With the distribution of clusters like this, it will facilitate the cooperative in providing guidance and assistance to entrepreneurs who incidentally are still having a small scale.

Funding and saving funds in the Kopontren are based on the principles of family, trust and justice. So that everyone can feel the benefit without fear of existence. Of course this is not something that is not possible to be realized because the environment at the boarding school is basically already



established an attitude of mutual trust and help. In addition, the efforts of the members are not only assisted in terms of capital, but also given training, training and assistance. So that the skills of the Kopontren members and the quality of their products can continue to be developed.

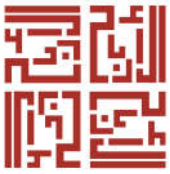
E-Money Application as a Transaction Media in the Kopontren Business Unit

According to Dias (2000), the ease of non-cash transactions can drive down transaction costs and in turn stimulate economic growth. Dias further stated that the use of non-cash payment instruments has a dual effect both for consumers and producers as actors of economic activity. Benefits for consumers, ease and speed of transactions using e-money can reduce transaction costs and precautionary costs, so that people's incomes increase and are followed by increased consumption as well. The increase in consumption is the implication of the ease of shopping through non-cash devices so as to encourage the velocity of money or velocity of money.

As for the benefits for producers, increased public consumption followed by efficiency in transaction costs will increase profits for producers and have the potential to encourage business activities and business expansion. The more efficient transaction costs obtained from using non-cash payment instruments the greater the potential for increased output. This in turn encourages increased production in the real sector which can encourage economic growth.

The use of e-money in the boarding school environment can be implemented through Kopontren as an institution that holds all member accounts. In this case the co-operative cooperates with Bank Indonesia (BI) in the procurement of tools or transaction machines. If the Kopontren is not possible to stand on its own, the Kopontren can link with one of the Sharia Commercial Banks that is easily accessible.

As for the technical use of e-money in real terms, members can charge electronic values in the Kopontren with a certain nominal amount of rupiah. After filling in the electronic value, the member gets e-money that can be exchanged for goods and or services in the kopontren business unit. The use

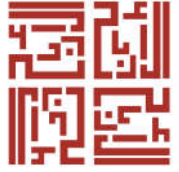


of e-money is required for all students, religious teachers, boarding school families, members of the boarding school as well as the alumni of the boarding school. This e-money can also be applied in the payment of salaries, santri payments and other transactions related to Islamic boarding schools.

With this electronification, transaction activities in the pesantren environment are expected to be more efficient, practical and safe. In addition, with an extensive pesantren network, the habit of using DFS and electronic money is expected to become more widespread in the community. The existence of this expansion is also expected to be utilized by Islamic banking to expand Islamic banking products. In turn, the use of electronic money can help improve household economic capacity and the regional economy, as well as the success of the National Non-Cash Movement.

Conclusion

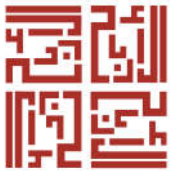
Based on the overall presentation of this paper, it can be concluded several things as follows: 1.) The Pondok Pesantren Cooperative (Kopontren) is a forum for large families of Islamic boarding schools and the surrounding community to be economically independent. With the Kopontren, there will be many business units that can be used as the main source of economic drive of the pesantren and surrounding communities; 2.) Kopontren can be classified as one of the LKMS that in their operations uses shari'a contracts and is overseen by the OJK and BI. This is to run according to formal, legal and regulatory requirements; 3.) Santri, religious teachers, members of the Kopontren and extended family members of the Islamic boarding school are obliged to use e-money payment instruments for transactions in the Kopontren business unit. The use of e-money will have a positive effect both for consumers and producers, especially for the national economy; 4.) With the presence of capontren in all Islamic boarding schools in Indonesia, it can be said as an effort to accelerate sharia economy nationally. Because of course this cooperative operational will not be separated from the principles and contract of Islamic economics.



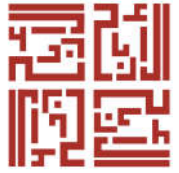
We can give some suggestions to several related parties: 1.) The Ministry of Religion as the parent of Islamic boarding schools should be able to encourage Islamic boarding schools in Indonesia to establish Kopontren along with using e-money payment instruments in their environment; 2.) Bank Indonesia and the Financial Services Authority should be able to provide stimulus so that Islamic boarding schools in Indonesia want to join to advance the GNNT and Financial Inclusion programs; 3.) Islamic boarding schools should understand the benefits of the formation of Kopontren as a medium of economic independence and e-money as a safe, practical and efficient transaction tool.

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