

Institutional Strengthening of Local Community Savings and Loans Groups: A Comparative Study of Mosque-Based and Non-Mosque-Based

H. M. Ramoend Manahung^{1*}, Nur Gamar²

^{1,2} Faculty of Education and Teacher Training, State Islamic University of Sultan Amai Gorontalo, Indonesia

*Corresponding Author: H. M. Ramoend Manahung

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ABSTRACT

This study aimed to describe comparatively the institutions of mosque-based savings and loan groups and non-mosque-based savings and loan institutions. This study also described the institutional relationships of savings and loan groups and mosque institutions, implications, and forms of strengthening group institutions to be competitive, independent, and sustainable. Researchers collected data through observation, interviews, and focused group discussions. In analyzing the data, the researcher first did sorting, categorizing, and grouped according to the needs of the analysis. The results showed that the mosque-based savings and loan institution was formed on a close emotional relationship with fellow mosque congregations. Such groups are formed out of concern for helping fellow congregation members of the mosque. Meanwhile, non-mosque-based savings and loan groups were formed to submit a revolving fund loan to the management of the activity management unit. The relationship between savings and loan group institutions and harmonious mosque institutions makes mosque activities quite lively. Institutional strengthening of mosque-based savings and loan groups is related to strengthening worship; strengthening the understanding of Islamic teachings; strengthening religious social activities; strengthening social security; and strengthening productive economic business activities. Meanwhile, strengthening non-mosque-based savings and loan groups, in addition to strengthening forms such as mosque-based savings and loan institutions, also needs to strengthen group management.

Keywords: Institutional strengthening, savings and loan groups, local communities, mosques

I. INTRODUCTION

Savings and loan groups, like other groups, are social activities. By grouping, its members can interact with each other. The existence of the group is very

important to build togetherness in sharing, as well as to increase the bargaining position in the community. Groups can access information and can access various resources. In groups, the members build togetherness, learn to make decisions, and learn to organize. Thus,

they can confidently be actively involved in their area for various activities.

Groups can be formed on various social backgrounds, both based on geographical similarities, activities, ideologies, values, and so on. The gathering of the congregation of the mosque at every prayer time and during the commemoration of major Islamic holidays which are held in the mosque becomes a strong reason to carry out the same activities, such as forming savings and loan groups, recitation groups, and others. The savings and loan group at the Al Hasanah mosque, Boidu Village, North Bulango District, Bone Bolango Regency is one of them. The group, which has been formed for a long time, has provided benefits for its members, as well as the congregation of the mosque in general. However, this savings and loan group is still weak institutionally. This group has the potential to be more independent and sustainable if it has adequate institutions and is run by its members consistently.

Research related to savings and loan groups, among others, by Ardiyati (2018) explains that women's empowerment activities through group savings and loans are proven to be able to provide various improvements. There was a reduction in poor families with the use of loans mostly for additional capital for their business activities. Changes in income in medium capacity but enough to change women's economic ability to be able to hold their own money, not too dependent on their husbands, changing from labor to having their own business, the majority of businesses are still done by themselves. There has been an increase in the ability of women to participate in development.

Another study by Mursalin et al. (2017) concluded several things. 1). The procedure for borrowing revolving funds from the Activity Management Unit (UPK) to the Women's Savings and Loans group (SPP) begins with the creation of a women's savings and

loan group first. 2). The factors causing the occurrence of non-performing loans in the Revolving Fund Program by the activity management unit in the National Program for Community Empowerment (PNPM) *Mandiri Perdesaan* (MP) for women's savings and loan groups are socio-economic. The non-functioning of the group, namely that one of the members ran away, the members ran away with money, the management used the funds for other purposes and some died, is a social factor, while the failed or unproductive business is an economic one. 3) Settlement of non-performing loans in the revolving fund loan program is carried out through deliberation and consensus between the women's savings and loan groups, the Village Head, and the PNPM-MP UPK, so the settlement is based on an agreement between the parties but most of the settlement methods are carried out jointly and severally. between SPP group members because if one of the SPP groups does not complete the loan, the village/village cannot receive any more revolving loan funds from the PNPM-MP UPK.

Meanwhile, Qodriyati and Fakhruddin (2016) in their research explain that the form of SPP activities includes SPP members or beneficiaries making loans. Doing business by utilizing SPP funds as additional capital for business forms of members or SPP beneficiaries so that they can develop. SPP members or beneficiaries return the SPP funds, even though there are SPP members who are not appropriate and will no longer receive SPP loan funds from PNPM Mandiri in Rural Areas. Members or beneficiaries of SPP can develop their form of business. Empowerment indicators related to economic capacity, including income indicators for SPP members or beneficiaries have developed and increased. The indicators of ownership of SPP members or beneficiaries have increased both secondary and tertiary needs. Direct and indirect education costs, all members or beneficiaries of SPP

can meet them because the community is aware of the importance of education for their children.

Meanwhile, Alwi (2015) conducted research related to optimizing the function of mosques in empowering the community's economy, explaining that the role of mosques in the economic empowerment of their congregations has been exemplified in the history and traditions of Muslims since the time of the Prophet Muhammad and his companions, namely with the establishment of Baitul Maal wat Tamwil (BMT). The real condition of the function of the mosque today is still far from the example of the time of the Prophet. This real condition is exacerbated by the perception of some people who have not been able to accept the functioning of the mosque in many aspects of life, including the economic empowerment of the community and its congregation. Nevertheless, the economic empowerment of the mosque-based community has a pretty bright prospect because it is supported by the condition of the community which continues to transform towards modernity.

This study focuses more on strengthening local community savings and loan groups. Researchers in this study conducted a comparative analysis between mosque-based and non-mosque-based savings and loan groups. More specifically, this study explains the following, namely the institutional comparison of mosque-based and non-mosque-based savings and loan groups; institutional relations of savings and loan groups with mosque institutions; implications of savings and loan groups for worshipers and residents around the mosque; and strengthening group institutions to be competitive, independent, and sustainable.

II. LITERATURE REVIEW

Groups are individuals small enough for all members to communicate with relative ease. The members relate to each other with some common goals and

have some kind of organization or structure between them. Groups develop norms or rules that identify what is considered desirable behavior for all its members (Devito, 1997). According to Sherif and Sherif in Ahmadi (2002), a group is a social unit consisting of two or more individuals who have held social interactions that are quite intensive and regular, so that between individuals there is already a division of tasks, structures, and norms that are unique to each other. that group.

A group is people who have a common goal and interact with each other to achieve a common goal, get to know each other, and invite them to be part of the group (Mulyana, 2011). A social group is a set or unity of people who live together, because of the relationship between them. These relationships, among others, involve reciprocal relationships that influence each other and also an awareness of mutual help (Soekanto, 2006).

Baron & Byrne (1979) stated that groups have two psychological signs. First, group members feel attached to the group or have a sense of belonging that non-members do not have. Second, the fates of group members are interdependent so that each person's outcome is related in some way to the other's outcomes. According to Walgito (2010), society has various kinds of social groups that differ from one another.

Meanwhile, savings and loans are transactions that collect funds in the form of loans and channel them back in the form of loans to members in need, this is done to reduce the movement of moneylenders who are detrimental to the community (Hasibuan, 2003).

The savings and loan group is an institution. Ostrom (1985) defines institutions as follows: Institutions are the rules that apply in society (the arena) that determine who has the right to make decisions, what actions may and may not be taken, what rules are

generally accepted in society, what procedures must be followed, what information should or should not be provided and what benefits individuals will receive as a result of their actions.

Institutions contain rules as defined by Ruttan and Hayami (1984), that institutions are rules within a community group or organization that facilitate coordination among its members to help them with the hope that everyone can cooperate or relate to one another to achieve goals. desired common goal. This definition is in line with Ostrom (1985) that institutions are rules and signs as a guide used by members of a community group to regulate mutually binding or interdependent relationships.

Nabli and Nugent (1989) view institutions as a set of constraints or controlling factors that regulate behavioral relationships between members or between groups. With this definition, most organizations are generally institutions because organizations generally have rules that regulate relationships between members and with other people outside the organization.

Pejovich (1999) states that the institution has three components, namely: i). Formal rules, including constitutions, statutes, laws, and all other government regulations. Formal rules shape the political system (government structures, individual rights), the economic system (property rights in conditions of scarcity of resources, contracts), and security systems (judicial, police) ii). Information rules, including experience, traditional values, religion, and all factors that influence the form of individual subjective perceptions about the world in which people live; and iii). Enforcement mechanisms, all of these institutions will not be effective if they are not accompanied by enforcement mechanisms.

Deliarov (2006) states that institutions as norms and conventions are more defined as arrangements based

on consensus or patterns of behavior and mutually agreed norms. Norms and conventions are generally informal, enforced by families, communities, customs, and so on.

Soekanto (2006) explains that social institutions have several functions, including 1) Guiding community members, on how they should behave or behave in dealing with problems in society that mainly concern the needs concerned. 2) Maintain the integrity of the community concerned. 3) Guide the community to establish a social control system, namely a monitoring system from the community on the behavior of its members. Gillin and Gillin (1954) describe the general characteristics of social institutions, namely: a). An organization of thought patterns and behavioral patterns that are manifested through community activities and their results. Social institutions consist of customs, codes of conduct, customs, and other cultural elements. b). A certain degree of immutability is characteristic of all social institutions. Belief systems and various actions will only become part of social institutions after a relatively long time. c). Social institutions have one or more specific goals.

III. METHODS AND MATERIAL

This study took place in North Bulango District, Bone Bolango Regency, which focused on mosque-based savings and loan groups, as well as non-mosque savings and loan groups as a comparative study. Data collection is done to find data, both primary data and secondary data. Secondary data is obtained from documentation data and reports or publications obtained from related agencies and supporting tools in the field. Primary data collection was carried out through observation, interviews, and Focused Group Discussion (FGD) methods.

In analyzing the data, the researcher first did sorting, categorizing, and grouped according to the needs of

the analysis. Data sorting is done by completing and transforming the raw data written in field notes so that it becomes a systematic report, complementing the collected information with other supporting sources. The second step is to categorize the data. This is an action to group the edited information. The third step in the form of grouping is carried out based on the aspects studied, the level, and the type of information that can be collected. The data is then linked to the main problems studied. Thus, the problem that is the focus of the study can be analyzed to produce a conclusion to be used as material for making a savings and loan group strengthening program. The data that has been collected is analyzed qualitatively and the results are presented in an analytical descriptive manner. According to Nazir (2005), the purpose of descriptive research is to make a systematic, factual, and accurate description, picture, or painting of the facts, characteristics, and relationships between the phenomena being investigated.

IV. RESULTS AND DISCUSSION

Institutional Comparison of Mosque-Based Savings and Loans Groups and Non-Mosque

This study compares the savings and loan group institutions based on mosques with savings and loan institutions that are not related to mosques. Mosque-based savings and loan institutions are formed from the close emotional relationship of fellow mosque worshipers. Savings and loan groups that are formed like this are driven by ties of brotherhood to help each other and lighten the burden of fellow mosque worshipers when there is an urgent need.

We are all members of this group, when we first formed one of the congregations that had an accident since there was money, finally, we were fellow worshipers to help in a perfunctory way. From that experience, we anticipate first

forming a group, so that anyone who has an urgent need can borrow from the group's cash, said Rini, a member of a mosque-based savings and loan group.

Mrs. Rini's statement above shows that there is empathy from the congregation of the mosque to help fellow worshipers who are experiencing economic difficulties when they face urgent needs. This feeling of empathy is a social capital that strengthens group institutions to survive and be sustainable. This strength is supported by the values of faith that lighten the burden of others who are experiencing difficulties will get a worthy reward from God almighty

Mosque-based savings and loan groups are brought together by very strong solidarity because of the values of faith and devotion to God almighty. Each member of the group has strong values of faith and militancy to help each other among fellow group members by hoping for the pleasure of God almighty.

Meanwhile, the other savings and loan group that is the comparison in this research is the savings and loan group with a non-mosque basis. Research on non-mosque-based savings and loan groups focused on women's special savings and loan groups (SPKP). This type of savings and loan group was formed in line with the implementation of the National Community Empowerment Program (PNPM). In each village, several savings and loan groups were formed whose membership was exclusively for women. In contrast to the mosque-based savings and loan groups which were formed out of concern for helping fellow mosque worshipers, the SPKP was formed to apply for a revolving fund loan to the management of the Activity Management Unit (UPK) based in the sub-district.

Each group in the SPKP consists of 10 or more people who then get a revolving loan from the UPK PNPM

Mandiri Rural management with varying nominal for each group. The amount of funds given to each group depends on the needs and ability of each individual in the group to return.

“Our group's initial application received a loan of IDR 10,000,000, - (ten million rupiahs), with 10 members. So, each member gets IDR. 1.000.000,- (one million rupiah) with a one-year payback period. After our first loan was paid off, the second loan also received Rp. 10,000,000,- (ten million rupiah)”, confessed Mrs. Ice, a member of SPKP.

The SPKP group was able to survive because of the awareness of each member to get further loans when the loans were paid off. Loans by each member are paid monthly to the group leader and forwarded by the group leader to the UPK management. If the group has paid off its loan, it can re-apply for a loan to the UPK management. Thus, it is clear that there are transactional and contractual motives that make this SPKP group sustainable. Groups like this gradually disband themselves when there are group members who feel that they no longer have any interest in the existing group. When there are group members who feel that way, then the loan repayments start to get stuck, which has an impact on other group members. In turn, there was a delay in returning loans from the group to the UPK management. That's when the group disbanded by itself.

Institutional Relations of Savings and Loans Groups and Mosque Institutions

The institution of a mosque-based savings and loan group with a mosque institution has a harmonious relationship where the mosque institution led by the chairman of the mosque management and the savings and loan group led by the chairman of the savings and

loan group are members of the same mosque. The chairman of the mosque's board of directors is also a member of the savings and loan group, meanwhile, the head of the group and its staff, namely the secretary and treasurer, are also members of the mosque congregation.

“All mosque administrators here, including the chief, are members of the savings and loan group. Likewise, the group administrators are also active at all times in the mosque”, said Mr. Ali Yusuf, a member of the group.

The savings and loan group institution and the mosque institution are one unit because they uphold the same values, namely faith, and devotion to Allah s.w.t. Their presence has the same mission, namely helping the congregation to overcome the problems they face and increasing their faith and devotion to God almighty Institutional savings and loan groups and mosque institutions, thus, their presence is very strategic for people.

Implications of Savings and Loans Groups for Congregations and Residents Around the Mosque

Mosque-based savings and loan institutions, cannot be denied, have a very important role in overcoming the problems of the economic needs of the congregation which are very urgent and sudden. When any of the pilgrims experience economic urgency, the group's cash can be loaned to him. Of course, this loan must be returned immediately when it has economic space, because as anticipation if other pilgrims are also experiencing urgent financial problems. This loan is returned without interest, because the original intention of this savings and loan group was to help pilgrims who need money that is very urgent and critical, such as illness, accidents, and others.

The presence of this savings and loan group has been very beneficial for the congregation of the mosque. The cash capital of this savings and loan group comes from the monthly mandatory savings of loyal members, which are then redistributed to members without interest. This is to avoid the practice of usury.

“Congregants who borrow money from the group treasury do not charge interest. If the loan is IDR 1.000.000,- (one million rupiahs), then the IDR is returned intact. 1.000.000,- (one million rupiah) for 10 (ten) months”, subject to IDR 100.000,- (one hundred thousand rupiahs) return every month”, said Marni's mother, a member of the savings and loan group.

Residents also feel the benefits of the presence of a savings and loan group. For residents who happen to be members of the mosque, when they have a very urgent need and need a loan, they can immediately apply for a loan in that group, with the condition that they must first register to become a member of the savings and loan group. However, if you are not a mosque member, you can apply for a loan on behalf of your family who is members of the savings and loan group.

Strengthening Group Institutions to Be Competitive, Independent, and Sustainable

Efforts to strengthen savings and loan group institutions must continue to be carried out, both for mosque-based groups, and savings and loan groups that are not tied to mosques. The strengthening of savings and loan institutions is carried out in connection with the following mosque functions.

According to Alwi (2015), there are at least 5 mosque functions as described in the early days of Islam that can be developed today, namely: 1). The mosque is

the temple of Allah, meaning that the mosque is a house of worship to Allah which is the core of the mosque's administrators' activities. This function is a function that is certainly running at the forefront of the activities carried out in the mosque. 2). The mosque is Bait al-Ta'lim, meaning that a mosque is a place for religious education, a da'wah center and a place for the transformation of religious understanding in the form of recitations, studies, and formal education carried out by mosques such as the establishment of Majlis Ta'lim, TPA and *Madrasah Diniyah*. 3). The mosque as Bait al-Maal, namely the mosque becomes the center of the implementation of socio-religious activities, especially in the role of organizing the implementation of *maliyah* worship such as ZISWA for the benefit of the community around the mosque which comes from the mosque itself. 4). The mosque is Bait al-Ta'min, meaning that the mosque can provide social security for its congregation. In early Islamic society, the prophet Muhammad gave a special place to the suffahs and ensured their lives through an active community role in the mosque. 5). The mosque is a Bait Al-Tamwil, meaning that the mosque can generate funds from its business activities. So that the mosque can develop and independently meet its financial needs.

For this mosque-based savings and loan group to be competitive, independent, and sustainable, institutional strengthening must continue to be carried out. The strengthening of the group referred to revolves around the function of the mosque as stated by Alwi (2015), above, namely: 1) strengthening worship; 2) strengthening the understanding of Islamic teachings; 3) strengthening religious social activities; 4) strengthening social security; 5) strengthening of productive economic business activities. Meanwhile, to strengthen the SPKP group, in addition to strengthening related to the five things above, it is also necessary to strengthen group management, considering that the SPKP group

manages revolving funds which are a bit complicated, so management knowledge is needed.

V. CONCLUSION

Mosque-based savings and loan institutions are formed from the close emotional relationship of fellow mosque worshipers. Savings and loan groups that are formed like this are driven by ties of brotherhood to help each other and lighten the burden of fellow mosque worshipers when there is an urgent need. In contrast to mosque-based savings and loan groups which were formed out of concern for helping fellow mosque worshipers, non-mosque-based savings and loan groups were formed to apply for revolving fund loans to the management of activity management units based in sub-districts.

The relationship between savings and loan group institutions and harmonious mosque institutions makes mosque activities quite lively. Mosque-based savings and loan institutions have a very important role in overcoming the problems of the economic needs of the congregation which are very urgent and sudden. Institutional strengthening of mosque-based savings and loan groups is related to strengthening worship; strengthening the understanding of Islamic teachings; strengthening religious social activities; strengthening social security; and strengthening productive economic business activities. Meanwhile, strengthening non-mosque-based savings and loan groups, it is necessary to add strengthening group management, considering that savings and loan groups manage revolving funds which are a bit complicated, so management knowledge is needed.

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