

Optimizing the Development of Islamic Financial Institutions in West Sumatra: Role of Local Wisdom Analysis of Tungku Tigo Sajarangan

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**Optimizing the Development of Islamic Financial
Institutions in West Sumatra:**

Role of Local Wisdom Analysis of *Tungku Tigo Sajarangan*

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Abstract

This study aims to analyze how the convergence of Tungku Tigo Sajarangan in sharia economic development through Islamic Financial Institutions (IFI), and then constructs how the concept of sharia economic development is based on the local wisdom of Tungku Tigo Sajarangan in developing IFI. This research is a qualitative research with a sociological approach. The source of this research data was obtained from the informants who were considered to have information about the focus of this study, namely IFI managers and other informants who were considered to support this research. Listening to the data obtained, this study concludes: First, the Tungku Tigo Sajarangan has not given an optimal role in the development of IFI in West Sumatra. Second, optimizing the role of Tungku Tigo Sajarangan in the development of IFI can be strengthened by increasing the synergy with Tungku Tigo Sajarangan internal and related parties to perform socialization of sharia economic norms in massive, identification of syar'i transaction products, and internalization of adat basandi syarak, syarak basandi kitabullah.

Keywords: *Tungku Tigo Sajarangan, Islamic Financial Institutions (IFI), Local Wisdom*



INTRODUCTION

The Minangkabau community has unique local wisdom and attracts researchers from various parts of the world (Firdaus, 2018). Among the distinctive local wisdom and continued existence in Minangkabau is the "triaspolitics" of its customary authority which is called *Tungku Tigo Sajarangan* (here in after TTS). TTS is a unity of the leadership of *Ninik Mamak* (custom leader), *Alim Ulama* (religion), and *Cadiak Pandai* (public figure, government). TTS functionally plays a role in shaping the patterns and public perceptions. *Ninik Mamak*, as a customary leader, is responsible for guiding the people on the basis of geneological lines (tribes or races). *Alim Ulama* acts as *suluah weir* (enlightener) for society in the field of sharia, *Cadiak Pandai* acts as a strategy maker in carrying out development agendas according to customary guidelines. The three elements of this leader mobilize the Minangkabau community with a system of family and mutual cooperation.

One indicator of the strong role of the TTS in building a mutual cooperation spirit is the success of the Minangkabau people rejecting economic capitalism in West Sumatra, among others, it is proven that all cities in West Sumatra are free from the threat of Franchise Minimarket Franchises such as Indomaret, Alfamart and Alfamidi. Although almost all cities in Indonesia, the Minimarket has grown and continues to grow, however, cities in West Sumatra, such as Padang and Bukittinggi, which include world tourism sanitation, will not be found in supermarkets above and the like. Because, according to TTS this business will turn off small traders.

The Islamic economy as an integral part of Islamic teachings, actually fits in West Sumatra, which is dominated by the Minangkabau ethnic group. *Adat basandi syarak, syarak basandi kitabullah* identity of minang people can accommodate awareness of the formation of concepts towards legal awareness and actualize Islamic dictums in daily life so as to form the principles and behavior of *syar'iyah*, including in the economic sphere. Islamic values which are the basis of Minangkabau culture will play a role as a guide in realizing religious values in the context of worship and muamalah and elaborating on socio-cultural elements in accordance with the ilahiah norms.

The culture of the Minangkabau community with variants of religious cultural phenomena gives hope for the development of sharia-based economic institutions, such as Islamic Banks, Islamic cooperatives (BMT), Islamic Financial Services, islamic saving and loan cooperative.

However, a number of facts were found that IFI in West Sumatra had not developed as ideal as assumed. Optimizing the role of ulama, TTS

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can be used as an alternative as a basis for developing IFI, especially in West Sumatra, and other regions where the population is dominated by Muslims.

LITERATURE REVIEW

Sharia as an Economic Paradigm

Etymologically, the word sharia means a straight path to a water source (Manzhur, 1992). If it is associated with the economy, the sharia paradigm is a system for managing all resources with flow theory.

According to the Qur'an, water is the origin of all living things (Al-Anbiya/21:30 dan Al-Furqan/25:54). and water is a source of life for creatures created from the element of water. (Al-Kahfi/18:31 dan ar-Rahman/55:50). The enjoyment of heaven is illustrated by the Qur'an with the flow of water beneath it (Al-Baqoroh/:25).

A good life is characterized by a continuous flow of sources of life. In an effort to revive the economy the community must stream economic resources, not to be stagnant and only to be controlled by a group of people (Al-Hasyr/59:7). This can be analogous to water as public goods. Water acting as a cleaner (thaharah tool) will always be clean if it is in a container that allows it to flow. Non-flowing water will be contaminated by various bacteria and viruses and can have a detrimental effect on their environment. Wealth too. The wealth of communities that are not equitably distributed in the midst of their communities will be far from blessings and can cause disasters (Ar-Rum/21:41). According to Quraish Shihab, irregularities within certain limits would make the surrounding situation disturbed, and in turn it would have a negative impact. If that happens, according to Shhab, there will be a crisis in people's lives and a disruption in their social interactions, such as a moral crisis, lack of love and cruelty (Shihab, 2004). In line with Shihab's interpretation, Prayetno's research prove that the level of welfare gap is one of the causes of the emergence of crime (Prasetyo, 2013) Metro Jaya Police Report during 2017 crime occurs every 15 minutes. Maybe the terrible behavior of crime in Indonesia is the effect of stagnation in the life of the nation towards the living facilities provided by God for the people of Indonesia.

Revitalization of Sharia-Based Economy

Based on reports from Oxfam's research, a non-profit organization from England, poverty in Indonesia has broken through the emergency threshold. Indonesia's economic growth that is often proud of is apparently not comparable with the improvement in poverty. In fact, according to this research, the gap between rich people and poor people



shows a widening trend. This fact, according to Oxfom, is a serious threat to the welfare of the Indonesian people in the future. The Oxfom report also shows that in the past two decades inequality in Indonesia has increased more rapidly than other countries in Southeast Asia. In the report it was stated that the collective wealth of the four richest people in Indonesia, which recorded 25 billion US dollars (equivalent to Rp. 335 trillion), was greater than the combined wealth of 100 million of the poorest people in Indonesia. In fact, according to this study, the interest of the wealth of the four richest people in Indonesia in one day is more than a thousand times the amount of expenditure of the poorest people for basic needs for a full year. If calculated the amount of money earned each year from the wealth of the richest people is enough to eliminate extreme poverty in Indonesia (Oxfom, 2017).

The poverty is dominated by Muslims and most are in the Micro, Small and Medium Enterprises (MSME) sector. Among the problems that hinder the development of MSME, according to several studies are the unavailability of capital (Hamzah, 2013). For example, the results of Mildawati and Amriah Buang's research show that the main problem of female traders in Baso, Limapuluh Kota Regency, West Sumatra Province, is a lack of capital. As many as 59.3 (54) of the 91 traders who were respondents to this study answered the lack of capital as an obstacle they faced in developing their business (Midawati and Buang, 2014). This fact shows that the flow theory does not work well.

Difficulties in obtaining capital for MSME managers in Indonesia, because the economy in Indonesia is still dominated by conventional economic systems. In principle and facts, MSME actors are difficult to develop in conventional economic systems, because naturally they do not master capital. Meanwhile, conglomerates naturally have large economic capital. In theory, the spirit of a conventional economic system is the control of capital by a certain group of economies which in turn provides opportunities to find life for other people as workers or laborers.

One of the main concerns of countries in the world today is how to achieve the Millennium Development Goals in reducing poverty. Even some high-income countries, such as the US and China, agree to develop the concept of poverty alleviation through funding grants for groups of developing countries, in order to achieve these targets. This concept will rely on the development of Microfinance Institutions (MFIs). What's interesting is that Islamic Financial Institutions (IFI) also received significant attention. For example, in the West, such as Britain, France, Spain, Luxembourg, and Australia. These countries have actively participated in promoting and introducing Islamic financial products and services. (Dusuki, 2015). Likewise in the academic and scientific realm,

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various well-known universities in the Western world are very serious about developing Islamic economics, such as Dhurham Universty, England, which positions itself as the center for sharia financial development in the West. In fact, there are already more than 20 Sharia Banks operating in the UK . Many parties are interested in the performance of Islamic Financial Institutions (IFI) and try to adopt the work patterns of the IFI to be applied in various countries in the world (Rini, 2017).

If consistency is maintained and the development of IFI continues to be improved, it is not impossible that it will become an effective way to repeat the golden period that existed during the Caliph Umar bin Abdul Aziz. Where at that time the amil zakat institution and other social institutions had difficulties in distributing assets (zakat) collected from the community. The community has been very prosperous with the fulfillment of various kinds of their needs, such as clothing, food, shelter, education and health needs. The most important form of welfare at that period is a mentality that does not want to show its poverty to gain material benefits and religious awareness to share with others, who need it without being asked (Rini, 2017).

West Sumatra as a province with a Muslim majority and having religious cultural roots, the role of IFI in the future will be increasingly strategic and important in supporting regional economic growth and will have a national impact. Muslims with their Islamic ideology always strive to embody sharia values in all aspects of their lives, including economic aspects. The most important convergence of the concept of monotheism and explained by sharia economists is related to its purpose to implement the values of justice through various economic instruments. These premises are in line with the culture of the Minangkabau community and at the same time give hope that the development of Islamic economics with all its instruments in West Sumatra is something realistic.

METHOD RESEARCH

This research uses descriptive analysis method with book survey estimation which is commonly called library research. Discussion topics, The role of TTS local wisdom in the concept of Minangkabau culture and its potential in the development of IFI in West Sumatra, then analyzed to construct an effective basis in the development of IFI



DISCUSSION

Portrait of Sharia Microfinance Institutions in West Sumatra

The socio-cultural background of the Minangkabau people with the variants of cultural phenomena mentioned above gives hope that sharia-based economic institutions, such as cooperatives with all forms, BMT, Sharia Financial Services, Sharia Savings and Credit Cooperatives will find their world in West Sumatra. However, based on data on the Office of Cooperatives and Micro, Small and Medium Enterprises (MSMEs) West Sumatra Province cooperatives in West Sumatra are not as ideal as assumed. To be more clear, can be seen in the following table:

A. Table 1. West Sumatra Province Cooperative Data

NO	Cooperative Group	Cooperative (unit)			Member			The Annual Member Meeting
		Quantity	Active	Not Active	Quantity	L	P	
1	2	3	4	5	6	7	8	9
1	KUD	413	186	227	138.598	95.548	43.050	90
2	Kop. Pertanian	319	108	211	15.260	8.893	5.679	22
3	Kop. Perkebunan	57	36	21	9.324	7.516	1.808	10
4	Kop. Peternakan	22	12	10	1.890	1.569	321	2
5	Kop. Nelayan	33	20	13	1.598	1.149	449	1
6	Kop. Kehutanan		1	-	24	24	-	-
9	Kopinkra	24	12	12	2.157	1.071	1.086	3
10	Koppontren	74	52	22	8.418	4.038	4.380	14
11	Kopkar	170	143	27	27.033	16.620	10.413	55
12	Kop. Angkatan Darat	26	26	-	5.157	4.610	547	14
13	Kop. Angkatan Laut	3	3	-	665	640	25	1
14	Kop. Angkatan Udara	1	1	-	151	141	10	1
15	Kop. Kepolisian	21	21	-	9.307	8.352	955	10
16	Kop. Serba Usaha	593	347	246	46.507	25.577	20.930	119
17	Kop. Pasar	60	39	21	8.144	4.064	4.080	24

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18	Kop. Simpan Pinjam	186	150	36	22.381	11.605	10.776	83
19	Kop. Angkutan Darat	24	17	7	2.349	1.661	688	3
20	Kop. Angkutan Laut	1	1	-	34	32	2	-
23	Kop. Angkutan Penyeberangan	4	1	3	374	328	46	-
27	K. B.P.R	3	2	1	90	30	60	-
28	Kop. Pegawai Negeri (KPRI)	765	716	49	123.913	56.627	67.286	542
31	Kop. Wanita	114	103	11	10.662	113	10.549	43
32	Kop. Profesi	6	2	4	1.674	701	973	-
33	Kop. Veteran	19	17	2	2.612	1.457	1.155	9
34	Kop. Wredatama	31	22	9	2.638	1.396	1.242	14
35	Kop. Pepabri	19	16	3	1.588	951	637	14
36	Kop. Mahasiswa	7	5	2	5.730	3.940	1.790	3
37	Kop. Pemuda	6	4	2	395	296	99	-
38	Kop. Pertambangan	4	1	3	50	40	10	-
39	Kop. Pedagang Kaki Lima	6	5	1	1.414	1.005	409	3
41	Kop. Lainnya	565	400	165	54.143	27.086	27.057	144
42	KJKS	191	178	13	20.577	10.602	8.975	131
	Jumlah	3.768	2.647	1.121	527.252	297.685	225.487	1.354
43	Kop Sekunder Kab/Kota	5	2	3	74	20	54	-
44	Kop Sekunder Propinsi	26	20	6	5.142	2.789	2.353	8
45	Koperasi Primer Propinsi	71	28	43	5.008	3.445	1.563	2
	Total	3.870	2.697	1.173	537.476	303.959	229.457	1.364

Source: Cooperative and SME Office of West Sumatra Province (processed).

Based on data on the Office of Cooperatives and UKMK, in West Sumatra there are 3,870 cooperatives. However, from these data there were only 2,697 (69.68%) active cooperatives. Meanwhile, 1,173 (30.31%) are inactive cooperatives.



If the data above is disaggregated, active conventional cooperatives as many as 2469 out of 3679 cooperatives, or equivalent to 67, 11% and inactive cooperatives as many as 1160 (31.53%). Meanwhile, the Islamic Financial Services Cooperative (IFSC) whose numbers were 191, 178 (93, 19%) were recorded as active cooperatives and as many as 13 (6.80) were declared inactive.

Apart from the comparison of the percentage of active and inactive between the two cooperative systems above, it is questionable, why is the number of inactive cooperatives reaching 31.30%? In fact, cooperatives are recognized as business institutions that are considered suitable for empowering small people. Cooperative values also adapt sharia values such as justice, togetherness, kinship, and shared prosperity, which is called *syirkah* or *syarikah* in sharia economic law (al-Munawir Dictionary, 1984). Meanwhile *Tungku Tigo Sajaringan* still exist and the institution is in every government level authority.

Such facts do not correlate with the traditional philosophy and local wisdom of the Minangkabau people as Romeo Rissal Pandjialam said. Romeo Rissal Pandjialam is a respected economist, banker and Indonesian professional in West Sumatra. Romeo once headed Bank Indonesia Padang with the scope of four provinces, namely West Sumatra, Riau, Riau Islands and Jambi. Previously, the Islamic economic concept is actually very suitable for the condition of West Sumatra, where *adat basandi syarak, syarak basandi kitabullah*. Because, philosophically, Islamic economics, according to Pandjialam, is a superior concept to build people's welfare in a dignified and just manner, not for a group of people. With the philosophy of Minangkabau society that is so religious gives hope that Islamic financial institutions will grow and develop well in West Sumatra.

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Another phenomenon, from the results of preliminary research, found the practices of borrowing money through *julo-julo* (rent) conducted by traders in various places with high intensity. *Julo-julo* is a type of loan service offered by the owner of money (funds) to people in need. The borrower will return the loan money to the owner of the fund with an interest of 20-30% per 40 days (Hanesti, 2016). The practice of borrowing and lending money to this model, such as exists in various places in West Sumatra. Like, in traditional markets, villages, and housing complexes. The question is, where is the role of IFI ?

Minangkabau and Prospects for IFI Development

Previous exposure can be used as a basis for thinking to lay the hope that West Sumatra, which is dominated by ethnic Minang, is an area that is very possible to become the basis for the development of IFI in Indonesia. This hope is not excessive with some of the following arguments:

1. Cultural Religiosity

Minangkabau people have a motto *adat basandi syarak, syarak basandi kitabullah, syarak mangato adat mamakai*. This motto, gives hope for Islamic economics with its various variables, will develop in West Sumatra. The religious philosophy of the custom and the identity of the Minangkabau people will provide a conducive atmosphere for the presence of IFI (Kemal 2009). Long time before the idea of sharia economics and its development in Indonesia emerged, in 1957, Kaharuddin Yunus (Minangkabau religious leader) had proclaimed Islamic Economics. He spread the concepts and concepts of Islamic Economics through lectures and has written books on Islamic economics. According to him, the Islamic economic system is very compatible with the Minangkabau natural culture. However, for reasons of nationalism, it cannot be published



Behavior arises from the values adopted. Meanwhile, sociologically, as Hassan Shadily said, the value that a person adheres to will be influenced by the community in which he lives as a member. This Shadily opinion is in line with the opinion of Emile Durkheim, who identifies social integration (social integration), the degree of human relations in his social groups, as a key social factor in acting (Henslin, 2007). If it is associated with Islamic economics as an integral part of Shari'a (Islamic teachings), then the local wisdom of the Minangkabau people with their customary identity embodies awareness as the basis for forming concepts towards legal awareness and getting used to actualizing Islamic dictums in daily life so as to form principles and syar'iyah behavior. Sharia values which are the basis of Minangkabau culture will act as a guide in realizing religious values in the context of worship and muamalah and elaborating on socio-cultural elements in accordance with divine norms. Islamic values are a motivator and dynamic of the emergence of shari'a behavior in the realities of life and divine values as comprehensive supremacy in driving development, including in the economic sphere.

2. "Triaspolitika" *Tungku Tigo Sajarangan*

In the realm of leadership politics, the Minangkabau people also have local wisdom called *Tungku Tigo Sajarangan* which is one unit of the leadership of *Ninik Mamak* (custom leaders), *Alim Ulama* (religion), and *Cadiak Pandai* (community leaders, government). The wisdom of *Tungku Tigo Sajarangan* functionally plays a role in shaping the patterns and behavior of the people (Gani, 2010).

Ninik Mamak, as a custom leader, has the authority to invite, direct, and guide people based on genealogical lines (tribes or clans). *Alim Ulama* acts as *suluah weir* (enlightener) for the ummah in the

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field of sharia through worshipers in various communities. *Cadiak Pandai* acts as a strategy maker in carrying out economic development agendas according to customary guidelines. If these three elements work optimally in sharia economic development, it is not impossible that West Sumatra will become a sharia economic power in Indonesia.

3. Solidarity

According to Abidin (2004), the philosophy of life, among others, takes the form of all mutual cooperation, refines social sensitivity, and culminates in helping. The philosophy of *adat basandi syarak, syarak basandi kitabullah* (ABS SBK), which is the cultural basis of the Minangkabau community is proof that the Minangkabau people really anticipate poverty.

One of the most interesting economic phenomena in West Sumatra is the fact that all cities in the Minang Territory are free from the threat of the Minimarket Franchise Supermarket such as Indomaret, Alfamart, Alfamidi and Seven Eleven. Although almost all cities in Indonesia, the Minimarket has grown and continues to grow, however, cities in West Sumatra, such as Padang and Bukittinggi, which are world tourism destinations, will not be found in these supermarkets and the like.

Sturdy the "wall" barrier to the entry of supermarkets belonging to the richest entrepreneurs in Indonesia is inseparable from the role of local wisdom *Tungku Tigo Sajaringan*. The reason the local government (*cadiak pandai*), did not issue the self-service operational permit in question because it was feared would weaken traditional traders, as happened in other regions, where the supermarkets had transformed into killer monsters for the surrounding microbusinesses (Rusno, 2017).



The policy in the form of a local government ban on the Indomaret Minimarket presence and the like, has become a stimulus for the birth of the Minangmart Minimarket. Minangmart itself was conceived and developed by carrying out the spirit of local wisdom, mutual cooperation, and managed professionally and modernly. Its regional spirit is reflected in its commitment to market regional products. The dimension of mutual cooperation lies in cooperation with micro-entrepreneurs. These two aspects, is one manifestation of the Minangmart motto "*basamo mangko jadi*". While the professional dimension is payment of employee salaries that must be adjusted to at least the same as the Provincial Minimum Wage (PMW) standard. Meanwhile, the modern aspects include products sold and prices can be accessed online.

Of course there are many opinions about the presence of Minang Mart Mini Market and various other local Mini Markets. Some even point to the capitalist minangization economic movement. However, one thing that cannot be denied is that local wisdom in Minangkabau cannot be defeated by large capital owners. This strength is a manifestation of togetherness and justice which is a vision that is fought for in the Islamic economic system.

4. Soul of entrepreneurship

An important argument about human actions influenced by culture is Max Weber's thesis in explaining cultural relations with human actions in "The Protestant Ethic and the Spirit of Capitalism". Weber explained that the actions of capitalist economics were formed by the doctrine of Protestant religion, by Calvin stated as a driver of human being rational, frugality, hard work, self-discipline as a form of trust and obedience to God, which eventually became a culture (Guenther, Claus and Webber, 1978). Minangkabau people have their



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own ethos in running a business, which is called Peletz as a persistent and tough ethnic trader. According to Peletz, only the Minangkabau people were able to defeat the Chinese in the world of commerce. The trade ability of Minang people is inseparable from their cultural background. Not only men, Minangkabau women are dominant entrepreneurs in Indonesia, even globally (1999).

Working for the Minang community is a necessity, with the results of work can avoid the despicable nature of society, as the Minang saying goes, "*hilang rano dek panyakik, hilang bangso tak barameh*" (lost color because of the disease, missing the nation because they don't have gold). That means, pride will be lost because of poverty, by working hard is one way to avoid it. The traditional fatwa about hard work is said "*Kayu hutan bukan andaleh, Elok dibuek kalamari, Tahan hujan barani bapaneh, Baitu urang mancari rasaki*" (forest wood is not andalas, beautiful made for cupboards, rain resistant dare to heat up, that how people are looking for sustenance). This is what becomes the work ethic of every Minangkabau individual (Nasroen, 1971). This ethic is very relevant to sharia economic principles that require every person to be mentally strong, resilient, independent, without neglecting cooperation and help.

5. IFI problem in West Sumatra
 - a. Lack of socialization

The development of IFI in West Sumatra is not so good. Although the majority of West Sumatra people are Muslim and have a religious cultural base, but the development of Islamic economic instruments, such as Islamic finance, in the province is also less exciting (Otoritasa Jasa Keuangan, 2015). This condition, is caused the people's understanding of Islamic economic norms



and products is still low, so that the enthusiasm of the community to use IFI products, such as sharia sacrifice and other sharia financial services is still lacking (Rozalinda, 2013). Lack of public understanding of sharia economists because of lack of socialization. Several mosques in the city of Padang showed that there was never a cleric or preacher who delivered the theme of Islamic economics, including the West Sumatra Grand Mosque and the Nurul Iman Mosque (Mursal, 2017). Thus, it is understandable if Islamic economic products are not familiar to the Muslim community of West Sumatra. In various cities in West Sumatra, conventional interest-based financial services (which are prohibited by MUI) are still most favourable compared to sharia financial services. The irony is that in a number of schools there were found scholars with educational backgrounds who graduated from Islamic Religious Colleges but did not understand the prohibition of loan interest. In fact, Islamic scholars also involved as managers and users of interest-based financial services (Mursal, 2017).

b. Misundersanding

Not a few people assume that the product of a sharia financial institution is actually a duplication of a conventional bank which is then made in such a way and labeled sharia. Generally, people assume that their products are the same as conventional products because of the lack of public knowledge about Islamic financial institutions (Mursal, 2017). Therefore, it is necessary to disseminate and educate about Islamic banking. This must be done by all parties who are concerned with the

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development of Islamic banking, such as government, banking, higher education, mass media, and other.

c. Sharia Compliance

In addition to the socialization and misunderstanding factors, the obstacle of sharia economic development in West Sumatra is the lack of community commitment to comply with sharia norms (Rozalinda, 2013). In fact, a number of Islamic Religious Universities also use conventional financial services for various reasons and considerations. This phenomenon makes the irony of alumni of Islamic Religious Colleges who take part in acting and being involved in conventional financial institutions easily found the answer. The old saying is very relevant to this phenomenon, "if the teacher piss standing, the student will piss running". When religious leaders, traditional leaders, community leaders, the government does not give an example in implementing Islamic values in the economic field, the traditional philosophy of *adat basandi syarak, sayrak basandi kitabullah* will only be a slogan and letters of death which will not give meaning in the economic field.

d. Convience and Comfortable

A sense of confidence in the strength of conventional financial institutions with all of their facilities has caused people to be comfortable with the services they have received from non-sharia financial institutions, including interest facilities. Islamic financial services institutions, both banks and non-banks, always lose competitiveness with conventional financial institutions in terms of third party funds (DPK). In fact, a number of LKMS are difficult to develop because large capital owners are reluctant to



save their money there, because there is no interest (Marpaung, 2016). Marpaung's research proves that the reality of sharia economic development through the banking sector is stagnant due to interest attractiveness, which is the most influential variable for customers using conventional bank services

e. Structural Barriers

Politically, structural obstacles can occur because it involves the division of authority between the central government and the autonomy of the regional government. For example, the issuance of Sharia Economic Regulations will experience obstacles. Syarak (religion) presents central affairs that cannot be regulated by the regions, and adat is only a regional affair that rarely gets the attention of the government. While for the Minang religion and adat community is an inseparable unit. Related to this possibility, it is expected that the central government will make West Sumatra an area that is granted special autonomy in the Minangkabau Special Region (DIM). This is important, to facilitate the integration of religious Minangkabau local wisdom into regulations, including in the economic sphere.

CONCLUSION

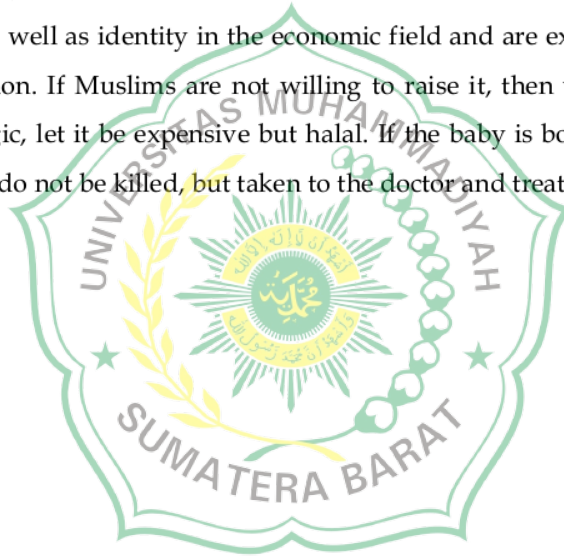
1. Cultural religiousism, "triaspolitics", solidarity, and entrepreneurial spirit of the Minangkabau community provide a very open space for IFI to develop in West Sumatra. This local wisdom is capital and at the same time can be a model of sharia economic development in the future.
2. The people of West Sumatra which are dominated by Minangkabau ethnic groups have a moral responsibility to participate in raising the



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Islamic economy with various variables as a consequence of the traditional philosophy of *adat basandi syarak, syarak basandi kitabullah*. As Muslims who believe in the truth of Islamic teachings, it is time to move from Conventional Financial Institutions to Islamic financial institutions.

3. It must be admitted, that the existence of Islamic financial institutions is indeed not yet fully sharia, there are still many weaknesses and needs improvement. More limited facilities, more expensive fees, slow service, and so on. But apart from a series of weaknesses, Islamic financial institutions are also born of ideological motives as well as identity in the economic field and are expected to be a solution. If Muslims are not willing to raise it, then who else? Simple logic, let it be expensive but halal. If the baby is born with a disability, do not be killed, but taken to the doctor and treated.



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