

## THE ROLE OF SHARIA PAWNSHOPS IN THE INCREASING MSME CAPITAL AND COMMUNITY INCOME (Study of The Takengon Branch Service Unit, Central Aceh)

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### Abstract

The development of Micro, Small and Medium Enterprises or MSMEs is growing rapidly in Indonesia, including in Takengon. This also makes business actors need capital, one of which is through a pawn system. Because Aceh has made all financial institutions sharia legal, the focus role in this case is Sharia Pawnshops. This research uses a descriptive qualitative method which refers to the product marketing strategy at Sharia Pawnshops which has succeeded in increasing customer interest through socialization, promotions and advertising. This product is an Ar-Rahn product. With the continuity of all this, this also influences the increase in community income.

**Keywords:** Sharia Pawnshops, MSMEs, community income, capital

### Abstrak

*Perkembangan Usaha Mikro Kecil dan Menengah (UMKM) sangat tumbuh pesat di Indonesia, termasuk di Takengon. Hal ini juga membuat para pelaku usaha membutuhkan modal, salah satunya melalui sistem gadai. Dikarenakan Aceh sudah mengsyariahkan seluruh Lembaga Keuangan maka yang berperan fokus dalam hal ini adalah Pegadaian Syariah. Penelitian ini menggunakan metode kualitatif deskriptif yang mengacu pada strategi pemasaran produk yang ada di Pegadaian Syariah dimana berhasil meningkatkan minat nasabah melalui sosialisasi, promosi, dan iklan. Adapun produk tersebut yaitu produk Ar-Rahn. Dengan keberlangsungan itu semua, hal ini juga ikut mempengaruhi peningkatan Pendapatan Masyarakat.*

**Kata kunci:** Pegadaian Syariah, UMKM, pendapatan masyarakat, modal

### INTRODUCTION

An era that continues to develop now makes not everyone able to meet their life needs. Sometimes people need instant cash to meet their business needs. With this problem, people can choose different alternatives. In addition, business development is increasing in the era of globalization, including competitive business competition. In this regard, the company will take various actions in the face of the fierce competition. In addition, entrepreneurs are also faced with tight business competition between entrepreneurs, both international and national, and are also faced with the rapid development of information technology.

Indonesia, which is a developing country, pays great attention to the existence of MSMEs. Because MSMEs perform well with superior labor productivity and are able to survive on the

periphery of large companies. In addition, MSMEs can support large companies, for example by providing various spare parts, raw materials, and other supporting materials. MSMEs can also be the spearhead for large companies to sell and distribute large company products to consumers. The development of MSMEs in Indonesia can be a solution to poverty alleviation. The MSME sector is the main contributor to GDP. MSMEs contributed 56.1% to 60.3% from 2010 to 2019, but experienced a drastic decline to 38.14% in 2020 due to the coronavirus pandemic that continues to increase (Ministry of Cooperatives and Small and Medium Enterprises in 2020).

The number of SMEs in Takengon city in 2016 was 948 units with a workforce absorption of 3,115 people. The number continued to increase quite well in the next two years, namely

in 2018 which had reached 1,533 units of SMEs with a workforce absorption of 4,478 people (Industry at the Cooperative Trade and Small and Medium Enterprises Office of Central Aceh district).

**Table 1**  
**MSME's Development**

NO	DESCRIPTION	2017- 2018	2019 - 2020	ASSET	OMSET
1	Micro	668	675	±Rp.2.820.000	±Rp.9.501.500
2	Small	2247	2280	±Rp.30.986.000	±Rp.92.845.600
3	Intermediate	37	40	±Rp.19.360.000	±Rp.62.976.000
<b>TOTAL</b>		<b>2952</b>	<b>2995</b>	<b>±Rp.53.166.000/thn</b>	<b>±Rp.165.323.100/thn</b>

Source : Department of Trade, Cooperatives and SMEs of Central Aceh Regency

Based on this data, it can be seen that there is a development of MSMEs in the Takengon area which is engaged in various sectors such as trade, transportation, agriculture, livestock, industry, mining, and fisheries. However, based on the data obtained, the sectors that No Description 2017-2018; 2019-2020 Asset Turnover 1 Micro 668 675 ±Rp2,820,000 ±Rp9,501,500 2 Small 2247 2280 ±Rp30,986,000 ±Rp92,845,600 3 Midle 37 40 ±Rp19,360,000 ±Rp62,976,000 Total 2952 2995 ±Rp53,166,000/yr ±Rp165,323.10 0/yr is very developed and influential is the trade sector and the industrial sector (Trade Office, Cooperatives and SMEs of Central Aceh Regency).

The Takengon government annually continues to strive to increase local revenue from various existing sectors. Every year local governments have targets that must be achieved. Central Aceh's revenue target in 2020 is Rp1,217,205,479,396. When compared to the amount of Regional Revenue in the Pure APBK for the 2019 fiscal year, there has been an increase of Rp140,616,532,039. or by 13.06%. The increase in revenue was more due to the increase in PAD, the increase in the allocation of balance funds, the increase in tax revenue sharing from the Province and the existence of incentive funds (Aceh Analysis News, an increase in regional revenue).

The development of MSMEs is inseparable from the role of financial institutions. MSME

actors in Indonesia are often constrained in marketing and financing factors. The capital obtained by MSMEs from banks with a percentage of 17.50% and 82.50% through Non-bank institutions such as venture capital, family borrowing, individual savings and loan cooperatives, and so on (Maulida, 2018).

In Islam, muamalah is a law that regulates people's actions related to their property, such as pawning, renting, buying and selling, and so on (Nurhayati&Wasilah, 2016:7). In the form of loans, Islam keeps the interests of lenders (rahin) from being harmed. Therefore, as collateral for the debt, it is permissible to ask for goods from the borrower (murtahin) as collateral for the debt. So that if the murtahin cannot pay off his debt within the agreed time, then Rahin in this case can sell; guarantee (marhun). This concept is called Rahn (Pawn) in fiqhmuamalah (Mutawaddiah, 2016: 2). Pawnshops provide financing on a transfer-of-property basis as collateral for loans, but the ownership remains with the property owner and the payment model is carried out in installments. Along with the emergence of public awareness of Sharia principles, Sharia Pawnshops emerged, which manage their activities based on Sharia principles as the rules on Rahn in the DSN-MUI Fatwa No. 25/DSNMUI/III/2002.

The pawnshop that operates in Takengon is Pegadaian Syariah. This means that Takengon Pawnshops also operate under Sharia Law, in addition to applying general principles in providing safe loan products. The application of sharia principles is in line with the concept of Qanun implemented by the local government, namely Qanun Aceh Number. 11 of 2018 concerning Sharia Financial Institutions, and has been effective since January 4, 2019. The Qanun stated that all financial institutions in Aceh must have a sharia system, either in the form of Banking Institutions (namely: Sharia Financing Banks, Sharia Business Units, and Sharia Commercial Banks) or Non-Bank Financial

Institutions (for example: Sharia Pawnshops, Sharia Insurance, Sharia Financing, Sharia Mutual Funds, Sharia Venture Capital, and Sharia Pension Funds) for a maximum of three years since the Qanun was promulgated (BNI Syariah LKS Brochure). Even Nova Iriansyah or the Governor of Aceh gave a statement that the local government together with the people of Aceh will always be committed to the growth of the Aceh economy through the implementation of the sharia economy based on the rules about the Aceh Government contained in Law Number 11 of 2006.

Of course, the loans given to customers have met the rules set by Sharia Pawnshops. The loan term can be 36, 24, 18, or 12 months. The process offered and the disbursement of funds in a relatively fast time are quite easy. Flexible term financing. Before applying for financing or business loans, customers must conduct a business analysis and verify documents. Furthermore, the assessor from the sharia pawnshop will survey the condition and place of business of the customer. Then, the amount of the loan will be approved by the micro team. Then the loan money will be received by the customer. The loan money (MarhunBih) starts from Rp. 1 million - 400 million and Pegadaian will only keep the vehicle BPKP or other collateral but customers can still use it (Sharia Pawnshop Website, Sharia Business Loan). Referring to the presentation, the formulation of an example that can be described refers to how the Role of Sharia Pawnshops on the capital of Micro, Small and Medium Enterprises (MSMEs) and affects the increase in income of the people of Takengon city.

## LITERATURE REVIEW

### Sharia Pawnshop

The word Pawnshop is called "ar-rahn" (in Arabic) which means that the borrower's property is temporarily held as collateral for the

loan lent by the customer. The pawn in banking terms is known as a guarantee (Antonio, 2017). Ar-rahn (Arabic) is interpreted as ats-tsubutwa ad-dawam, or it means "fixed" and "eternal", or "quiet" as in the sentence "maunrahin". In language, Pawn (Rahn) is interpreted as a guarantee, permanent, and fixed, while in the sense of the term is the right of dependency on a certain item is transferred as collateral according to the law and the item can be taken back after being redeemed (Nurhayati & Wasilah 2016).

The definition of Pawn is a right obtained by a person who has receivables for movable goods, where the delivery of this goods to the person who is receivable by the debtor or another person on behalf of the person who owes the goods and takes the repayment of the goods with the exception of auction fees and costs after the goods have been pawned (Article 1150 of the Civil Code). Therefore, in the legal language of Pawn (Rahn) is interpreted as a relief, collateral, and collateral (Suhendi, 2016:97).

The foundation of the sharia pawnshop has a legal basis which includes verses of the Qur'an and hadith, PSAK No.107 concerning Ijarah accounting, and MUI fatwa. As expressed, namely: Al Baqarah verse 283 :

وَإِنْ كُنْتُمْ عَلَى سَفَرٍ وَلَمْ تَجِدُوا كَاتِبًا فَرِهْنَ مَقْبُوضَةً فَإِنْ أَنِ  
بَعْضُكُمْ بَعْضًا فَلْيُؤَدِّ الَّذِي أُؤْتِمِنَ أَمَانَتَهُ وَلْيَتَّقِ اللَّهَ رَبَّهُ ۖ وَلَا تَكْتُمُوا  
غِلْهَافَةً وَمَنْ يَكْتُمْهَا فَإِنَّهُ ۖ إِنَّمَا قَلْبُهُ ۖ وَاللَّهُ بِمَا تَعْمَلُونَ عَلِيمٌ

*"If you are on the way (and do not pay in cash) and you do not get a writer, then there should be a dependent property held (by the debtor). However, if some of you believe in others, then let the trustee fulfill his commission (his debt) and let him fear Allah his Lord. And do not hide your testimony. And whoever conceals him, he is indeed a sinner of his heart; and Allah is Knowing, what you are doing."*

Shaykh Muhammad, Ali As-Sayis is based on the above verse says that when Rahn is carried out when both parties make a transaction to travel (traveler), the transaction requires witnesses and recordings.

Hadith (saying, deeds, takrir or decrees, the Prophet Muhammad (saw) narrated or narrated by the Companions to explain and determine Islamic law) A'ishah (ra) said: *"The Prophet (saw) bought food from a Jew by pawning his armor"*. (HR: Bukhari No. 1962 Kitab Al Buyu and Muslim)

Sharia Pawnshop Agreements include various types of agreements that are non-profit or non-profit in nature. Akad Tabbaru' is a transaction that does not aim to seek commercial gain, with the parties involved expected to get rewards from Allah SWT. Akad Qardhul Hasan is an interest-free loan given to help businesses, with the obligation to repay according to the loan amount without depending on profits or losses. Mudarabah involves two parties, the capital provider and the business operator, where profits are shared according to agreement and losses are borne by the capital provider. Ijarah deals with leasing, where the lessee obtains the benefits of the goods leased by the owner.

### **Micro, Small and Medium Enterprises (MSMEs)**

MSMEs (Micro, Small, and Medium Enterprises) are productive business units run independently by business entities or individuals in various economic sectors. MSMEs are differentiated based on criteria such as assets, labor, and annual turnover. According to Law No. 20/2008, micro enterprises have a maximum net worth of IDR50 million and an annual turnover of up to IDR300 million. Small businesses have a net worth of between Rp50 million and Rp500 million and an annual turnover of between Rp300 million and Rp2.5 billion. Medium-sized enterprises have a net worth of between Rp500 million and Rp10 billion and an annual turnover of between Rp2.5 billion and Rp50 billion.

### **Capital**

Own capital, namely the capital owned by the business owner, which includes grants,

donations, savings, and others. Capital itself has the advantage of no costs, for example administrative interest so that it does not burden the company and is limited in the amount of capital shortage, this means that in getting this amount is greatly influenced by the owner of the capital and the limitation of a sufficient amount.

Loan capital, or foreign capital, is capital that is often obtained from external parties of the company which is generally obtained through loans (Ridwan & Inge, 2006). This loan capital has advantages in terms of a very large amount, this means unlimited, in addition to using loan capital which generally arises from the motivation of the management to seriously really do business, obtain sources of funds from foreign capital through bank loans or loans from other financial institutions for example cooperatives, pension funds, private leasing, Bentura Capital, pawnshop companies, as well as loans from non-financial companies and other financing institutions. This loan capital has the advantage of not having a limitation on the amount where this means that the company can apply for capital from loans to many sources, which is not too difficult to obtain funds. Not a few parties continue to try to offer the funds they have to firm that are considered to have a bright outlook and insufficient loan capital, which can be subject to fees, for example, administrative fees and interest. Business capital indicators (Mankiw et al., 2013):

- a. Capital structure: own capital and loan capital  
Own capital is capital that comes from the owner of the company and is embedded in the company for an indefinite period of time. Therefore, capital itself is reviewed from the perspective of liquidity is a long-term fund with certain liquidity. Meanwhile, loan capital or capital capital comes from outside the company which is temporary working within the company, and for the 30 companies

concerned, the capital is a debt in time to be repaid.

- b. Utilization of additional capital Arrangements for capital loans from banks or other financial institutions must be done properly. Use additional capital as the original goal, which is to develop the business. Most business people fail to manage loans, because they give a larger portion to consumptive spending than productive.
- c. Obstacles in accessing external capital. Obstacles to obtaining external capital include: the difficulty of the requirements to obtain banking credit for MSMEs such as business feasibility, the existence of collateral and the length of doing business, as well as the technical requirements of the bank cannot be met.
- d. The state of the business after adding capital Of course, it is hoped that after adding capital, the business will be more developed.

### Community Income

The word "improvement" as contained in the Contemporary Indonesian Dictionary (1991: 1620) has the act of increasing efforts, methods, and processes. Economic improvement is something that must be done fully to prosper the community. Community income is personal income (individual income), which is the income that non-corporate economic businesses and households receive. Income per capita is how much revenue is measured in a unit of currency, where this can be generated by a nation or a person in a period (Paramita et al., 2018).

Community income is the receipt from remuneration or salary from businesses obtained by household business groups or individuals in a month and used to meet their daily needs. While income from a side business is an additional income where this is other income outside of the main job or activity. This side income can

directly be used 35% to increase or support the main income. Efforts to increase community income, including from the implementation of state development and the equalization of all results at various levels of society, including community economic development. Village community empowerment revolves around how to make village communities actively involved in economic development and bias in using resources responsibly and optimally. Non-physical financial assistance programs cannot directly see the results, because the process required is very long to shape the culture, attitudes, and behaviors of the community. It can start from the stage of introduction, giving examples, socialization, training, and having strength, strength and ability to increase by utilizing their potential (Tulus & Londo, 2014).

Business development according to the explanation from Parkin (2018:68) can be hindered by several factors, including:

- a. In the field of management, the dominant problem that occurs is still limited entrepreneurial ability and cannot anticipate market opportunities;
- b. In the field of labor, the prominent problems are the difficulty of paying employees according to MSEs and frequent employee changes;
- c. In the field of raw materials, the prominent problem is that the payment for merchandise or raw materials often has to be in cash, while small businesses are not all capable of it;
- d. In the field of marketing, the dominating problem is that often small businesses have difficulty in marketing products so that the business is difficult to develop;
- e. In the financial sector, the dominating problem is business capital that is not available in business development and limited access to banks.

## METHODOLOGY

This research was held at the Pawnshop Branch of the Takengon Sharia Service Unit on Jl. Leube Kader Reje Bukit, Takengon Central Aceh and this research was carried out for approximately 1 month with the Pawnshop and customers as subjects. The implementation of this research uses discussion and analysis where the data source is in the form of information in terms of services and materials (Sugiyono, 2019). In this study, 2 types of data are used, namely primary and secondary data where the data obtained through observation, interviews (Timotius, 2017), and documentation with Sharia Pawnshop customers at the research location as well as literature studies, literature and journals that are related to the research discussion. After all is completed, the next is the analysis of all the data that has been collected with 3 types of qualitative data analysis, namely Data Reduction, Data Display, and Conclusion.

## RESULTS AND DISCUSSION

Sharia pawnshops have an operating concept that emphasizes the modern administrative system, namely the principles of effectiveness, efficiency, and rationality that are adjusted to Islamic values. The operational function of Sharia Pawnshops itself is carried out by Sharia Pawnshop Branch offices/Sharia Pawn Service Units (ULGS) as an organizational unit under the guidance of the Other Business Division of Perum Pawnshops. This ULGS is an independent business unit that is structurally separate from the conventional pawn business.

Kantor PT. Pegadaian Syariah Takengon branch in Central Aceh, serves Rahn Bisnis, Arrum, Sharia Pawn, EmasKu, Amanah, MPO (BPJS contribution payment, pay TV, internet, tickets, water, electricity, telephone bills, and others), and Mulia. This PT Pegadaian Persero office provides various services related to PT

Pegadaian products. PT Pegadaian's available product services range from Sharia Pawnshops, KCA (safe fast credit) pawnshops, online pawnshops or digital pawnshop registration, gold savings, pawnshop gold price checks, pawnshop gold investments, and so on. Customers at this office can also apply for credit or money loans with a guarantee of starting from land certificates, car or motorcycle BPKB, and so on.

Based on an interview conducted with Mr. Affandi, the most in demand products are:

### 1. AR RAHN (Sharia Pawn)

Rahn is one of the pawn service products based on sharia principles by emphasizing the modern administrative system. The nominal installment given is no different from KCA/Conventional Pawn, but in the process of determining the capital lease is different. The administrative fees applied by sharia pawns are paid in advance, which is the lowest when the extension is Rp 1,000 and Rp60,000 for the maximum loan amount of Rp200,000,000. The Ijarah rate is charged per ten days of storage period, which is Rp15,000–Rp85,000 for each multiple of Rp 10,000 from the estimated collateral that is glorified/entrusted. Requirements:

- a) Bring STNK and BPKB for motor vehicles.
- b) Submit collateral.
- c) Photocopy of ID card

### 2. Ar Rum (Ar Rahn credit for micro businesses)

Ar rum is a loan with sharia principles for micro and small rulers for the sake of developing a business through a return system with installments and using car/motorcycle BPKB guarantees. The requirements are:

1. Submit motor vehicle ownership documents (purchase invoice, photocopy of STNK, original BPKB).
2. Photocopy of family card and ID card.
3. The business carried out has been running as well as you know and meets the eligibility criteria.

Of the 25 customers interviewed, 17 of them chose to use Ar-Rahn products and the rest were Ar Ruum.

Socialization is the most effective tool in maintaining and attracting customer interest. Because socialization has the purpose of conveying the image of Sharia Pawnshops in the eyes of its customers, and of course this greatly affects the interest of customers to choose financing products at Sharia Pawnshops. The socialization carried out by sharia pawnshops in its implementation is a way to support the increase in the income of people who want to obtain funds safely and quickly.

Through advertising, it can also inform people who do not know about sharia pawnshops, that in this pawnshop there are products that can be used at any time if they need funds urgently. Because advertising also makes consumers aware of several new brands, provides education for consumers to realize the benefits of brands and various features, and facilitates the formation of brands with positive values. The effectiveness of advertising is very important in order to persuade consumers to try the advertised product. Persuasion sometimes affects primary demand, i.e. stimulates demand for an entire product category. Through advertising, the public will get to know the product better and there will be a surge in profits in business through product promotion.

Sharia Pawnshops in its promotion aims to inform, encourage and persuade prospective customers to be interested in using the products marketed. Through this promotion, it is hoped

that the number of customers can increase according to the target. So that the goals and realization of the work of Sharia Pawnshops can be realized according to the company's targets that have been planned every year.

## CONCLUSION

Referring to the marketing strategy of the marketed products, it has succeeded in increasing customer interest in using products at Sharia Pawnshops, because the marketing strategy conveyed to customers has indeed proven to be true from starting to socialize, promote, and advertise.

When Sharia Pawnshops began to develop and be accepted by the community so that they could easily access various products or facilities, then with their own awareness began to move fund transactions, especially borrowing to Pegadaian.

Pawnshops can also help MSMEs such as clothing store businesses, counter businesses, kiosk trade, street vendor businesses in obtaining business capital quickly so that it can affect people's income. In addition, since the application of sharia principles in Sharia Pawnshops is a system that does not deviate from Islamic Sharia, namely: the Qur'an and the Hadith of the Prophet Muhammad SAW, which are guidelines for the system, and socialize to all people around the location of Sharia Pawnshops and people outside the location, in order to promote the existence of Sharia Pawnshops.

The role of sharia pawnshop products also plays a very important role in increasing customer income, each product in the Sharia Pawnshop is very helpful if the customer wants to increase capital to increase the business managed, and what is contained in each product does not burden the customer if they want to redeem the pawned goods.

The product that is more interested in increasing customer capital and income is the Arrahn product, because the way to get borrowed funds is only by underwriting identity and valuables, the process is only in 15 minutes of liquid funds from the storage man.

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