EMPOWERMENT MODEL FOR SMALL TRADERS IN TRADITIONAL MARKETS THROUGH THE MULTI-BENEFIT ENDORSEMENT PROGRAM (PORTAL IMAN)

Diwi Acita Irawati, Puji Astuti, Wakhid Kurniawan, Shabrina Herawati, Romi Iriandi Putra, Muhammad Yusuf Ariyadi
Universitas Muhammadiyah Karanganyar, Indonesia
Email: diwiatjitta@gmail.com

ABSTRACT
A study on the Empowerment Model of Small Traders in Traditional Markets through the Multipurpose Charity Loan Program (Iman Portal) was conducted in Karanganyar from May to September 2023. This research aims to find an effective empowerment model to alleviate traders from usury practices. A qualitative approach was employed through interviews, direct observations, social media observations, and literature studies. Traditional market locations were selected based on having more than 150 traders, and five markets were chosen: Bejen, Jungke, Nglano, Jaten, and Palur. Fifteen key informants, consisting of Market Managers, traders, officials from the Islamic Infaq Bank Karanganyar, and media reports related to Infaq bank activities throughout Indonesia, were interviewed. The research results indicate that usury practices significantly burden traders, but they have limited options for quick access to capital without complicated requirements. The presence of the Infaq Bank in eradicating usury practices has been beneficial to many businesses in Indonesia. In the Karanganyar region, the Infaq Bank, named Bank Infaq Islamic Karanganyar, has been operating for over two years. Seven study groups were formed for the empowerment of traders, with a total of 178 beneficiaries absorbing funds amounting to IDR 278,000,000. The empowerment model for small traders in traditional markets through collaboration with the Iman Portal innovation has received positive responses in five traditional markets, as evidenced by the desire of worshippers, including traders, to become permanent members of the Iman Portal study groups. This empowerment model involves four key roles: benefactors, motivators, administrators, and beneficiaries of the Iman Portal. In conclusion, this empowerment model is acceptable for implementation among the worshippers of the Islamic Infaq Bank Karanganyar and the traditional market trader community in Karanganyar.

KEYWORDS
Small Trader Empowerment, Portal Iman, Infaq Bank

E-ISSN: 2775-3727
Published by: https://greenpublisher.id/
INTRODUCTION

Small traders in traditional markets number in the thousands, even millions, across Indonesia. They are economic heroes who contribute significantly to driving the national economy. In addition to absorbing a considerable amount of workforce (Hidayati & Rachman, 2021), traditional markets serve as places for economic activities that meet daily needs for survival (Wati et al., 2019) and are also venues for community socializing (Wibowo et al., 2022). The limitations faced by small traders in traditional markets, especially in terms of access to capital, often make them reliant on loan sharks. This is due to a lack of knowledge and understanding regarding usury practices (Rahmi et al., 2021; Wati, 2019; Faturahman and Amirah, 2021) and their inability to access funds from financial institutions such as banks (Efendi et al., 2021).

The limitation of capital for almost all traders in traditional markets is a serious issue for the sustainability and development of their businesses. The dependence of most traders on usurious funders applying high interest rates of up to 30 - 50%, which has been ongoing for decades, poses a significant challenge. The usurious loan scheme makes it difficult for traders to expand their businesses because the income they generate is often absorbed in repaying interest. As an example, in a case where they borrow capital worth IDR 600,000, they have to repay IDR 30,000 every day for 30 days. This means that a profit of IDR 300,000 cannot be utilized to meet their family's needs, let alone expand their business. This situation forces them to go into debt again to sustain their business, continue their lives, and, in some cases, to cover previous debts. Some traders claim to have been using usurious lenders' services for up to 15 years (Wijaya & Radianto, 2016). This condition not only negatively impacts the welfare of traders but also leads to persistent poverty issues that are difficult to overcome and may potentially increase unemployment if traders can no longer continue their businesses.

The nominal value of 30 - 50%, as in the case above, is approximately IDR 180,000.00 - IDR 300,000.00 per person per month, a significant amount that should be utilized for their well-being, such as paying health insurance, saving for old age, and developing their businesses. Research is needed to formulate an empowerment model for these communities to enable them to avoid the pitfalls of usury.

RESEARCH METHOD

The qualitative approach was employed in this research to address several research questions, namely: 1) Why is this empowerment model for traders called Iman Portal?; 2) What activities are carried out in the empowerment process of small traders in traditional markets?; and 3) How can Iman Portal empower small traders in traditional markets? This research involved key informants from the Management of the Islamic Infaq Bank Karanganyar, program volunteers,
donation-giving partners, and members of business capital rotation groups. Data collection was conducted through interviews, participatory observations, documentation, and literature studies. The obtained data were qualitatively analyzed using the Miles and Huberman model, involving data reduction, data presentation, and drawing conclusions or verification.

RESULT AND DISCUSSION

A. Definition and Philosophy of the "Iman Portal" Brand

Branding has a strong relationship with the success of a service or product (Ahmad & Rahayu, 2018). Branding plays a crucial role in influencing public decision-making as it represents the values and quality of a product or organization. The identity of a brand or organization becomes attached to its brand position. The stronger the brand identity, the higher the likelihood that consumers will choose that product (Katherin, 2021).

Pandiangan et al., (2021) state that brand image is the perception and beliefs held by consumers, reflected in associations embedded in the customer's memory, always remembered first when hearing a slogan, and ingrained in their minds. The brand "Iman Portal" is derived from the abbreviation of the main activity in this community empowerment model, which is the multi-benefit charity loan program, a social program providing healthier capital access alternatives to small traders in traditional markets. "Iman Portal" becomes the brand for a community empowerment model, enabling small traders in traditional markets to initiate social activities to improve their own situations and conditions, avoiding usury practices, and building healthier and more blessed transactions.

This is in line with Mardikanto, (2011) assertion that community empowerment is any effort to enable individuals or groups in society to improve their quality of life, in this case, avoiding usury practices that hinder their businesses. The term "Portal" here is an abbreviation for the phrase "Program Talangan," a problem-solving model for financial issues using the concept of doing good and mutual assistance with the principle of "please use it first." It signifies the provision of a sum of money to be given to those in need for use and then returned in an agreed-upon manner without any additional burden. Physically, a portal is a specially constructed building with a unique appearance marking the end of one area and the entry into a new one. Therefore, the meaning of "portal" in this program is a symbol or sign to initiate a commitment to change for the better for oneself, family, group, institution, community, and the nation, primarily to distance oneself from usury.

The choice of the brand name, logo, tagline, and distinctive colors used in the instruments of Iman Portal fulfills several elements that will impact the success of this service product, namely: 1) Brand Identity; 2) Brand Personality; 3) Brand Association; 4) Brand Attitude and Behavior; and 5) Brand Benefit and Competence (Kotler & Keller, 2012). The Iman Portal model was developed by a private university organized by a well-established association that has been in existence for decades, namely Universitas Muhammadiyah Karanganyar.

The brand "Muhammadiyah" already has its own strength in society, especially in the fields of education, health, and empowerment. This is sufficient to meet
the five elements that, according to Kotler and Keller (2012), influence the success of the Iman Portal model.

B. Iman Portal Activities

The dependency of small traders in traditional markets on usurious financing practices, known as loan sharks, has been widely studied (Sakur, 2019; Fathurrahman and Amirah, 2021; Sudarto, 2021; (Tritennina & Pratama, 2021); Anwar, 2021). Findings from various studies on the factors that make it difficult for small traders in traditional markets to avoid loan sharks include: 1) relatively small capital needs ranging from IDR 50,000 to IDR 1,000,000; 2) urgent needs; 3) ease of access based on mutual trust; 4) proximity and availability whenever they need it; 5) ease of repayment without leaving home; 6) services for disbursement and deposit delivery; and 7) no use of complicated administration.

The factor of ease is key in usurious practices, so users are unaware of the negative impacts they will face. According to (Tritennina & Pratama, 2021), the undisclosed high interest rates, covered by the ease of borrowing, make service users interested in borrowing from loan sharks not just once but several times. Fathurrahman and Amirah (2021) found that service users' interest in loan sharks is positively and significantly influenced by the convenience of service and vigorous promotion. However, as knowledge and understanding of religion increase, traders' interest in loan sharks decreases. Based on these studies, an examination of the activities carried out by Iman Portal suggests that these activities can help distance small traders in traditional markets from usurious practices.

The core activities developed in the Empowerment Model for Small Traders in Traditional Markets through Iman Portal include: 1) volunteer management; 2) fundraising; and 3) mentoring for members of the Iman Portal study groups. Volunteer management activities begin with recruitment, selection, determination of prospective volunteers, training, re-commitment, and placement. The aim is to select volunteers who will serve as facilitators between small traders in traditional markets, beneficiaries, and the Iman Portal Management Team at Universitas Muhammadiyah Karanganyar.

The well-selected volunteers, possessing skills and abilities as program facilitators, will fulfill the factors of comfort, ease, and administrative service motivation for traders using loan shark services (Sakur, 2019; Fathurrahman and Amirah, 2021; Sudarto, 2021; (Tritennina & Pratama, 2021); Anwar, 2021; Firawati, 2020). The criteria for volunteers, including spiritual competencies such as a good level of knowledge and understanding of religion, will encourage an increase in the knowledge and understanding of religion among traders using loan shark services, giving them the strength to avoid usury practices, in line with the findings of Fathurrahman and Amirah (2021).

Iman Portal volunteers are open specifically to active students and alumni of Universitas Muhammadiyah Karanganyar. Students and alumni from other universities can apply to become Iman Portal volunteers if their alma mater has a memorandum of understanding (MoU) with UMUKA Solo. The eligibility criteria for potential volunteers are determined by the Iman Portal Management after obtaining approval from the Head of the Research and Community Service Institute (LPPM)
UMUKA Solo. Fundraising becomes the second activity carried out as a routine agenda in implementing the Iman Portal Model in society. Charity donations become the main source of funds used to provide advances for Iman Portal members in need.

This activity is understood as a necessity in every empowerment institution with a spiritual and religious orientation, including the Iman Portal model. According to Nasution et al., (2018), charity is one of the religious institutions for social fund income, not bound by quantity or time.

1. Iman Portal Benefactors

A benefactor is an individual, either personally or on behalf of a group, who willingly and sincerely allocates their wealth to be donated to Iman Portal. The form of their kindness can be in the form of donated goods or funds, whether on a regular or incidental basis. Benefactors who are committed to regularly contributing their charity will be recognized as Permanent Benefactors of Iman Portal and are entitled to a membership card that can function as e-money for virtual payment tools. A Permanent Benefactor of Iman Portal is one who commits to channeling their charitable funds continuously for a minimum of 1 year. To facilitate charitable contributions, Permanent Benefactors of Iman Portal receive the Iman Portal Box that can be placed on their work desk. This box is equipped with a clock as a time marker, a pen holder, tissue holder, an offering box with QRIS facilities, and a versatile box.

2. Iman Portal Managers

Iman Portal Managers are lecturers, students, or UMUKA alumni who, through an official decree from the Rector, are appointed as Iman Portal Managers and hold positions as Heads of units under LPPM Umuka and Coordinators of various fields. The management unit has the main task and function of managing and developing Iman Portal as one of the media for the Independent Learning and Independent Campus programs at UMUKA.

3. Iman Portal Drivers

Iman Portal Drivers are volunteers consisting of students and alumni from UMUKA whose task is to assist the Management Team in conducting surveys and observations in traditional market areas, mapping locations, establishing collaborations with the nearest mosques to the markets in that area, initiating the formation of Iman Portal Study Groups (KPPI), and raising funds as a source for advances to distance themselves from usury practices. The formation of study groups is marked by agreeing on a name: the group uses the phrase "Iman Portal Study ... (followed by the chosen name of the congregation, which could be a place name or any other agreed-upon name) and the regular day of the study. Informing the standard agenda sequence in the study, which includes: 1. Opening 2. Tadarus (Al Baqarah – An Nas), with a minimum of 1 page per study 3. Reading the meaning of the recited surah 4. Main Discussion 5. General content related to Iman Portal and empowerment programs 6. Closing. Then, they conduct member data collection to be included in the Iman Portal Management Information System (SIMPI), which includes: 1. Name 6. Status 2. Address 7. Number of dependents 3. Education 8. Spouse's occupation 4. Occupation 9. Experience related to usury practices 5. Religion 10. Other required data and information. Volunteers form a mentoring team, with a minimum of 3 and a maximum of 5 members, to support study groups.
according to the team’s capabilities in forming the groups they will mentor. Each team creates a special and unique name for their team and receives 1 account in the Iman Portal SIM for group mentoring.

4. Iman Portal Beneficiaries

Iman Portal beneficiaries are divided into two categories: 1) primary beneficiaries called "Infaq Friends" or "Iman Portal Friends," and 2) regular beneficiaries called "Iman Portal Partners." Infaq Friends or Iman Portal Friends are members of Iman Portal study groups who meet the criteria to receive the infaq advance, the amount of which is determined by the Management upon the recommendation of the Volunteer Mentoring Team. Iman Portal Partners are members of Iman Portal study groups who do not receive infaq advances but actively participate in other multi-benefit programs developed by Iman Portal Management, such as mutual assistance contributions, holiday savings, old-age savings, pilgrimage savings, and others.

**CONCLUSION**

The Portal Iman model has enough strength and opportunity to be successfully applied as an effort to increase the empowerment of small traders in traditional markets seen from the branding of programs, systems, activities as well as patterns of integration and collaboration that will be formed in its implementation.
REFERENCES


