THE EMPOWERMENT OF ISLAMIC COOPERATION IN POVERTY REDUCTION IN INDONESIA

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Abstract

Talking about poverty is never-ending, because poverty did not go to the completion of the skinning community. Poverty is a disease that bite people thinking of the community in terms of power, way of life and will even be a bottomless do anything to get out of poverty. Indonesian as a country that has a community with a strong national identity, it should not come to fall to the things that will bring in contemplation. The government must be intervene in maintaining national identity since eroded grinding poverty, economic transactions are increasingly siding with the bourgeoisie. Through empowerment Islamic patterns for the general public seems to be a necessity. Through cooperatives as one of the institutions that are rooted in the community seem to be easily absorbed by the public. Especially in the era of globalization that has sunk this nation's economic order to make the national identity civilized taawun society and work together in achieving a common goal; social welfare is a right for the people of this nation become faded.

Keywords: Poverty, Sharia Cooperative, the Government.

A. Introduction

The era of globalization has become a dilemma for the nation's economic order. The movement of goods, capital and money freely causing imbalances for Indonesian national economic system. The Various of controversies have sprouted from various groups. There are pros and cons. Understanding the pros of globalization considers that this era is the era of gold in order to expand the business of an increasingly global economy. But for the counter and could not do anything, such as Indonesia globalization will only
sink the economic system that has not been fully established.¹ people who have a business with lower economic capital are one of the victims. They lost competitiveness due to the limitations of the technology and market share. This will have a significant impact to the legacy of poverty which is increasingly becoming mandatory for this nation's future.

The poverty problem is the suffering of the people that has become a classic issue that must be faced by the nation. Are complex and multidimensional spread to the whole society and the majority are poor people living in rural areas. The BPS Data mentions that poverty in 2011 of the number of poor people reached 60 million people (12, 63% of the total 220 total population). In 2012 the population of Indonesia climbed to 240 million, while the poverty discourse only forecast to fall by 1%, of the total population. Although according to the BPS 2015 poverty line was about 11, 13%, and as of March 2016 the number of poor people (the population with per capita per month is below poverty line) in Indonesia reached 28.01 million votes (10.86 percent), reduced by 0.50 million compared with September 2015 conditions that amounted 28.51 million (11.13 percent) and poor people are about 50% self-contained in the countryside.²

If explored deeper, the complex problems that cause poverty in Indonesia society stems are from powerlessness and inability of the state to fulfill the basic rights of the

¹ There are two views of the globalization era, which is between the pros and cons of globalization. where the pro view that globalization is the beginning of a borderless world that no limits both between countries and continents in economic transactions. precisely the era of globalization is very profitable because with the free market the widest possible opening business opportunities. The distribution of the goods of economic development that is proportional. Outlook express counter globalization will only destructive to the economy. For consider the unpreparedness of human resources and the lack of technology and market share competition is too broad

people. Such as food, health, education, employment and business development opportunities or opportunities. Plus the difference in treatment which tends to support the government's economic system conglomeration cause imbalances in the economy.

The inequality, characterized by globalization, instead of government policies that benefit one party only; the capital. One small example recently, is skyrocketing world oil prices, eventually making the government plans to raise the price of fuel oil (BBM), which eventually became the only cause distress and suffering of the people. Food prices be doubled, the sales price of agricultural products plummeted, income becomes shrinkage due to the many costs to be incurred as a result of the high cost of transport and unloading. One of the proof of inequality.

A good moment and an opportunity for Indonesia to add the state treasury which ultimately will be delegated to the payment of foreign debt that is increasing. In addition, the government also considers that the increase will have a positive impact on the welfare of the community. Namely in the form of direct cash assistance to be provided to the public.\(^3\)

It’s a harsh reality that the policy of raising the fuel for the people hasn’t finished yet and will never be achieved well. Subsidies were never accepted by the people as a whole, the division is not evenly, as well as granting the subsidy is not worth the expense for fuel on a daily basis. Here are two real footage experienced by today's small communities. Then who should bears responsibility in poor condition and fluctuating fuel this? The inability of society in the face of rising fuel is originated from a poor background. Poverty is a disease that must be overcome so that people do not suffer, so that people can afford to buy

\(^3\) [Www. Kerugian kenaikan BBM untuk masyarakat.com, downloaded in 01 juni 2012.](#)
fuel whose price has skyrocketed. Poverty reduction efforts should not be separated from the creation of economic stability, expansion of employment opportunities, and improve household incomes.

In connection with the increasing in employment, the creation of economic stability and improvement of people's income, directly or indirectly, by looking at the characteristics of the people of Indonesia, the geographical location and cultural community of Indonesia, Indonesia needs a concept of an economic system that is able to embrace people of different social status and to answer questions due to economic inequalities experienced by the community during this time. so that, the presence of cooperative with the system and the concept of mutual cooperation, kinship, could be a solution in addressing economic disparities that spawn poverty.4

In addition, the cooperative by promoting micro, small and medium enterprises have a huge potential and strategic in order to reduce poverty, given the growth and the active exercise of the real sector can add value to society, namely through the creation of jobs and rising incomes. This is showing that the cooperatives to be balancing between equity and employment.

In this era of globalization, the Cooperative is a reliable asset worth as a role for the local economy in rural, urban and even underdeveloped areas, therefore, the economic empowerment of cooperatives is something that should be implemented as a liberator of poverty and powerlessness of the community. which became concerned about is, the existence of cooperatives are not taken into consideration. The government still favors close eyes and defense of the economic conglomerate. Cooperatives, in existence still displaced and lacking a touch. Development become brittle,

further and further away from the ideals "became a cornerstone of the nation's economy" and oscillate in the globalization process that eventually dragged the country's economic system in the framework of conventional economics, cooperative became capitalism oriented and conventional business unit.\(^5\)

By doing so, alleviate the economic order that capitalism is the worship that should be immediately addressed. suffering of People from poverty must be eradicated. Indonesia in the structure of the economy should be back on the characteristics of a virtuous society, promoting social solidarity, exalting honesty, promoting fairness in economic equality. through the Cooperative based on Sharia, the author presents a strategy to eradicate poverty and restore the characteristics of people who had buried capitalism and economic business conventionalism.

B. Theoretical approach

1. The history of Cooperative

Cooperative is an organization that formed the basis of kinship, where the ownership of the joint efforts of its members, there is no difference in the rights, inequality effort, all running on a common interest. For the welfare of its members. As well as siding with the economic empowerment of the people.\(^6\)

Where the principles summarized in (1) Membership is voluntary, (2) Management of democratic, (3) Participation in full and is of mutual cooperation in the sustainability of economic enterprises, (4) Respect for the freedom and


\(^6\) Dzulkarnain, Membangun *Ekonomi Rakyat* (Yogyakarta: Adicita Karya Nusa 2003), h. 67.
autonomy, and (5) Always try to do innovation and development education and training.\(^7\)

In Indonesia, the cooperative form has been since the 20th century ago, where the movement initiated by Bung Hatta, who is now more often referred to as the father of Indonesian cooperatives. At that time, the cooperative grew from among the people, while the suffering in the economic and social field generated by capitalism increasing system. Some people whose livelihoods are simple with limited economic capacity, driven by the suffering and economic burden equally, spontaneously unite to help themselves and their fellow man.

Alive Thus, the colonial constantly intimidate the indigenous population so that the condition of most of the people is very poor. In addition, the loan sharks, moneylenders also helped worsen the situation. They race to earn big profits and farmers who are facing hardship, not infrequently forced to relinquish his land with respect to their inability to return the debt that may swell due to compound interest system that applied.

Cooperative as an economic system, has a position (political) that is quite strong because it has a handle constitutional, namely adhering to the Article 33 of the 1945 Constitution, particularly Article 1 which states that the economy is structured as a joint venture based on family principles. In 1945 the Company said that build businesses that best matches the principle of family was cooperative.

As was said by President Hata, Cooperative is a local institution that fits perfectly in Indonesia because of the

\[7\text{www. Sejarah Koperasi. Blogspot.com, downloaded in 10 juni 2012. The cooperative principles adopted in the very appropriate for the economic order of the nation, because the principle of mutual cooperation indicate happiness and economic prosperity does not belong to one party, but belongs to all, the happiness and prosperity should be shared. further said by Plato, that is the purpose of our reconstruction of the country is the highest happiness for all, the highest welfare is welfare for all, instead of happiness and prosperity belong to one class only.}\]
characteristics and culture that embraces mutual assistance and kinship systems. At first, in Indonesia Cooperative began to be introduced to the public through the hands R. Aria Wiriatmadja in Purwokerto, Central Java in 1896. He established credit unions with the aim to help people heavily in debt with loan sharks. The cooperative then grew rapidly and eventually imitated by Boedi Utomo and SDI. In 1942 Japan occupied Indonesia. Japan and establish cooperative kumiya. Initially the cooperative is running smoothly. But its function changed drastically and become a tool of Japan to make profits, and misery to the people. After Indonesian independence, on July 12, 1947, the cooperative movement in Indonesia held the first Cooperative Congress in Tasikmalaya. The day is then designated as the Day of Cooperatives Indonesia.

2. Sharia Cooperative

All this time, the existence of cooperative still displaced and lacking a touch. For 20 years, since the enactment of Law No. 25 of 1992 concerning Cooperatives, has so far not reveal positive effects in the presence of cooperatives as a container lift the economy. In a way, the cooperative grows and develops in quantity, but until now have not been able to become a strong national economic fundamentals.\(^8\)

Efforts by the government is good. Lifting koeperasi by replacing Law No. 12 of 1967 to the Constitution No. 25 of 1992, which essentially seeks to align cooperation with other enterprises in order to grow and compete as a unit and enterprises that have a broader scope. However, the cooperative until now there has been a move away from its previous state. Cooperative is growing and developing in all walks of life, but its development is still fragile. This indicates the need for professional management and structural organization qualified as a consequence of the cooperative progress in achieving its goals as "the pillar of the national

\(^8\)Dzulkarnain, *Membangun Ekonomi Rakyat...,* h. 68.
economy" were able to relieve the suffering of the people's economy.

Leaving conventional patterns are applied during this time was one of the first steps of the management and replace them with patterns of sharia, with the planting of a strong value. During this time, Indonesian cooperatives should not be oriented to the conventional business unit, which ultimately sank the cooperative economic paradigms in the realm of conglomerate. However, a rare touch of the government has set up a cooperative giddy and did not walk according to the principle that emphasizes the characteristics of the nation. In fact, the best knowledge that conventional patterns have led a business unit with its own system, namely the lack of transparency of the capital, as well as the courage of exploitation. This is evident in aspects of cooperative capital during this time, which is not the realization of a special fund aimed at helping the cooperative capital. As a safety measure the use of funds Social Network (SSN), alokasna SOE profits and bank credit should be allocated to build a strong cooperative always marked by irregularities, even cooperative just got the news their bad debts and fund a standstill.9

The values of the economic system that is based on sharia felt able to restore the cooperative on purpose Awalanya. Where the values of sharia in accordance with the characteristics of the Indonesian nation, namely (1) Religiosity, which the Indonesian people adhere to religious teachings. (2) To be honest where the behavior of a society based on efforts to make itself as a trustworthy person in the words, actions and work. (3) tolerance, (4) Working Hard (5) Independent (6) Prioritize social solidarity and (7) Responsibility high social responsibility. However, these

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values have been slowly sinking due to the system economy that emphasizes individualism.  

With shari'a cooperative as the nation's economic fundamentals, the values of this nation will remain intact, caring, mutual cooperation, will accompany perjalana taawun cooperative and save the future of the nation's economy that emphasizes individualism. The little people will lift the economy, poverty will gradually be reduced, employment slowly began to open. Unemployment will soon terberantas. HR conventional controls during the trip the cooperative will be shifted to the SDM, which is based on Sharia values; honesty, caring, promoting solidarity social.

3. Poverty

Poverty is a condition ketidakmampuan to meet the standard of living of average people in an area. The condition is characterized by the inability of the low ability of income to meet basic needs in the form of food, clothing, and board. The ability of low income will also have an impact reducing the ability to meet the standards of an average life as a public health standards and educational standards. 

Conditions of the poor people can be known based on the ability of income to meet living standards. In principle, the standard of living in a society not merely insufficient need for food, but also inadequate health and education needs.

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10 Adi Fauzi Fadillah, Karakteristik Bangsa Indonesia"Online". Downloaded in 12 Juni 2012. Besides actual Religious Values, caring, mutual assistance, give priority to social solidarity, hard work can squeeze more rational mastery of the world and its transformation, in which such authorization can bring a change in attitude and have an immediate impact on the material world (economy). From the worship of God and guarantee human safety, human beings are invited to create a new economic system that is based on the achievement gains rational and running in a straight order.

Residence or adequate housing is one of the standard of living or standard of welfare of people in an area. Under these circumstances, a society called poor if it has a much lower income than the average income, so that not many have the opportunity to prosper.

Definition of poverty which is currently used as a study popular development is poverty that is often found in developing countries and countries of the world ketiga. Persoalan poverty in these countries is not just a form of incapacity earnings, but has spread in the form of powerlessness in sosialmaupun political. Poverty was also considered a form of construction problems that caused their negative impact on economic growth is not balanced so as to widen the income gap between the community and the income gap between regions (inter region income gap) study the current development is not only focused its study on the factors that cause poverty, but also began mengindointifikasikan all aspects that can make the poor.

C. Methodology

The paper was written using this kind of research of library research, in which the problems described by based on the data contained in the literature or documents. Then analyzed further to be concluded. Data were analyzed using descriptive qualitative method.

D. Results and discussion Of The Research

1. The role of Islamic Cooperation in the Era of Globalization.

a. Era of Globalization and Poverty Alleviation

Economic globalization is nothing more than liberal economic currents which according Mubyarto containing learning about the understanding of Western neoclassical economics is more suitable to grow the economy (the doctrine of efficiency), but not suitable for realizing
equalization (fairness doctrine). Experience shows that the economic crisis that hit Indonesia in 1997 was the result of a massive influx of "globalization" which has shatters aspects of life including the nation's moral resistance.

Moreover, as a result of economic globalization that brought national economic order toward detainees modern economy has spawned the plight of actors who are always depressed by the modern economic system. However, the remnants of the failure of capitalism and socialism is so lasting and thickens in the nation's economic system. As the evidences, starts from (1) the government to spur economic growth through large scale industrial sector that gave birth propped conglomerate debt. (2) Limitation of business and economic operators, including small capital in the cooperative in all aspects of economic activity and creating a climate of partnership that is not healthy and is not transparent, and menenpatkan small businesses in the sector, as this part of small cooperatives in economic activity. (3) The improvement of government is not perfect in cooperatives and other small business units, government only memebri lure alone, such as direct cash aid capital, which ultimately fell only once and permanently stagnates.

The failure has an impact on the community with a small capital. They can not do anything with the government support is very minimal. However, globalization has been shut off to their market share, their ignorance memanfataakan to technological developments, difficult access to capital, lack of autonomy in economic enterprises as well as the oppressed people due to low human, ketidakbisaan in communication. In the end, they were knocked out of the economic activity. Pemerintahpun more attention leans towards large scale economic sector for the sake of memanfatakan moment of globalization in the economic

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recovery. whereas, in fact, the population of Indonesia is made up of a small community, a background of farmers, fishermen, traders with limited market scale where the community is the pillar of this nation's economy.

If the government is still not aware of the pillars of the economy of this nation, and fixed forward and mengaggap economy by industrialization in large scale, which will happen, the nation's economy will be paralyzed, poverty will dominate. People will be delayed. Economic globalization will be playing this nation arbitrarily, without being able to be utilized at all.


Building a system of market economy with social justice is not enough to fully surrender to the market. But also not a wise action relying corrective efforts against helplessness market, answering the question of injustice market completely to the government. Clearly aware that the government is more inclined towards the economic pembelaanya conglomerate.

Sharia-based business unit, has proved the existence of his travels during the economic crisis that has menggelamkan conventional economic clans such as the socialists, capitalist economy and the economic conglomerate that prioritizes high consumerism, production and exploitation of large-scale and high profitability. Sharia-based business units prioritize equity markets, income distribution, and the distribution of market share and the absence of exploitation and based on honesty.

The values in Islamic business units is exactly what must now be owned cooperative in the era of globalization. Because, the pace of globalization can not simply be stopped. The pace of globalization must be balanced. One of them
with the empowerment of cooperatives sharia. Where the value embodied in sharia cooperatives are in line with the identity of Indonesia is predominantly Muslim, uphold mutual cooperation.\textsuperscript{13} In addition, the pace of globalization is counterbalanced glocalization.\textsuperscript{14} Where, through their cooperation cooperatives by economic activity, glocalization will materialize. With so society with an economy class menngah down will return in confidence in the course of their economic activities, people will not be threatened in carrying out economic activities in the era of globalization. Indonesia will return to the national economic order that is based on honesty, fairness, caring and national identity is maintained. The people's economy would be lifted. Poverty will gradually shrink, the government will be aware of the economic potential of people who actually became a pillar of the national economy. Indonesia and prosperity will be created equally.

So that, the empowerment of cooperatives sharia can through the following instruments:

2. Education

As heralded during this time, that education is the root of all penenaman values, morals and character formation of the nation. Therefore, by way of education is a right step is to instill through the provision of material that make them aware of sincerity, self-reliance, concern in the economy. So that will be printed SDM cooperative that is based on sharia, and

\textsuperscript{13} Heri Sudarsono, \textit{Konsep Ekonomi Syariah: Suatu Pengantar}. (Jogjakarta: Ekonosia 2004).

\textsuperscript{14} Glocalization is the opposite of globalization, where glocalization is the scope of the economic order in the local scope, empowerment of local market share, local resources, and take advantage of all aspects of the locality. In this case, indicates that each region or regions have the potential in doing and expanding market share, improve the business unit economics, so even with the cooperative as part of an economic order that is defending the little people or deemed minor should be empowered appropriate local potential, boost confidence cooperative.
intellect are cautious and defend the nation and the people with sincerity.

3. Role of Public Institutions

In the middle of the Indonesian community there are several types of institutions that play a role in the groove changes in social and religious life. Among them are institutions such as boarding schools, and the government cannot give its own stimulus that can be accepted by the public. As part of the religion of Islam, the concept of sharia was close cooperative relationship with the institution.

Through them, in a cooperative concept of sharia will be easily understood and accepted by society.

4. Role of Institutions

The role of the institution in this case a formal cooperative institutions can act as a facilitator or supervisor and giving stimulus to its members in the inaugural empowerment of cooperatives sharia. Through the agency, it can apply the management and concepts based on Sharia will be easily accepted accustomed.

The role of instrument of education, the role of public institutions, the role of the institution will not be realized without a facilitator that bridges in cooperative activities in real terms in order to contact directly to each individual and not as impressed as ceremonial. The activities are appropriate and are suitable as a facilitator include:

5. Recitation of Islamic Cooperation

Become mandatory for mothers or fathers in the villages and including members of the cooperative to hold lectures on a regular basis, either weekly or at least one month. In addition to reading the Koran praises and tahilalan will be filled with lectures by (usually the leader of the assembly). Through these lectures the concept of sharia economy in general and the cooperative that is based on sharia with the concept and management as well as the values of noble began to be introduced, particularly from the standpoint of
jurisprudence. At this stage, a speaker can talk about the empowerment of cooperatives sharia becomes imperative for the major project as a form of economic practice that most lawful and defend the people, even in business practices that can achieve baraka (blessed) value obtained.

6. *Arisan* in Islamic Cooperative

One of the activities in an institution or society which must be observed in syariah-based empowerment of cooperatives is a social gathering, the routine also be held amid public institutions and rural and urban areas. As in the study, at any social gathering will be a core event in the form of these spiritual splash. In these spiritual splash of water can be utilized to explain the basics of sharia law in a variety of economic transactions.

One of the added value of this gathering activity is an economic concept that is built, where everyone will accept the results of the above giliranya social gathering. In addition to establish a relationship, gathering have socio-economic attractiveness enough to invite public participation. By doing so, the cooperative will be more to the people.

7. Saving and Credit in Islamic Cooperative.

Once the awareness of the importance of cooperatives in empowering affirmation of sharia as a driving wheel and the defender of the nation's economy-economist marginalized underclass-the people, the cooperative began to strengthen the empowerment of the real sector that can actually be felt by the community. namely through Shariah-based savings and loan. Where the concept of savings and loans in the conduct of awareness on transaction revenue sharing based on sharia and away from riba-based transactions. By doing so, the deposits in cooperatives would be useful as a round of venture capital that will create new businesses that can create jobs and alleviate unemployment. Average loan money is in a position to be a blessing because it does not contain elements of usury.
After the empowerment of cooperatives shariah can be run either through the intermediary roles of educational institutions that will shape the character with cooperative values based on sharia, as well as cooperative institutions secra intern will be able to cultivate the life of the cooperative, which is based on sharia, namely the values of sincerity, solidarity, fairness and caring. So that imbalances of economic globalization are felt to be the bottleneck during this time they will fade away by itself. And economic activities are oriented to individualism and capitalism will be replaced with economic activity through cooperative sharia able to turn the small and medium enterprises deemed to have potential strength in lifting the lives of communities in Indonesia and able to defend themselves from ombang blindly globalization. And welfare will be realized.

That is, the cooperative sharia in Indonesia is very worthy to be empowered to be the center of the nation's economy. Therefore, the government's attention and touch very rarely have to start to change. Attention and confidence in the cooperative should be prioritized. The ideals of the cooperative as the pillars nation's economy nationwide to be realized, the people freed from the pain of poverty, confusion from rising fuel and food resources more, worried about globalization, shook and tossed the national economy, injustice, and create Indonesia as powerful country with independent community and is based on the values of sharia. Indonesian people aware that welfare is not merely a dream.

E. Conclusion

Indonesia as a country that has a community with a strong national identity, empowering Islamic patterns for the general public seems to be a necessity. Through cooperatives as one of the institutions that took root in the community seem to be easily absorbed by the public. Especially in the era of globalization that has sunk this nation's economic order
to make the national identity civilized society taawun and shoulders together in achieving a common goal; social welfare is a right for the people of this nation become faded.

Sharia cooperative through the principle of mutual assistance, give priority to social solidarity, defend the marginalized are based on honesty, sincerity, justice and concern in economic activity is a necessity to apply to be the center of this nation's economic order. It is known, globalization has tossed the Indonesian economy, with more priority to industrialization and massive exploitation, fight each other to become the market leader with no care for the common people oppress the economy with capital resources are limited in order to get business opportunities widest, yet again during this, the government leans more attention to the economic system of the conglomerate on the pretext of saving the national economy and expand market share. However, precisely that happens is, the capitalist economic growth that emphasizes egoism and individualism which ultimately deadly national identity.

Thus, the presence of sharia cooperative in the community is very precise. Where sharia cooperatives more emphasis on the principles that have been contained and more priority to the defense of the poor, the noble intent to raise the nation's economy through the murder of people's poverty. Is an act of true, because the people's economy is the economic pillar of the state. In this regard, Indonesia implement a cooperative system of sharia as the national economic order is the right path, in addition compensate also for the establishment Indonesia globalization in the economy. That would create Indonesia with a fair economic system, mutual care and prioritizing social solidarity, without forgetting the slogan "Kesejahteraan Indonesia adalah Kesejahteraan Kita Semua" (Indonesian Welfare is a welfare for all of us).
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