

ICETLAWBE 2020

Proceedings of The International Conference on Environmental
and Technology of Law, Business and Education on Post Covid 19

Bandar Lampung, Indonesia

26 September 2020

EDITORS

Tulus Suryanto

Hamzah Hamzah

Samsudin Wahab

Yulia Chernysheva

Ali Juhary

Jie Ferry



Proceedings of The International Conference on Environmental and Technology of Law, Business and Education on Post Covid 19

26 September 2020, Faculty of Law, University of Lampung, Bandar Lampung, Indonesia

ICETLAWBE 2020

General Chairman

Prof. Dr. Tulus Suryanto, Universitas Islam Negeri Raden Intan Lampung, INDONESIA

Chairman I

Dr. Hamzah, S.H., M.H, Faculty of Law, University of Lampung, INDONESIA

Chairman 2

Dr. Ts. Samsudin Wahab, Universiti Teknologi MARA Caw Pulau Pinang, MALAYSIA

Technical Programme Chair

Yulia Chernysheva, Department of Civil Law, Rostov State University of Economics, Russian Federation

Ali Juhary, Asia e University, Malaysia

Ferry Jie, School of Business and Law, Edith Cowan University, Australia

Conference Organization

Organizing Committee

General Chair

Prof. Dr. Tulus Suryanto, Universitas Islam Negeri Raden Intan Lampung, INDONESIA

General Co-Chairs

Dr. Hamzah, S.H., M.H, Faculty of Law, University of Lampung, INDONESIA

Dr. Ts. Samsudin Wahab, Universiti Teknologi MARA Caw Pulau Pinang, MALAYSIA

Scientific Committee

Dr. Hamzah, SH, MH, Faculty of Law, University of Lampung, Indonesia.

Prof. Dr. I Gede AB Wiranata, S.H., M.H., Vice Dean Faculty of Law University of Lampung, Indonesia.

Prof. Dr. Muhammad Kashif, GIFT University, Pakistan

Prof . Dr. Tulus Suryanto, UIN Raden Intan Lampung, Indonesia .

Prof. Dr. Yu. G. Chernysheva, Rostov State University of Economics (RINH), Rostov-on-Don, Russia,

Prof. Dr. Retno Saraswati SH, M.Hum, Dean Faculty of Law, Universitas Diponegoro, Semarang, Indonesia.

Prof. Dr. Kholis Roisah , S.H.,M.Hum, Faculty of Law, Universitas Diponegoro Semarang, Indonesia .

Prof. Dr. Pujiono, SH, M.Hum, Faculty of Law, Universitas Diponegoro, Semarang, Indonesia.

Dr. Tri Laksmi Indreswari, S.H., M.H., Faculty of Law, Universitas Diponegoro, Semarang, Indonesia.

Assoc. Prof. Ismail Suardi Wekke, PhD, IAIN Sorong , Indonesia

Prof. Dr. Fatih Yardimcioglu Department of Economics, Sakar University, Turkey.

Prof. Dr. Ahmad Rusdhi Rojoli, UiTM Pulau Penang Malaysia, Malaysia.

Prof. Dr. Uzair Bazi, Gift University, Lahore, Pakistan.

Prof. Dr. Maroni. S.H., M.Hum, Faculty of Law, University of Lampung, Indonesia.

Resista Vikaliana, Institut Stiami Jakarta, Indonesia.

Prof. Dr. Yosini Deliana, Universitas Padjadjaran Bandung, Indonesia.

Prof. Dr. Jauhari Ali, Dean School of Art, Humanities & Social Science Asia e University, Malaysia.

Assoc. Prof Dr. Hasan Alaaraj, Lebanese International University, Lebanon.

Dr. Shahir Akram Hassan, Center for Islamic Development Management Studies (ISDEV) Universiti Sain Malaysia (USM) Penang Malaysia.

Dr. Shereeza Mohd Saniff, Universiti Sains Malaysia, Malaysia

Dr. Wan Norhaniza Wan, Hassan, Universiti Sains Malaysia.

Dr. Reza Ronaldo , STEBI Lampung University, Indonesia.

Dr. Rofah. Fakultas Hukum, Faculty of Law, Universitas Diponegoro, Semarang, Indonesia.

Dr. Samsudin Wahab, UiTM Pulau Pinang

Dr. Mohd Rozaiman Aziz, UiTM Pulau Pinang.

Dr Siti Nur Fadzilah Muhsain UiTM Pulau Pinang

Dr Siti Hafizan Hassan UiTM Pulau Pinang

Dt Anas Ibrahim UiTM Pulau Pinang

Dr Basharudin Abd Hadi UiTM Pulau Pinang

Associate Professor Dr Zakaria Bahari, ISDEV Universiti Sains Malaysia

Dr. Budiyo Saputro, IAIN Salatiga, Indonesia.

Dr. Evita Isretno Israhadi, Faculty of Law, University Borobudur Jakarta, Indonesia

Dr. Agus Zainul Aripin, University of Tarumanegara Jakarta, Indonesia.

Prof. Dr. Siti Patimah, M.Pd, Universitas Islam Negeri Raden Intan Lampung, Indonesia.

Dr. Waluyo, University of Mercu Buana Jakarta, Indonesia.

Dr. Lina Maulidiana, SH., MH., Universitas Sang Bumi Ruwai Jurai Lampung, Indonesia

Dodik Setiawan Nur Heriyanto S.H., M.H., LL.M., Ph.D, Faculty of Law, Universitas Islam Indonesia, Indonesia

Prof. Dr. M. Akib, S.H., M.H. Faculty of Law, University of Lampung.

Bayu Sujadmiko, S.H., M.H., Ph D. Faculty of Law, University of Lampung

Dr. Asep Kurniawan, SE, MT, Vice -Rector of Universitas Jenderal Achmad Yani , Bandung , Indonesia.

Dr. Abidin, Vice Rector IAIN Palu , Palu,Indonesia.
Dr. Hadarah , Dean Faculty of Tarbiyah, IAIN Syeikh Abdulrrahman Sidik, Bangka Belitung, Indonesia.
Dr. Paulina Permatasari, University of Parahiayangan Bandung , Indonesia.
Encik Muhammad Fauzan, SH, MSC, University of Trunojoyo, Madura, Indonesia.
Dr. Yudi Widagdo Harimurti, SH., MH, University of Trunojoyo Madura, Indonesia.
Dr. Yuberti, Faculty of Tarbiyah, Universitas Islam Negeri Raden Intan Lampung, Indonesia.
Assoc.Prof. Pirvu Ramona, Faculty of Economic and Business Admistration, University of Craiova, Romania.
Assoc. Prof. Badircea Roxana, Faculty of Economic and Business Admistration, University of Craiova, Romania.
Prof. Nicola-Gavrila Laura, Spiru Haret University Romania

Technical Program Committee- TPC

Adi Izhar Che Ani , Uitm Pulau Penang.
Qarem Mohamed Mustafa, Uitm Pulau Penang.
Wan Ismahanisa Ismail, Uitm Pulau Penang.
Siti Nurshahida Nazli, Uitm Pulau Penang
Nor Husaina Md Hussain, Uitm Pulau Penang
Zailani, A. Md. , University of Lampung.
Angga Kusuma, S.Kom, University of Lampung.
Muhammad Sofyan, S.E., University of Lampung.
Muhammad Ubaidillah, S.E., University of Lampung.
Muhammad Habibi. S.H, University of Lampung.
Desia Rakhma Banjarani, S.H.,M.H,University of Lampung.
Erwin Merandi, A.Md.Kom,University of Lampung.
Dennis Novarisma, S.Kom,University of Lampung.

Sponsorship and Exhibit Chair

Prof. Dr. I Gede AB Wiranata, S.H., M.H., Faculty of Law, University of Lampung

Local Chair

Prof. Dr. Maroni, S.H., M.Hum, Faculty of Law, University of Lampung

Publicity & Social Media Chair

Herdianto, S.H., M.H, University of Lampung.

Publications Chair

Resista Vikaliana, Institut Stiami Jakarta, Indonesia.

Web Chair

Muhammad Bani Sadr, ST, Universitas Islam Negeri Raden Intan Lampung.

Panels Chair

Yeni Susanti, Universitas Islam Negeri Raden Intan Lampung

Preface

We are delighted to introduce the proceedings of The International Conference on Environment and Technology of Law, Business and Education on Post Covid 19 – 2020 (ICETLAWBE 2020). This conference has brought researchers, developers and practitioners around the world who are leveraging and developing technology and Environmental in Business, Law, Education and Technology and ICT.

The technical program of ICETLAWBE 2020 consisted of 134 full papers. The conference tracks were: Track 1 - Law; Track 2 – Technology and ICT; Track 3 - Business; and Track 4 - Education. Aside from the high quality technical paper presentations, the technical program also featured six keynote speeches and five invited talk. The six keynote speeches were Prof. Dr. Salmiah Kasolang, Prof. Dr. Maroni, SH, M. Hum., .Dato’ Prof Emeritu Dr. Hassan bin Said, Prof. Dr. Natalia G. Vovchenko, Dr. Abdulla Rasheed Ahmed, and Prof. Dr. Ir. Suharyadi, MS. The invited talk was presented by Prof. Dr. Tatiana Epifanova, Ph.D, Prof. Dr. Juhary Ali, S. D. K. Prof. Dr. Wahyu Sasongko, SH, M.Hum., and Prof. Dr. Mariyam Shahuneeza Naseer.

Coordination with the steering chairs, Prof. Dr. Tulus Suryanto, Dr. Hamzah, S.H., M.H, Dr. Ts. Samsudin Wahab was essential for the success of the conference. We sincerely appreciate their constant support and guidance. It was also a great pleasure to work with such an excellent organizing committee team for their hard work in organizing and supporting the conference. In particular, the Technical Program Committee, led by Yulia Chernysheva, Ali Juhary, Ferry Jie, who have completed the peer-review process of technical papers and made a high-quality technical program.

We strongly believe that ICETLAWBE 2020 conference provides a good forum for all researcher, developers and practitioners to discuss all science and technology, also enviroment aspects that are relevant to law, education, and business. We also expect that the future ICETLAWBE conference will be as successful and stimulating, as indicated by the contributions presented in this volume.

Prof. Dr. Tulus Suryanto, Dr. Hamzah, S.H., M.H, Dr. Ts. Samsudin Wahab

Contents

Law

Virtual Court as Alternative On the Future Criminal Justice System in Indonesia <i>Aristo Evandy A. Barlian, Annisa D. Permata Herista</i>	1
The Best of the Gross Split in Oil and Gas Production Sharing According to Indonesian Law <i>Suherman Suherman, Syafira G Rahayu</i>	9
The Role of Majelis Ulama Indonesia and Its Fatwas within The Indonesian Governance System <i>Yudi Widagdo Harimurti, Encik Muhammad Fauzan, Indah Purbasari, Indra Yulianingsih</i>	18
Regulation Village Funds as Cash Direct Aid for Poor People in Rural Area due to Covid-19 Pandemic in Indonesia <i>Encik Muhammad Fauzan, Yudi Widagdo Harimurti, Indah Purbasari, Indra Yulianingsih</i>	23
Animals Prospectus as a Legal Subject of Environmental Law In Indonesia (A Study of Ecofeminism) <i>Kadek Cahya Susila Wibawa, Aga Natalis</i>	31
Analysis of the Application of Prevailing Law Principle and Nailed Down Principle in Mining Contract of Work (Comparison Between Act Number 4 of 2009 and 3 of 2020) <i>Ledy Famulia, Tian Terina</i>	41
A Comparative Study of Waqf Legal System Between Indonesia and Malaysia <i>Islamiyati Islamiyati, Dewi Hendrawati, Aisyah Ayu Musyafah</i>	50
The Protection of The Worker's Right During The Covid-19 In Central Java-Indonesia: Legality V. Reality <i>Diastama Anggita Ramadhan, Rahayu Rahayu, Pulung Widhi Hari Hananto</i>	61
Existence of Cultural Rights of Society Law in The Determination of Land Boundaries in Onan Runggu Village Communities, Kecamatan, Toba Samosir District <i>Amri Panahatan Sihotang, Sukimin Sukimin</i>	69
Digital Natives and Freedom of Speech on Social Media in Indonesia <i>Adya Paramita Prabandari</i>	73
Nutritional Intake of Fetus in Pregnancy in Medical and Koran Perspective: A Literature Review <i>Tamrin Talebe, Haeruni Harun, M Sabir</i>	81
Conflict between Villages (Case Study of Conflict between Beka Village and Binangga Marawola District Sigi Regency) <i>Adam Adam, Saude Saude, Malkan Malkan, Rustina Rustina</i>	89
Legal Development in Indonesia through the Pancasila Screening Board <i>Topan Indra Karsa, Dwi Nurahman</i>	97

Cybercrime Policies: Juridical Evidence and Law Enforcement Policies <i>Dwi Nurahman</i>	101
Agrarian Reforms in Indonesia: A Pleasure <i>F X Sumarja, Ade Arif Firmansyah, Pradipta Wijonugroho</i>	108
Constitutionalization of the Political Party: Impressions of Indonesia <i>Jamaludin Ghafur</i>	116
The Role of Islamic Law to Humanitarian Law <i>Muhammad Taufan Badollahi, Nasaruddin Mera, Muhammad Amin Hanafi</i>	124
Developing Criminal Policy on Illegal Fishing Counter-measures under the New Normal Order in Indonesia: A Non-penal Perspective <i>Maya Shafira, Sunarto Sunarto, Mashuril Anwar</i>	132
Strict Liability for Environmental Offenses <i>Al Halim, Mahrus Ali</i>	142
Legal Protection as a Form of State Responsibility for Victims of Cyber Crime in Indonesia <i>Mujiono Hafidh Prasetyo</i>	149
The Right of Prisoner During the Covid-19: Pro and Cons in Indonesia <i>Pulung Widhi Hari Hananto, Nanik Trihastuti, Daniel Rene Kandou, Ramadhan Catur Bismono</i>	158
Islamic Radicalism Network In The City Of Palu <i>Gani Jumat</i>	166
Law Enforcement against Marine Pollution Foreign Ships in Indonesia <i>Indien Winarwati</i>	178
Conflict Settlement in the Register Forest Areas of Lampung Province <i>Hieronymus Soerjatisnanta, Fransiscus Xaverius Sumarja, Ricco Andreas</i>	185
Legal Protection of Unskilled Workers from Indonesia in ASEAN Countries <i>Dodik Setiawan Nur Heriyanto</i>	196
ASEAN Convention on Counter Terrorism (ACCT) in Indonesia: A Paradigm Shift, Issue, Challenges <i>Siti Azizah, Heryandi Heryandi, Safira Salsabila Anisa</i>	204
Responsibilities Head of The Village And Village Chairman on Register Book of Land For The Achievement of Justice Land Administration Regulations <i>Lina Maulidiana, Rendy Renaldy</i>	213
Fighting Corruption Through the Federal System: Independence as the Key to Corruption Eradication <i>Christopher Cason</i>	222
Measuring the Concept of Deliberative Democracy in the Indonesian Election Supervision System <i>Kamal Fahmi Kurnia</i>	229
Formulation Policy against Religious Offenses and Insult to God in the Effort to Reform Criminal Law <i>Ino Susanti, Ratna Kumala Sari</i>	239

Directions of Indonesian Islamic Law in the New Normal Era <i>Abidin Abidin</i>	246
Resettlement Policy for Communities Affected by Natural Disaster in South Lampung Regency <i>Thio Haikal Anugerah, Muhammad Akib, H S Tisnanta</i>	256
Islamic Political Thought in Indonesia in The Post-Truth Era <i>Jubair Situmorang</i>	263
Philosophy of Fala Raha Ternate Culture in Election of Moloku Kie Raha <i>Baharuddin Baharuddin, Jubair Situmorang</i>	272
Legal Protection of E-Wallet User in Digital Transaction <i>Sunaryo Sunaryo, Hanifah Nuraini</i>	279
Implications Transformation Fund Village Regulation About Corona Virus Disease (Covid-19) To New Perspective Social In Village Communities <i>Nitaria Angkasa</i>	290
The Ideas of Founding Fathers Choose The Presidential System As The Government System In Indonesia <i>Yusdiyanto Yusdiyanto</i>	298
The Perspective Of Criminal Law And Human Rights Against Euthanasia <i>Zulkarnain Zulkarnain</i>	309
The Role of State Attorney in Returning The State Loss Against The Heritage of Criminal Actors of Corruption Through Indonesian Civil Law (Judgment Study Number 4/Pdt.G/2017/Pn Kbu) <i>Yulia Kusuma Wardani, Torkis Lumban Tobing, Nanda Kurnia Pradana</i>	316
Online Dispute Resolution as an Alternative Settlement Against the Protection of Consumer Privacy Data in E-commerce Platform <i>Rahandy Rizki Prananda, Ro'fah Setyowati, Hendro Saptono, Aista Wisnu Putra</i>	321
Social Capital in Public Goods Management: The Case Study of Nglanggeran Tourism Village <i>Ashadi Cahyadi, Netta Agusti, Nator Nator, Sulthan Syahrir, Afif Ansori</i>	336
Analysis of the Effectiveness of Zakat Distribution at the Amil Zakat Institution Initiative Zakat Indonesia (LAZ IZI) <i>Efri Syamsul Bahri, Mohd Mizan Mohammad Aslam, Amran Muhammad</i>	348
Preservation of The Begawi Abung Siwo Migo Tradition Development Oriented and Social Welfare in Lampung Multicultural Community <i>Ghozali Timbasz, Syaripudin Basyar, Fitri Yanti, Hasan Basri</i>	359
Customary Law in An Effort to Implement Social Sanctions in The Midst of The Era of Globalization <i>Husni Mubaroq</i>	368
Human Rights Enforcement Through The Implementation of Public Service-Based Criminal Justice <i>Maroni Maroni, Nenny Dwi Ariani</i>	375

Efforts to Eradicate Corruption in Indonesia's Local Government Environment <i>Rita Susanti</i>	384
Analysis of The Empowerment Policy of The Ethnic Community in Building Social Harmony (Case Study of Lampung Transmigrant) <i>Tauhidi Tauhidi, Fauzi Nurdin, Bambang Budiwiranto, Fitri Yanti</i>	392
Analysis of Government Policy on Disaster Management System <i>Tb. Ace Hasan Syadzily</i>	400
Family Law: High Economic and Bachelor's Moeslem Couples Divorce Suit in Bandar Lampung City <i>Nunung Rodliyah, Ade Oktariatas K</i>	406
Business	
Rice Field Sale at the Village of Kuniran, District of Sine, Regency of Ngawi In Islam Perspectives <i>Murni Murni, Indah Purbasari, Aprilia Dyah Suyanti, Azizah Azizah</i>	413
Consumers Protection on the Musyarakah Mutanaqisah Contract of Indonesian Islamic Banking <i>Indah Purbasari, Murni Murni, Encik Muhammad Fauzan</i>	419
The WTO Trade Remedies (Safeguards) and its Implementation in Indonesia: Study Case of PT. Krakatau Steel vs. China <i>Hamzah Hamzah, Wahyu Sasongko, Rohaini Rohaini, Rahmi Rizki Amelia</i>	428
The Effect of Sukuk Ijarah Issuance on Company Profitability in Indonesia <i>Muhammad Suhaidi, Mardhiyah Hayati</i>	435
Competitive Strategy Analysis on Traders in Manonda Inpres Market Palu (Islamic Business Ethics Perspective) <i>Nasaruddin Mera, Muhammad Taufan Badollahi, Muhammad Ami Hanafi</i>	440
The Influence of Price and Family Welfare on the Practice of Buying and Selling Palm Oil in Islam (Case Study) in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency <i>Nova Yanti Maleha, Bagus Setiawan, Chandra Satria, Intan Junitasari</i>	449
The Implementation of Sharia Compliance in the Drop shipping Buying and Selling Scheme During The Pandemic Covid-19 in Indonesia <i>Bagya Agung Prabowo</i>	454
Analysis of Bank Soundness Level using the RGEC Method at PT. Muamalat Indonesia period 2015-2019 <i>Endah Dewi Purnamasari, Chandra Satria, Emilia Emilia</i>	464
Factors Influencing Communities to Conduct Duku Fruit Sale and Purchase Transactions with the Ijon System in Sugih Waras Village, South Sumatra in Indonesia <i>Nova Yanti Maleha, Endah Dewi Purnamasari</i>	468
The Influence of Covid-19, Service Quality Strategies and Financing Products on Customer Satisfaction at Baitul Maal Wat Tamwil Insan Mulia Palembang South Sumatra Indonesia <i>Chandra Satria, Saprida Saprida, Eka Sulistiana</i>	473

Piety Contest of Property Business in Using Sharia Labels <i>Waldi Nopriansyah, Nova Yanti Maleha, Bagus Setiawan</i>	480
The Influence of the Role of Zakat and the South Sumatra BAZNAS Program on the Welfare of the People of South Sumatra Indonesia <i>Chandra Satria, Amir Salim, Anggun Ira Lestari</i>	485
Significance of Business Philosophy towards The Covid-19 Post Pandemic <i>Lukman S. Thahir</i>	491
Assessing Carbon Awareness of Indonesian Mining and Oil & Gas Companies <i>Paulina Permatasari, Vania Natasha, Laura Angelica</i>	498
Analysis the Impact of Strategic Management on the Firm Performance of SMEs in Malaysia <i>Marieah Binti Omar, Samsudin Wahab, Siti Nur Fadzilah Muhsain, Adi Izhar Che Ami, Nor Aziyah Bakhari</i>	508
Leadership Autonomy Support and employee performance: Mediating effect of Intrinsic Motivation <i>Samsudin Wahab, Adi Izhar Che Ani, Siti Nur Fadzilah Muhsain, Ahmad Rashidy Razali, Nor Aziyah Bakhary</i>	516
Contamination and Supply Chain Issues in Food Safety <i>Mohd Hafiz bin Mohamad Zahari, Elias Kamaruzzaman, Samsudin Wahab, Adi Izhar Che Ani, Mohd Rozaiman Aziz</i>	522
Sin Stocks in Various Litigation Risk: A Case Study in 14 Countries <i>Iis Nurasih, Nugraha Nugraha, Disman Disman, Rozmita Dewi Yuniarti</i>	526
The Influence of Account Officer Development on the Smoothness of Murabahah Financing Returns (Case Study at Bank Syariah Mandiri, Bandar Lampung, Indonesia) <i>Hendra Novian</i>	535
The Inter-Relationship of Cognitive and Affective Trust Towards Servant Leadership <i>Syaiful Bakhtiar Bin Zulkifli, Mohd Shazwan Syafiq Bin Ishak, Mohd Subri Tahir, Samsudin Wahab, Adi Izhar Che Ani</i>	539
The Influence of Brand Awareness, Perceived Quality, Brand Association, Brand Loyalty on Brand Equity of Zakat Institutions <i>Muhammad Doddy, Juhary Ali, Anton Hindardjo, Cicih Ratnasih</i>	546
The Effect of Economic Growth, FDI, and Educational Rate on IFRS Implementation <i>Panji Putranto, Sumiyati Sumiyati, Huda Aulia Rahman</i>	556
Statement of Financial Accounting Standard No.34 Applied in Recognition of Revenue in the North Jakarta Breakwater Construction Project by PT Mina Fajar Abadi <i>Tommy Kuncara, Ibnu Haris Nasution</i>	564
The Effect of Zakat as A Reduction Of Taxed Income And Self Awareness Of Personal Personal Tax Payer (WPOP) Compliance <i>Islamiah Kamil</i>	572

Development Communication in monitoring and Media Cooperation (Study on Development Coverage of Bangka Regency Government in Local Print Media)	580
<i>Suryani Suryani, Septiar Andrilarsyah</i>	
The Influence of Online Customer Behavior and Brand Trust on Online Purchase Interest	590
<i>Khilyatin Ikhsani, Agung Hudaya</i>	
The Influences of Capital Structure, Company Growth, Profitability, and Company Sizes on Profit Management	604
<i>Fathihani Fathihani</i>	
Effect of Recruitment and Selection Process on Employee Performance at PT Neckermann Utama Jakarta	613
<i>Didin Hikmah Perkasa, Ryani Dhyan Parashakti, Yohana Prexi</i>	
Talent Management and Employee Retention: The Partial Mediating Role of Organizational Commitment	619
<i>Muhamad Ekhsan, Ryani Dhyan Parashakti, Achmad Sudiro</i>	
The Role of Management of The Jakarta Arts Center Planetarium And Observatory In Innovation And Delivering Information To The Community	627
<i>Ida Royani Damayanti, Kornelia Johana Dacosta</i>	
The Effect of Organizational Structure, Work Motivation and Decision Making on Vendor's Employee performance at Automotive Distributor in Indonesia	637
<i>Oloan Situmorang, Mukhneri Mukhtar, Mahmuddin Yasin</i>	
Analysis of Factors Affecting Organizational Effectiveness	649
<i>Wenny Desty Febrian</i>	
The Influence of Human Value at Organizational Culture and Work Environment on Workforce Performance in Limited Companies	659
<i>Magito Magito, C. Catur Widayati, Victoryza Victoryza</i>	
The Communication Strategy of The Tourism Office of Pangkalpinang City in Promoting The Potency of Lempah Kuning as Gastronomic Tourism in The New Normal Era	670
<i>Agung Ferianda, Ferdiana Ferdiana</i>	
The role of Emotional Intelligence in Influencing Employee Attitudes and Behavior	679
<i>C. Catur Widayati, Magito Magito, Agung Solihin, P. Dian Pangesti</i>	
The Effect of Work Stress, Work Environment, and Occupational Health and Safety on Employee Productivity	688
<i>Devina Pramestuti, Didin Hikmah Perkasa</i>	
Assessment on Sustainability Report Assurances by Indonesian Companies for the Period in 2006-2018	699
<i>Felisia Felisia, Sylvia Fettry Elvira Maratno, Paulina Permatasari</i>	
Do Sustainability Reports Show Corporate Social Responsibility (CSR) and Corporate Social Irresponsibility (CSI)?	710
<i>Paulina Permatasari, Pius S. Kartasmita, Tulus Suryanto</i>	

The Implementation of Indonesia's State Obligations in relation to the Rights of Persons with Disabilities in Aviation <i>Adya Paramita Prabandari, Rahayu Rahayu, Elfia Farida</i>	720
The Implementing of Participating Interest through Local Owned Enterprises in Sampang – Indonesia <i>Indra Yulianingsih, Encik Muhammad Fauzan, Yudi Harimurti, Azizah Azizah</i>	725
The Role of Environmental Economic Instruments As One of The Efforts To Prevent and Control Environmental Pollution Caused by Industrial Activities <i>Indah Dwiprigitaningtias, Aliesa Amanita, Zulfika Ikrardini, Lily Andayani, R. Ardini Rakhmania Ardan</i>	731
Indonesian and Malaysian Governments' Policies Towards COVID-19 Responses <i>Mariane Delanova, I Wayan Aditya Harikesa</i>	737
Burgernomics: What can your burger tells you about <i>Dwi Indah Lestari</i>	745
Do Good Corporate Governance and Profitability Affect Companies on Submitting the Annual Financial Report on Time? <i>Rizka Meilisa, Dwi Indah Lestari</i>	750
Analysis Financial Distress Prediction With Model Altman Z-Score, Zmijewski, And Grover In The Sub Sector Retail Listed On The Indonesian Stock Exchange (Idx) 2014-2018 Period <i>Megalasmi Bellyra Helastica, Santi Paramita</i>	758
Analysis of Factors Affecting the Performance of Fixed Income Mutual Funds in Indonesia (Study on RDPT Registered on OJK for the Period 2014-2018) <i>Ferby Wijaya Kusumawati, V. Santi Paramita</i>	766
Analysis of The Impact Of Covid-19 on Consumer Behavior in E-Commerce Transactions in Indonesia <i>Mardhiyah Hayati, Yeni Susanti, Mad Heri, Nindi Riyana Saputri</i>	776
The Effect of Return on Assets, Current Ratio, Debt to Equity Ratio and Underwriter's Reputation on Underpricing During Initial Public Offering (IPO) on The Indonesia Stock Exchange in Period 2014-2018 <i>Jenniari Shella Damanik, Ferikawita M. Sembiring</i>	782
Supply Chain Coordination and Integration on Supply Chain Performance in Food Business <i>Yun Yun, Asep Kurniawan, Mochamad Vrans Romi</i>	792
How Indonesia Harmonize the International Trademark System <i>Bayu Sujadmiko, Desi Churul Aini, Muhammad Febriyan Saputra</i>	799
Empowerment of Islamic Communities through Agribusiness Efforts to Improve the Economic Welfare of the Pekalongan Community in East Lampung Regency <i>Bayu Prafitri, Khomsahrial Romli, Hasan Mukmin, Fitri Yanti</i>	809
How to The Prospect of The Supply Chain Performance Stability and Implication of The Sustainability of Indonesia's Vanilla Origin Commodities? <i>Marthinus Boxy, Nur Endah Retno Wuryandari, Dudi Permana</i>	814

Management and Assistance Village Fund Allocation towards Welfare <i>Femei Purnamasari, Dharmayani Dharmayani</i>	823
Sharia Banking Sustainability: Instrument Development of Islamic Banking Sustainability <i>Basrowi Basrowi, Tulus Suryanto</i>	831
Education	
The Leadership Management of the Principal of Madrasa in Improving Teacher Performance at Madrasah Ibtidaiyah of East Lampung Regency <i>Cipto Handoko, Nirva Diana, Rifda Elfiah, Guntur Cahaya Kesuma</i>	841
Evaluation of Lecturers in Online Learning during the Covid-19 Pandemic <i>Erniati Erniati, Hastuti Hastuti, Kasmah Kasmah, Sitti Hasnah</i>	847
Implementation of Sources and Media of Islamic Education Learning Through the Application of Google Classroom Pandemic Covid-19 to Increase the Value of Social Care Of Students in Central Sulawesi <i>Hamlan Andi Baso Malla</i>	857
Internal and External Analysis of Lecturer Development Formulation Strategy at Ar-Raniry State Islamic University, Banda Aceh – Indonesia <i>Safriadi Safriadi, Siti Patimah, Ahmad Faizuddin</i>	866
The Pattern of Anti-Radicalism Education at Majelis Taklim in Kota Palu <i>Syamsuri Syamsuri, Nurwahida Alimuddin</i>	873
Academic Dishonesty of Muslim Students Using Rasch Model Measurement <i>Wahyu Hidayat, Nur Asmawati Lawahid</i>	882
Climate Madrasah Tsanawiyah in Bandar Lampung (Analysis on security aspects) <i>Erfina Erfina, Wan Jamaluddin, Siti Patimah, Andi Thahir</i>	890
External Environmental Analysis in Strategic Planning for The Development of The Quality of Educational Resources in Madrasah Aliyah Bandar Lampung City <i>Mahmudin Aris Rayusman, Siti Patimah, Agus Pahrudin, Andi Thahir</i>	897
Application Values of Character Education in PPKn Lessons in SMP Negeri in the City of Palu <i>Gusnarib Wahab, Fatimah Saguni, M. Iksan Kahar</i>	903
The Mental Health and Physical Ergonomic Impact on Executive Performance <i>Wan Mohd Rafiq Bin Wan Mohd Raimi, Siti Nur Fadzilah Muhsain, Samsudin Wahab, Adi Izhar Che Ani, Nor Aziyah Bakhari, Ahmad Rashidy Razali</i>	912
Learning Difficulties and Opportunities for Student and Academics of Malaysian Institutions of Higher Learning (MIHL) in the Covid-19 Pandemic Outbreak <i>Juhary Ali, Sheila Cheng, Jeffrey Chiang</i>	917
Development of Character Education Model in Overcoming Radicalism of Learners <i>Ahmad Syahid, Ana Kuliahana</i>	923

Public Relation Campaign Towards Forming Positive Approaches for green Spatial Developptmen at Adiwiyata School in Bangka Regency <i>Shulby Yozar Aryadi, Kornelia Johana Dacosta, Gusmulyana Gusmulyana, Ida Royani Damayanti</i>	933
The Effect of Competency, Vocational, Training and Work Discipline on The Performance of PT Indomika Utama <i>Agtovia Frimayasa, Windayanti Windayanti, Didin Hikmah Perkasa</i>	942
Optimism Aspects in Edgar Albert Guest's Poems: Figurative Language Analysis Approach <i>Irma Rahmawati</i>	950
Strategic Management in Improving The Quality of Education in The Midst of The Covid-19 Pandemic <i>Yanthy Herawaty, Rudi Hartono, Heldy Ramadhan</i>	958
Redesign of Al-Murqoniyah Vocational High School, Hambalang (Case Study: SMK Al-Murqoniyah, Hambalang) <i>Era Agita Kabdiyono</i>	966
Analysis of Ideological Practices in News Program Seputar Indonesia RCTI Through The 2014 Presidential Election Campaign <i>Dani Setiadarma, Hendriyani Hendriyani</i>	977
Model of Improving Organizational Citizenship Behavior Lecturer Based on Organizational Commitment, Organizational Culture, and Job Satisfaction in Private Universities in Bandung <i>Mochamad Vrans Romi, Abdul Ahmad Hafidh N, Asep Kurniawan, Sofia Windiarti</i>	986
The Effect of Macroeconomy Towards The Infrastructure, Utilities, and Transportation Sector's Stock Return in the Indonesian Stock Exchange <i>Frido Saritua Simatupang, Sofia Windiarti</i>	993
Predicting Financial Distress of Manufacturing Sectors in Indonesia Using Logistic Regression <i>Ifan Wicaksana Siregar, Eka Yulianti</i>	1002
Analysis of Indonesian Capital Market Reaction to the Covid-19 <i>Eka Yulianti, Ifan Wicaksana Siregar</i>	1009
Improving Ethical Behavior Through Emotional Intelligence, Spiritual Intelligence and Organizational Ethical Culture <i>Mochamad Vrans Romi, Aam Rachmat Mulyana, Yun Yun, Sofia Windiarti</i>	1019
The Perception of Students of UiTM, Cawangan Pulau Pinang Towards the Use of Salutations in WhatsApp Conversations <i>Noraziah Mohd Amin, Wan Noorli Razali</i>	1025
A Story of Mother's Struggle in the Rural: The Narratives of Children Learning Mentoring during the Covid-19 Outbreak <i>Suhirman Suhirman, Kasman Kasman, Rohman Rohman, Emzinetri Emzinetri, Ihsan Rahmat</i>	1035
Social Process on Sexual Behaviour of Dating Students College in Palu City <i>Sri Dewi Lisnawaty</i>	1048

Technology and ICT

The Effectiveness of The Use of Technology Information in Micro, Small and Medium Enterprises <i>Riki Aprianto, Rahmat Ilahi, Ryani Dhyan Parashakti</i>	1055
Portable Spirometer Using Air Pressure Sensor MPX5500DP Based on Microcontroller Arduino Uno S <i>Syaeful Ilman, Erfiana Wahyuningsih</i>	1063
Are These The Factors Driving The Intention of Urban Communities to Use Photovoltaic Solar Technology in DKI Jakarta? <i>Muhamad Al Faruq Abdullah, Dudi Permana, Aditya Pratama Nandiwardhana</i>	1073
The Influence of Online Technology on the Performance of MSMEs in the Covid-19 Pandemic Era <i>Nurlinda Nurlinda, Junus Sinuraya, Asmalidar Asmalidar</i>	1083

Virtual Court as Alternative On the Future Criminal Justice System in Indonesia

Aristo Evandy A.Barlian¹, Annisa D. Permata Herista²
{aristoevandy@ubl.ac.id, nissaherista@yahoo.com}

Lecturer, University of Bandar Lampung, Indonesia¹, Judge, Lampung District Court, North Lampung, Indonesia²

Abstract. The era of digital technology and the presence of the corona pandemic that is currently sweeping the world, has brought drastic changes including the World of Courts. Conventional court practice should turn to Virtual court trials (e-litigation), including Criminal trials. The author deems it necessary to conduct in-depth research on how far the development of e-litigation practices and regulations in Indonesia specifically criminal justice, as well as realizing modern criminal justice in Indonesia. This research uses a normative and comparative approach which is supported by literature study. This research found that since virtual criminal justice was implemented there were many problems ranging from conflicting regulations to its implementation. The problem is caused by not having specific regulations governing the technical e-litigation in Indonesia. The research also found that there are various legal sources that will support the presence of virtual criminal trials in Indonesia. Thus the virtual Criminal Court will later become a renewal of the system to realize modern criminal trials in Indonesia

Keywords: Criminal Justice System, Virtual Court, and Renewal of the Legal System

1. Introduction

The entry of the digital technology industry 4.0. Marked by the era of the rapid development of information and communication technology, including the judiciary which seeks to innovate and carry out reforms from conventional to virtual trials. Indonesia has started implementing virtual criminal justice based on a policy, namely "Work from Home" as an effort to prevent the spread of the Corona covid-19 virus. The Covid-19 pandemic has caused various problems in various fields of life, including in the law enforcement sector. On the one hand, the Public Prosecutor is obliged to complete handling of criminal cases, but on the other hand there are concerns that a trial that gathers a large number of people will cause the spread of Covid-19. Therefore, courts in Indonesia have now implemented virtual court [1].

The problem with virtual criminal justice in Indonesia is that there is no legality in implementing virtual criminal justice. Virtual criminal justice is only based on circular letters from the Indonesian Supreme Court and cooperation agreements between judicial institutions, while the civil law legal system in Indonesia must have legality in the form of a law. The legality of virtual court in Indonesia only applies to civil courts, but virtual criminal justice does not yet exist [2].

Renewal is a necessity, including renewal of the legal system. The legal system according to Lawrence M. Friedman's [3] theory, namely substance, structure, culture and

infrastructur, all subsystems must be renewed along with the times. Because it is impossible for justice to be achieved if only one system is repaired, such as justice will be difficult to achieve if the regulations are not good, on the contrary, at best the regulations will not be useful if the law enforcers are not professional, then it becomes a causal relationship in an application of law [4].

To achieve a quality law application, the legal system must also be in line with the goal of the Indonesian state, namely Pancasila [5]. The presence of a virtual court is a sign of the start of a new era of modern justice in Indonesia. Conventional criminal justice in Indonesia requires all parties to be present in court, whereas in the virtual criminal justice system it can be carried out without the presence of the parties. The parties can conduct justice in their respective places. Therefore, it is necessary to reform the criminal procedure law in Indonesia. If you look at other countries such as America, the Netherlands, Australia and the UK, they have implemented virtual court in their countries to support the technological era 4.0 and eradicate the Covid-19.

The background above, it can be seen that in fact virtual criminal justice is a necessity with the existence of a compelling situation in the era of the threat of a global epidemic, besides that, without such compelling circumstances, in fact the era of the technology industry 4.0 is also a challenge for the judiciary to go to modern justice in Indonesia, where justice in the world has use the virtual trial in their respective countries [6]. The Research Purposeis Reforming Criminal Justice System Institutions in Indonesia to be Modern Criminal Court.

2. Literature Review

The literature review use Richard Susskind Theory from Oxford United Kingdom about seven of justice priciple, and Muladi Theory From Diponegoro University in Indonesian about Integrated criminal justice system and Lawrence M. Friedman Theory about legal substance, legal stuckture than legal culture.

3. Methods

The research methodology in this paper is a qualitative normative legal research. In normative legal research using several approaches, namely the statutory approach, conceptual approach, and the comparative approach. By using this qualitative normative method in this research is related to the legal approach and approach to the problem. Analysis on qualitative normative in this research is based on descriptive and predictive analysis.

4. Result

4.1 Virtual Court As A New Culture For The Future Court In Indonesia

The Covid-19 outbreak has paralyzed community activities in various sectors, including in the legal perspective. Trial activities are also affected by various problems due to the Covid-19 pandemic, namely in criminal proceedings on the grounds that the limited period of detention is the basis for the Indonesian Supreme Court to establish a virtual trial in accordance with the Regulation of the Supreme Court of Indonesia Number 1 of 2019 concerning trial procedures electronics, but not in criminal justice [7].

The application of Virtual Criminal Justice is something that can be seen as progressive for the judiciary in Indonesia which has now begun to be established at the time of the threat of the Covid 19 outbreak. In accordance with the principle of justice "fast, simple, and low cost, this is a very positive concept for the future. Another thing that can be learned from the digital trial is that it can save time because you don't have to wait for the defendant to come to the court. This must be the concern of the Supreme Court of Indonesia so that in the future it can be followed up not only through institutional cooperation but also through Supreme Court Regulations or statutory regulations. This can be made in addition to adjustments in the District Court, such as the implementation of the virtual system in the Police, Attorney General's Office and other legal institutions [8].

The digital justice system due to the corona virus disease can continue and be integrated, not only the trial but the entire case system should also be able to implement an online system. Regarding the online trial, further regulation is needed, and must have the necessary tools and specific evidence. For example, in the reading of indictments or the verification process, documents can be done digitally, but if you present the evidence in Indonesia, they are still present in person so that there are no distortion errors, it can be judged that the implementation of this online trial must have a judicial technical basis for the judicial process through a special regulation [9].

The virtual system policy in the judiciary embodies progress from the principle of fast, simple, and low cost. This cuts unnecessary bureaucratic chains and prevents deviant practices in the judiciary. This electronic trial is an adaptation change that must be accepted and carried out, because the world of information technology has developed. Adaptation to the digitalization of justice is needed in the new normal conditions that will come in the pattern of working relationships between humans for the life to come [10].

The development of a virtual-based modern justice system, it is hoped that a transparent and accountable court will be created. Dory Reiling said there were three main problems faced by judicial institutions around the world, namely the slow handling of cases (delay), difficulty in public facilities and access (access), and the integrity of the court apparatus (judicial integrity). Thus the use of technology in the world of justice will solve problems in conventional justice [11].

In the implementation of Virtual court, infrastructure is also an important discussion because if it is not adequate then it will clearly have implications for not fulfilling justice for the community. Virtual court as the application of law requires renewal in terms of infrastructure. The responsiveness of the judiciary to fulfill public justice is the main thing. It is intended that access to justice can be wide open for fulfillment for the entire community [12].

In carrying out judicial functions, law enforcers in this case also have essential duties, namely justice (*gerechtigheit*), benefit (*zwachmatigheit*) and certainty (*rechsecherheit*). Law enforcers as the main organ in a court and as judiciary executors such as demanding, accepting, examining, and adjudicating a case must have a concept of professionalism, namely in terms of creativity, innovation, and responsiveness [13].

The presence of virtual criminal justice, it will improve the user experience for justice seekers. Virtual criminal justice is also an opportunity to defend oneself (*audi et alteram partem*). The application of an online system provides broad access for Parties to submit their defense so as to provide more protection for the parties. Likewise, the application of electronic case administration will leave a digital trace that is stored forever so that in addition to being controlled by the public, it can also prevent files from being lost or damaged [14].

Through the application of virtual trials, it is hoped that in the future public trust and access to all court institutions and law enforcement officials will continue to increase. This is in line with what Stephan Golub stated, that a very important element in access to justice is that the existence of a formal legal institution should be the place most trusted by the community as an efficient, neutral and professional institution. According to Gollub, public satisfaction and trust in formal institutions is very important. Thus the presence of the virtual court system as a new culture is part of the court's efforts to provide easy access to the public and justice seekers as well as efforts to make courts more integrated, accountable, transparent, effective and efficient [15].

In line with the development of digital technology, the transformation of the court which is expected to become a modern court by utilizing digital information technology will be achieved. The upcoming criminal virtual court will also fulfill the sense of justice of all parties, which according to Richard Susskins consists of 7 (seven) principles of justice, namely Substantive justice, which contains fair decisions, Procedural justice, which contains a fair process for all parties, Open justice namely transparent and open to all people, Distributive justice, which is a system that can be accessed by all parties without exception, Proportionate justice, namely a proportionate sense of justice that is proportionate to all parties appropriately, Enforceable justice, which is supported by all parties, especially in state law, Sustainable justice, namely contain sufficient resources in continuous change so that it continues to be the best [16].

There is a legal comparison which is one of the studies of legal science to find novelty in the current system, so a comparison is needed to become a benchmark for the formation of a new system that is in accordance with expectations and needs. There are several countries that have used an online justice system, namely: [17]

Table 1. Comparison Of Virtual Court System

Country	Law	Term
Australia	<i>High Court Bulletins 1996</i>	<i>E-Justice</i>
Amerika	<i>Public Act 262 of 2001 America</i>	<i>Cyber Court</i>
Belanda	<i>Act 78a and 131a Straafvoerderung</i>	<i>Remote justice</i>
England	<i>Criminal Justice 1988 act 32 and Statute Roma act 68 (2).</i>	<i>Digital Court</i>
Singapura	<i>The Evidence Act 97</i>	Virtual Court

Legal reform here means that the judicial institution must be able to explore, reconstruct, and capture the substance of justice that is increasingly evolving in society and then gives it back to society in the form of court decisions that focus on justice, certainty and legal benefits [18]. Of course the direction of this reform must support the country's development programs, besides that in terms of policy, reform of criminal law must be able to strive to balance various interests and protection of rights. The guarantee of protection of human rights in the

constitution, the development of international human rights norms and democratic values, are important factors in influencing a country's criminal law policy [19].

Therefore, to realize indonesia virtual court, effective and efficient steps are needed from the beginning of the entry of cases in the criminal justice system so that courts, especially at the first level, are able to serve the interests of the community, which is marked by low-cost judicial processes, simple judiciary, and trials with time to settle cases. fast and accurate.[20] Because in general, time standards are measures of efficiency and effectiveness set by courts and other institutions to support performance standards and indicators that aim to ensure efficient process and accountability [21].

4.2 The Future Of Indonesian Virtual Criminal Court.

The application of virtual court directly impacts on the efficiency of judicial administration as well as the transparency of the justice-seeking process that encourages professional, transparent, accountable, effective and efficient law enforcement behavior. Modernization and judicial reform have resulted in the slow settlement of case handling and increased integrity and professionalism of law enforcement officials. The direct impact felt by justice seekers themselves is through the application of their own virtual court system which actually makes it easier for the justice-seeking community to access and control the ongoing process as well as to save on court costs [22].

Information technology is a necessity that cannot be denied, however, according to the author's view; it must still comply with the legality of Indonesian criminal procedure law, such as in the substantial and procedural aspects. The novelty in the Substantial aspect is to create legal norms in virtual criminal court such as regulations of the Supreme Court or laws and regulations that at least explain in "certain circumstances" can choose or use virtual court. Then on the novelty of the procedural aspect, namely in the form of guidelines for the implementation of virtual court in criminal cases which are based on procedural law which accommodates the interests of the parties ranging from judges, public prosecutors, legal advisors, defendants, and witnesses / experts and other principles of procedural law [23].

The aim of modernizing the judiciary in Indonesia is to provide quality, effective and efficient services to justice seekers. To achieve quality legal services, every legal system must be in line with the times, because it is impossible for the legal process to be achieved properly if only one system is improved such as law enforcement will have difficulty achieving justice and enforcing the law if the legal regulations are still inadequate, vice versa. as best as possible the established legal regulations will not be useful if the law enforcers are not professional, then it becomes a causal relationship in the application of law to build a legal system that is in line with the needs and developments of the times [24].

In reforming criminal law, Indonesia recognizes the development of sub-systems in criminal law, namely the development of structure, substance and culture. The construction of the structure is by updating the online model for law enforcers and also all related parties such as Judges, Prosecutors, Advocates, Witnesses, Experts, accused victims and other parties. Whereas in the development of substance is the renewal of a norm or regulation such as law generals, namely criminal procedure law and implementing regulations such as the Supreme Court Regulations. Then in the development of culture in virtual court is a renewal of infrastructure and renewal that follows the current cultural conditions and habits of society, finally it is necessary to renew infrastructure which will also support the running of virtual court in the future. This is what must be completed in Indonesia's future national legal system.

Virtual sessions should be reformed in accordance with the needs of the current era which cannot be avoided and can be followed by all parties, but because they are aware of the many weaknesses and shortcomings, virtual sessions are actually an alternative form of judicial implementation that may be carried out online if there are certain circumstances and the importance of the agreement of all parties in the case going forward.

The existence of virtual criminal justice can at least fulfill substantially to be carried out properly if it is formulated in a Supreme Court Regulation or Legislation. With the existence of clear regulations in the implementation of virtual crimes, virtual criminal justice will not be a problem and anxiety in the community and justice seekers. In addition, the concept of virtual criminal will be in accordance with the values that exist in Pancasila, especially in accordance with the 5th precept, namely social justice for all Indonesian people, with a system that can accommodate all the wishes of the community. It is said that in accordance with the values of Pancasila, the criminal justice court in Indonesia will be more godly, humane, united, democratic and socially just.

Referring to the upcoming virtual criminal justice will also further realize the principle of fast justice, simple low cost, this principle is also in line with the values of Pancasila in Indonesia. It can be assessed that later the application of the virtual criminal system will also create a speedy trial without any obstacles, disturbances and delays in any form. Virtual court will also be simpler, easier, more sophisticated, less complicated by bureaucracy and can be followed by all Indonesians. Then virtual court will also not cost much and will not take much time for justice seekers. The aim of modernizing the judiciary in Indonesia is to provide quality, effective and efficient services to justice seekers. To achieve quality legal services, every legal system must be in tune with the times.

Philosophically, the existence of a virtual criminal justice will improve justice and provide protection for the rights of the parties as well as significant convenience in the judicial process. Sociologically, the existence of virtual criminal justice is a form of presence that has been awaited in meeting the needs of society in this technological era through virtual criminal justice. Juridically, the existence of virtual criminal justice is as a *lex generalist*, namely the principle of judicial power and as a *lex priori* in the current judicial regulations, which will soon be obeyed and implemented without any turmoil from any party.

Regulations related to virtual criminal justice in Indonesia must be formed as soon as possible because given the emergency era of the outbreak and the demands of the era of technological advancement. At least the regulations related to virtual criminal justice are formed through the regulations of the Indonesian Supreme Court that apply generally to the whole community or the formation of new procedural law regulations that explain alternatives to criminal justice through virtual, for the modern future court in Indonesian.

5. Conclusion.

It can be concluded that virtual criminal trials currently do not have a firm legal basis and cause many problems both from a regulatory perspective and from a practical perspective. If the current virtual criminal trial continues to use the basis of circular and state agency cooperation agreements that are not general regulations, then the judiciary will find it difficult to create justice and legal certainty that benefits all Indonesian people. The trial must reflect the values of Pancasila and the principles of good procedural law in accordance with the expectations and developments of the times. The practice of virtual trials in Indonesia must have regulations to be able to create justice, certainty and benefit. Virtual trials are a challenge and a necessity that justice seekers have been waiting for in order to get a more effective and

efficient justice service. Currently, law outside countries such as America, Australia, the Netherlands, Singapur and the UK have also used the Virtual criminal justice system. With the presence or absence of Covid 19 in Indonesia, the virtual criminal trial should still be prepared as an alternative effort in certain circumstances, so as to realize modern justice for the future of Criminal Justice in Indonesia.

References

- [1] Amran Suadi : The Role of Law Enforcement Agencies in Dynamics and Law in the Digital Age”, Journal Varia Pengadilan hukum of XXXIII No. 391 Juni (2018).
- [2] RR. Dewi Anggraeni : The Covid-19 Pandemic Outbreak, The Urgency to Conduct Electronic Sessions, Journal Buletin Hukum dan Keadilan, Vol 4, No 1, Juni (2020).
- [3] Lawrence M. Friedman: The. Legal System: A Sosial Science Perspektive, by Syarif, Nusa Media, Bandung, (2009)
- [4] Barlian, Aristo Evandy A. Formulasi Ide Permaafan Hakim (RECHTERLIJK PARDON) dalam Pembaharuan Sistem Pemidanaan di Indonesia, Journal Law Reform Undip, Vol. 13 No. 1, Semarang (2017).
- [5] Barda Nawawi Arief : Indonesia Development Legal System, On Program Magister Ilmu Hukum Pascasarjana UBH, Padang, (2009).
- [6] Supriyadi W. Eddyono : Providing Witness Information through Videoconference in Criminal Drafts. Institute for Criminal Justice Reform, Institute for Criminal Justice Reform. (2015).
- [7] Suhadi : Electronic Criminal Court Trial Administration, Jakarta. (2020).
- [8] Anthony Garofano : Avoiding Virtual court : Video-Teleconference Testimony in Federal Criminal Trials, Catholic University Law Review, Volume 56, Issue 2, (2007).
- [9] Fredric I. Lederer : The Road to the Virtual Courtroom? A Consideration of Today’s – and Tomorrow’s- High Technology Courtrooms, Virginia, Faculty Publications – William and Mary Law. School Scholarship Repository, Virginia (2001).
- [10] Anggita Doramia Lumbanraja : Development of regulations and the Implementation of the Indonesian Online Court, Journal Crepido Dasar Pemikiran Hukum, Volume 02, Nomor 01, (2020).
- [11] Dory Reiling : Technology for Justice: How Informaton Technology Can Support Judicial Reform, Leiden University Press, (2009).
- [12] Lucille M. Ponte : Michigan Cyber Court: A Bold Experiment in the Development of the First Public Virtual Courthouse, North Carolina Journal of Law and Technology, Volume 4, Issue 1, January. (2002).
- [13] Paul Stothard, Clinton Slogrove : COVID-19 approach to court proceedings, Norton Rose Fulbright LLP, International Law Office, (2020).
- [14] Rio Satria : E-Litigation in Indonesia, Articiel Badilag. (2019).
- [15] Stephan Golub : Beyond Rule of Law Orthodoxy : The Legal Empowerment Alternative, “Rule of Law series, Journal Democracy and Rule of Law Project, Oxford. (2003).
- [16] Richard Susskind : Online Court and Futuer of Justice, Oxford. United Kingdom, (2019).
- [17] Anna wallace on Marco : Fabri, E-JUSTICE, Using Information Communication Technologies in the Court System, Information Science Reference, Hershey New York, (2009).
- [18] Hamish Ross : Law as a Social Institution, Hart Publishing, Oregon (2001).
- [19] Adriaan Bedner : Court Reform, University Press, Leiden (2008)
- [20] Barlian, Aristo Evandy A. Konsistensi Pembentukan Peraturan Daerah Berdasarkan Hierarki Perundang-Undangan dalam Perspektif Politik Hukum. Fiat Justisia: Jurnal Ilmu Hukum, Universitas Lampung, 10(4), (2016).
- [21] Michael Tonry : Penal Reform in Overcrowded Times, Oxford University Press, (2001).
- [22] Fazrie Mohammad : Analysis Performance Video Conference use Codec H264 Baseline and H264-High Profile with integration Enskripti, IncomTech, Journal Telecommunication and Computer. (2017).

- [23] Voermans : Wim Judicial Transparency Furthering Public Accountability For New Judiciaries, Volume 3, Issue 1,(2007).
- [24] AEA.Barlian, Development of Legal System in Indonesia that based on the Value Pancasila, Journal Muhammadiyah Law Review, Vol 1 No.2 (2017).

The Best of the Gross Split in Oil and Gas Production Sharing According to Indonesian Law

Suherman¹, Syafira G Rahayu²
{suherman_upn@yahoo.com¹, syafirarahayu276@gmail.com²}

Faculty of Law UPN Veteran Jakarta, Jakarta, Indonesia¹, Faculty of Law UPN Veteran Jakarta, Jakarta, Indonesia²

Abstract. The oil and natural gas sector is a vital natural resource controlled by the state as mandated in Article 33 paragraph 3 of the 1945 Constitution. Thus, the State as the holder of authority over oil and gas resources can provide power to the private sector or contractor for oil and gas management cooperation. Through the gross split of revenue sharing from oil and gas production, it is expected to benefit the country so that prosperity is achieved for all the people of Indonesia. This type of research is normative-empirical. The specific target to be achieved is to find out the best of the gross split in oil and gas production sharing in Indonesia.

Keywords: oil and gas regulation, revenue sharing, gross split.

1. Introduction

Based on the Regulation of the Minister of Energy and Mineral Resources / PERMEN ESDM No. 08 of 2017 Concerning Gross Split Production Sharing Contracts, since the stipulation of the ministerial regulation the production sharing contract for oil and gas cooperation between the government and investors uses a Gross Split production sharing contract, so that it no longer uses results with a cost recovery scheme. Gross Split is a scheme of sharing oil and gas production without returning operating costs. So, the Government from the beginning of the cooperation contract has determined the share of profits with investors or operating costs are the responsibility of the investor. Whereas the Cost Recovery scheme is profit sharing with the mechanism of returning operating costs, so after calculating how much operating costs have been incurred by investors, then after that the benefits of oil and gas cooperation will be shared between the Government and investors.

The Government, the Ministry of Energy and Mineral Resources (ESDM), through an interview Mr. Arifin Tasrif when interviewed by CNBC Indonesia said that he would consider setting policies that would allow investors to choose either the Gross Split scheme or the scheme for cost recovery results to be applied in cooperation with the Government [1]. In fact, if seen from the condition of the availability of oil and gas resources in Indonesia, the production results are currently decreasing, while the demand for oil and gas resources is increasing and varied, based on the annual report of the Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) period 2018, the prospect of Oil and Gas reserves is decreasing and is more in the East, especially in the deep sea, in other words Oil and Gas

reserves will be difficult to find without sophisticated infrastructure and technology because they are in hard to reach areas [2].

Sophisticated infrastructure and high technology certainly require a lot of operating costs. Therefore, in this case the results sharing scheme applied must be able to accommodate such conditions so that it can run in accordance with the mandate of the Constitution of year 1945 Article 33 Paragraph 3 which is aimed at the prosperity of the people. Based on the background above, the problem in this journal is how the Government determines the sharing of oil and gas production through *Gross Split* in Indonesia.

2. Research Methods

In conducting this research the writer uses the normative-empirical legal research method [3]. The type of data used in this study is secondary data, which consists of primary legal materials, secondary legal materials and tertiary legal materials. This research also uses empirical research. Empirical legal research is a research method that uses empirical facts taken from the field in Ministry of energy and mineral resources of Republic Indonesia, both obtained from interviews and directs observations of brand matters. The three data collection techniques in empirical legal research were used individually, separately, and together at the same time. The technique comprised interviews and questionnaires.

3. Results And Discussion

The government has made policies and provisions related to the economy that are used as a guide by the Government in carrying out the wheels of development in the country. These policies and provisions as a direction for a country's economic activities are called economic constitutions. The constitution must not conflict with the state constitution. State constitutions usually contain provisions regarding state control or ownership by the state. This is in accordance with the Indonesian Constitution which is regulated in Article 33 paragraph 3 of the Constitution of year 1945 namely that natural resources which in their control are in the hands of the State through the Government in their use must be intended for the greatest prosperity of the people.

The concept of control by the State of oil and gas natural resources is restated in Article 4 Paragraph 1 of Law Number 22 Year 2001 Concerning Oil and Gas, which states that oil and natural gas are strategic non-renewable natural resources contained in the territory Indonesian mining law is a National asset whose control is in the hands of the State [4] which in this case is held by the Government as the holder of mining authorization. The meaning of mastering here does not mean having but rather sovereignty to manage natural resources for the achievement of people's prosperity.

Law Number 22 Year 2001 Concerning Oil and Gas itself is a basic rule of oil and gas business activities which is divided into 2 (two) types of business activities namely upstream business activities and downstream business activities [5]. Upstream business activities are business activities that focus on oil and gas exploration and exploitation activities. Meanwhile, the basis for upstream Oil and Gas business activities is the Cooperation Contract (KKS) between the government as the holder of mining authority and the investor. Cooperation Contracts (KKS) are as a form of production sharing contracts or other cooperation contracts that are more beneficial to the State in upstream oil and gas business activities, the results of which are aimed at the prosperity of the people. (Article 1 number 19 of Law No. 22 of 2001). The form and system of contracts between the government and investors within the scope of Oil and Gas mining in Indonesia itself has been amended several times, starting with a concession system, then with the Contract of Work system, until now it is used as a Production Sharing Contract. The Revenue Sharing System in the profit sharing contract itself has been replaced by a system from the Cost Recovery system to the Gross Split system.

This cost recovery system is regulated in Government Regulation Number 79 Year 2010 Concerning Refundable Operating Costs and Income Tax Treatment in the Upstream Oil and Gas Business Sector, this system is implemented with a mechanism for returning operating costs in the form of oil and natural gas production results which are valued at costs incurred by the Contractor during the exploration and exploitation activities and activities related to the removal of oil and gas from the well to the surface [6], after all production and operating costs incurred by the contractor, then the profit between the Government and the contractor is divided. With the amount of profit sharing as follows: For Petroleum, 85% for the Government and 15% for the Contractor, while for Natural Gas, 70% the Government and 30% the Contractor [7].

Distribution of production results with the percentage mentioned above is carried out on the remaining oil and gas yield or called ETBS (equity to be split) which has been reduced by FTP (First Tranche Petroleum) first as well as the operating and production costs of the Contractor [8]. FTP is the right of the parties to take and receive a portion of oil based on a certain percentage as agreed. FTP-I is the right of contractors and the government to extract and receive a portion of oil based on a certain percentage (20% or 15%) and about 10% to 20% on FTP-II [9]. Which is SKK Migas's right or not shared with the Contractor.

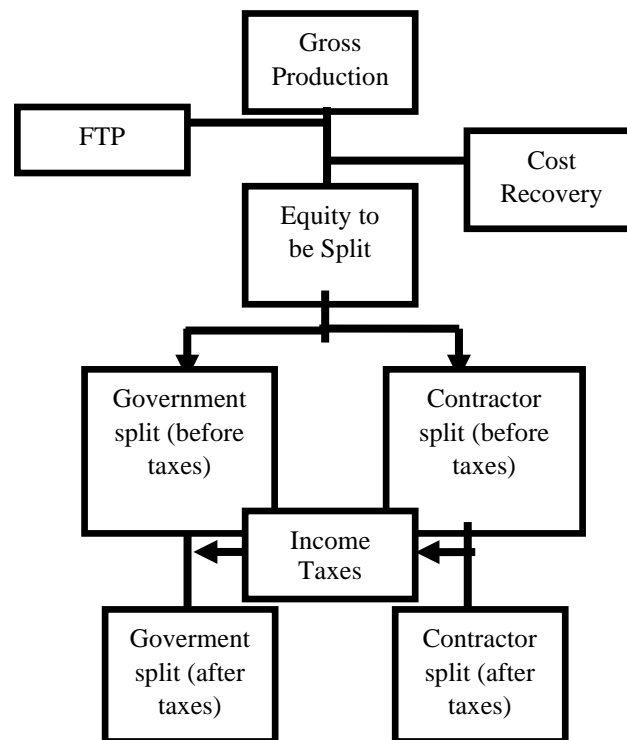


Figure. 1 Revenue sharing schemes *cost recovery*

Based on the above scheme, it can be seen that the amount of ETBS (equity to be split) which will be shared between the Contractor and the Government in calculating the profit sharing carried out between the Government and the Contractor each year is greatly influenced by operating costs. Where the greater the operating costs the smaller the ETBS (equity to be split) to be shared between the Contractor and the Government, thereby reducing the portion for the country. In connection with this, if seen from the problems that arise in the application of cost recovery before, cost recovery schemes are easy targets for cost recovery claim mark-up's by contractors, where the mark-up of cost recovery claims results in very high operating costs so that the government's portion becomes smaller. A common cause that can lead to cost recovery claims mark-ups is in the use of costs for oil and gas field operations with a cost recovery scheme that is applied in the production sharing, the contractor will tend not to think too much about the amount of operating costs it incurred and the effectiveness of its use because it will be returned by the Government later. In addition, sometimes the ability of SKK

Migas knowledge and skills to prove the ineffectiveness of the use of operating funds by the contractor cannot detect this.

Based on the findings of the BPK-RI (Indonesian Supreme Audit Board), in the fiscal year 2004 and 2005, the BPK found that the total cost recovery mark-up claims that occurred totalled more than Rp.14.20 trillion [10], in 2007 the Supreme Audit Agency recorded, based on the results of examinations of 13 oil contractors, found a figure of Rp.39.9 trillion which should not have been paid as a cost recovery by the Government to the contractor and in 2016 based on the examination results recorded IDR. 2.56 trillion [11].

In 2017, the Government issued a new policy towards oil and gas revenue sharing cooperation, which initially with cost recovery became Gross Split. This, based on Article 1 Number 7 of the Regulation of the Minister of Energy and Mineral Resources Number 08 Year 2017 Concerning Gross Split Production Sharing Contracts, in the distribution of oil and gas production results with a gross split scheme carried out without a mechanism of returning operating costs, which in this case Operating costs are borne by the relevant non-Government contractor. In the gross split scheme, according to the standard split contract profit sharing system VI paragraph 6.1 concerning handling operating costs, operating costs incurred by the Contractor can be used as a component of income tax deduction [12].

In the gross split scheme, the percentage split between the Government and the Contractor based on Article 5 Paragraph (1) of the Regulation of the Minister of Energy and Mineral Resources Number 08 Year 2017 Regarding Gross Split Production Sharing Contracts, in essence is for oil 57% of the State and 43% of the share The contractor while for natural gas is 52% of the State portion and 48% of the Contractor's portion. This percentage, or what is referred to as base split, is based on Article 4 of the Regulation of the Minister of Energy and Mineral Resources No. 08 of 2017, depending on the components that can provide additional / reduced splits for contractors, namely variable and progressive components.

The variable component is related to the level of difficulty of field development, the split correction that will be added to the Contractor will be even greater if field development is more difficult, and vice versa. As field development becomes easier, split correction will be smaller. The parameters in the Component variable consist of working area status, field location, reservoir depth, availability of supporting infrastructure, type of reservoir, carbon-dioxide (CO₂) content, hydrogen-sulfide (H₂S) content, petroleum density, TKDN (Component Level Domestic) during the field of development (Plan of Development) and production stages.

While the progressive component consists of the price of petroleum, the price of natural gas and the cumulative amount of oil production and natural gas, which when the selling price of production (the price of oil and natural gas) gets smaller, the split correction will be even greater and vice versa, when the selling price gets higher, the split correction will get smaller and when the amount of production is still small and capital is not yet again, the split correction will get bigger and as the cumulative production increases, the split correction will get smaller. So it can be seen that the calculation of the contractor's part is Base Split (Variable Component correction number + Progressive Component correction number).

In connection with that, as is known, in the oil and gas mining sector, the implementation of oil and gas business activities is guided by Article 33 paragraph 3 of the 1945 Constitution which states that in principle must be carried out based on two things namely "control" State "and" people's prosperity. Which means state control here means that the State has power in business activities that involve the utilization of oil and gas resources both as regulators and implementers of oil and gas mining business activities, which in carrying out their roles both

as regulators and implementers of oil and gas mining business activities. it must be aimed at the maximum prosperity of the people so that it must benefit the State more. [13]

Based on interviews with Mr. Bobi Guntoro, S.H., M.H, Head of the Subdivision of the Directorate General of Oil and Gas, there are some of the best of the gross split system in oil and gas production sharing in Indonesia, as follow: [14].

a. *Effective and Efficient*

Profit sharing applied in oil and gas revenue sharing contracts must be effective and efficient. The effective and efficient aspect in this case can be seen from the time in determining the profit sharing and the percentage of profit sharing applied.

1) *Time*

Pursuant to Article 7 of Government Regulation No. 35/2004 concerning Oil and Gas Business Activities, Oil and Gas Business Activities, in the implementation of exploration and exploitation activities the maximum duration of implementation is only 30 years [15]. While the time to carry it out especially in this case exploration requires quite a long time that can reach 10 years. So in determining the distribution of initial production results on the submission and approval of the plan of development after it is discovered that the work area produces commercially valuable oil and gas must be relatively fast. In revenue sharing with a gross split scheme, the process of approval of production sharing in its plan of development is relatively fast, which is a maximum of a month because in this case all operating costs borne by the contractor so there are no problems in the approval of operating costs that will be used by the contractor in the development of the field of work. Also in the gross split scheme, the percentage that will be used as a component of addition or subtraction in the variable component and the progressive component of the correction value is clear, making it easier to determine the profit sharing between them.

Whereas in profit sharing with cost recovery schemes, the production sharing approval process in the plan of development is relatively long due to the determination of operating costs which often causes debate between the parties, namely SKK Migas and the PSC Contractors due to operating costs that are unlimited or not there are clear limits.

2) *Use of Costs for Oil and Gas Field Operations*

In profit sharing with a cost recovery scheme, the contractor will tend not to think too much about the amount of operating costs he incurred and the effectiveness of its use because all will be returned by the Government, whereas in a gross split scheme, where operating costs are borne by the Contractor, the contractor will certainly try to use the costs As minimum as possible, by suppressing cost effectively, the contractor has the opportunity to get greater results.

3) *Percentage of Profit Sharing Amount Applied*

The percentage of the final production share must be greater than the State's share of oil and gas production as the holder of authority for oil and gas mining. When viewed in this case, basically in its policy both the gross split system and the cost recovery scheme the percentage of the initial amount of profit sharing before being influenced by certain components is equally greater for the State, but in this case in terms of uncertainty in the amount of the results, for cost recovery scheme results with unlimited operating costs returned, as is known based on data from the Ministry of Energy and Resources, in the period of 2016 the value of cost recovery that must be returned by the Government to the Contractor is around 47.83% which if added to the contractor's part the percentage of the final share of the contractor's share will be more than the Government's.

b. *Flexibility*

Flexibility or flexibility in this case is flexibility in terms of field development (plan of development) relating to the costs to be used for field development operations (facilities and infrastructure as well as the technology to be used). In the production sharing with the Gross Split system, in determining the costs to be used for field development operations both to accommodate the facilities, infrastructure and technology to be used, the amount of the costs is left to the contractor or in accordance with the wishes of the contractor because in this case as is known by the contractor will bear all costs in the operation of the oil and gas field in its non-Government jurisdiction.

Whereas in profit sharing with the Cost Recovery system, in the process of determining the costs to be used for field development operations both to accommodate the facilities, infrastructure and technology to be used, the amount of the fee depends on the results of discussions between the contractor and SKK Migas, because as has been explained that in the profit sharing with a Cost Recovery system that will cover the operating costs of the oil and gas field is the Government. The problem that often occurs in this case is the debate over the technology issues that will be used because most contractors want a technology that is classified as sophisticated with a cost that is not insignificant which sometimes according to the results of SKK Migas research to manage the work area related does not require such technology [16].

c. Risk Imposition

The risks involved in carrying out oil and gas exploration are enormous. The success rate of finding commercially valuable oil and gas reserves in exploration activities is only around 20% to 30% with costs ranging from IDR. 27 billion to IDR. 92 billion only for field drilling on land with the total cost of conducting exploration activities is around US \$ 25 million to US \$ 45 million in this case if no oil and gas reserves are found, both in the cost recovery scheme and the gross split the risk is in the contractor but if it is found even though the amount or grade is not proportional to the operating costs used to find and obtain it and in this case what is used is a cost recovery scheme so the risk is clearly in the hands of the Government as the party that has to return the operating costs incurred by the contractor.

d. Attracting Investor's Interest

Investors or Contractors who in this case are business entities or permanent establishments with unlimited funds ownership play an important role in the operation of oil and gas businesses because oil and gas business activities certainly require insufficient capital and adequate technology. So the production sharing system adopted in the oil and gas production sharing contract must be able to attract investors.

Former Deputy Minister of Energy and Mineral Resources, Arcandra Tahar through an interview with detik.com stated that the factors sought and considered by investors to collaborate in the oil and gas mining sector are certainty, efficiency and simplicity [17].

1) Certainty

When viewed in terms of certainty or certainty in the distribution of oil and gas production results, the profit sharing with the Gross Split system is more certain than the Cost Recovery system. Because, as explained earlier, in a revenue sharing system with a Gross Split system there are clear provisions accompanied by exact figures in determining the components that will affect the correction of the addition or reduction of the contractor's part in the percentage of profit sharing, so that the size of the contractor and the government is clearer and certainly. While in the Cost Recovery system, the amount of operating costs that must be returned by the government in the form of oil and gas production obtained from the reduction of the government's share in the production sharing with contractors is uncertain, because as it is

known that the amount of operating costs is unlimited which is the result of a long debate between the contractor and SKK Migas.

2) *Efficiency*

When viewed in terms of efficiency, especially in terms of time efficiency, as explained earlier, in the Gross Split system of revenue sharing, the approval process for production results in the plan of development is relatively fast, which is at most a month when compared to the Cost Recovery system in the determination and approval takes a long time.

3) *Simplicity*

In determining the cost recovery system revenue sharing as it is known there is often debate in determining the operating costs to be returned by the Government to the Contractor so that the process is more complicated when compared to the Gross Split profit sharing system which is a production sharing system without a mechanism for returning operating costs by the government so that the determination of operating costs is certainly more practical or straightforward because there will be no debate between the contractor and SKK Migas in this case.

4. Conclusion

Oil and gas production sharing (MIGAS) in Indonesia through gross split means Gross Split is a scheme of sharing oil and gas production without returning operating costs. Thus, the Government from the beginning of the cooperation contract has determined the share of profits with the contractor or operating costs are the responsibility of the contractor after the distribution of profits. There are several aspects that can be of investor interest in the Gross Split scheme, namely effective and efficient aspects, flexibility and risk loading. The effectiveness and efficiency aspects can be seen from the time in determining the profit sharing, the use of costs for oil and gas field operations and the percentage of profit sharing amount applied. The flexibility aspect is seen based on the determination of the amount of costs for operating the oil and gas field. While the risk loading aspect is seen as more risk in the hands of the Government or the Contractor.

References

- [1] CNBC Indonesia, "Kontrak Gross Split Migas Bakal Tidak Wajib," 2019. <https://www.cnbcindonesia.com/news/20191128104519-8-118601/kontrak-gross-split-migas-bakal-tidak-wajib>.
- [2] SKKMIGAS, "Laporan Tahunan SKK Migas," 2019. <https://www.skkmigas.go.id/publikasi/annual-report>.
- [3] J. Ibrahim, *Teori & Metodologi Penelitian Hukum Normatif*. Bayumedia, 2006.
- [4] Indonesia, *Undang-Undang Tentang Minyak dan Gas Bumi, UU No. 22 Tahun 2001, LN No.136 Tahun 2001, TLN Nomor 4152, Pasal 4 Ayat 1*. Indonesia, 2001.
- [5] Salim H.S, *Hukum Pertambangan Di Indonesia*, V. Jakarta: Rajawali Pers, 2010.
- [6] B. Lubiantara, *Ekonomi Migas Tinjauan Aspek Komersial Kontrak Migas*. Jakarta: Gramedia, 2012.
- [7] Republik Indonesia, *Peraturan Pemerintah Tentang Biaya Operasi yang Dapat Dikembalikan dan Perlakuan Pajak Penghasilan di Bidang Kegiatan Usaha Hulu Minyak dan Gas Bumi, PP No.79 Tahun 2010, LN. 2010 No. 139, TLN No. 5173, Pasal 7*. 2010.

- [8] A. Sutedi, *Hukum Pertambangan*, III. Jakarta: Sinar Grafika, 2012.
- [9] Rudi M. Simamora, *Hukum Minyak dan Gas Bumi*. Jakarta: Djambatan, 2000.
- [10] A. Sutedi, *Hukum Pertambangan*, III. Jakarta: Sinar Grafika, 2012.
- [11] nasional.kontan.co.id, "BPK temukan mark up cost recovery 2016 Rp 2,5T," 2019. <https://nasional.kontan.co.id/news/bpk-temukan-mark-up-cost-recovery-2016-rp-25-t>.
- [12] *Standar Kontrak Bagi Hasil Gross Split*, VI. .
- [13] A. Madjedi Hasan, *Kontrak Minyak dan Gas Bumi Berasas Keadilan dan Kepastian Hukum*, I. Fikahati Aneska, 2009.
- [14] "Wawancara dengan Bobied Guntoro, Kepala Sub Bagian Penyusunan Peraturan Perundang-Undangan Kementerian Energi dan Sumber Daya Mineral Direktorat Jenderal Minyak dan Gas Bumi," 2019.
- [15] Republik Indonesia, *Peraturan Pemerintah Tentang Kegiatan Usaha Hulu Migas, PP No. 35 Tahun 2004, LN. 2004 No. 123, TLN No.4435*. 2004.
- [16] A. Rinto Pudyantoro, *A to Z Bisnis Hulu Migas*, II. Jakarta: Petromindo, 2013.
- [17] finance.detik.com, "Arcandra Pamer Keberhasilan Skema Bagi Hasil Gross Split," 14 Desember 2019, pukul 22:48 wib, 2019. <https://finance.detik.com/energi/d-4434512/arcandra-pamer-keberhasilan-skema-bagi-hasil-gross-split>.

The Role of Majelis Ulama Indonesia and Its Fatwas within The Indonesian Governance System

Yudi Widagdo Harimurti¹, Encik Muhammad Fauzan², Indah Purbasari³, Indra Yulianingsih⁴

{yudi.harimurti@trunojoyo.ac.id¹, encik.fauzan@trunojoyo.ac.id², indah.purbasari@trunojoyo.ac.id³, indra.yulianingsih@trunojoyo.ac.id⁴}

Universitas Trunojoyo Madura, Jalan Raya Telang PO BOX 2 Kamal-Bangkal-East Java-Indonesia¹,
Universitas Trunojoyo Madura, Jalan Raya Telang PO BOX 2 Kamal-Bangkal-East Java-Indonesia²,
Universitas Trunojoyo Madura, Jalan Raya Telang PO BOX 2 Kamal-Bangkal-East Java-Indonesia³,
Universitas Trunojoyo Madura, Jalan Raya Telang PO BOX 2 Kamal-Bangkal-East Java-Indonesia⁴,

Abstract. Ulama are the topnotch scholars in Islamic religious teaching trusted by all levels of Muslim communities to guide their life and there is the Indonesian Ulama Council also known as MUI. In practice, MUI plays a significant role to Muslims and the government and it serves as a guidance in resolving peoples' problems related to religion. Therefore, this study is conducted to elaborate the existence of MUI within the Republic of Indonesia's governance system and how it should be managed within the system. Moreover, the method used in this analysis is the normative research method. The approach used is a statute (legislation) and historical approach. These results indicate the significant role of MUI in the Republic of Indonesia's constitutional system as expressed in MUI fatwas that are considered as parts of some Laws, and the government references in decision makings. Hence, MUI should be the part of the Ministry of Religious Affairs.

Keywords: Fatwa, Management, MUI, Governance.

1 Introduction

The Indonesian *Ulema* Council (known as MUI) is a Nonprofit Organization that caters *ulema*, *zua'ama* (leaders) and Islamic scholars to guide, mentor and protect Muslims over the country. As a consultative council for *ulema*, *zua'ama* and Islamic scholars, MUI seeks to:

- provide guidance and mentoring to Indonesian Muslims by manifesting religious and social permitted by God, Allah SWT;
- provide advice and fatwas related to religious and social matters to the government and society, improve activities oriented to achieving the building of Ukhuwah Islamiyah and inter religion harmony seeking to reinforce the national unity and solidarity;
- function as an intermediary between *ulema* and the government as well as interpreters between the government and the Muslim society and conversely in favor of the national development.

Furthermore, MUI is basically a non governmental organization to the extent that its operation has no relevance with the state establishment. MUI existence within the the Republic of Indonesia's governance system according to Laws Number 17 of 2013 on Social

Organizations thereafter called as UU Ormas. Hence, MUI has no relevance nor obligation to take part in the state establishment.

Nonetheless, in practice, MUI at times have taken parts in governing the state, particularly in regard of issuing fatwas to justify numerous matters related to the governance and Islamic society. Numerous fatwas are exercised in some laws and regulations regarding Sharia issues, narcotics, banking, benefaction, pornography and others. In addition, MUI fatwas serve as a guideline in decision makings despite its less binding power imposed on society.

2 Methods

A normative or doctrinal legal research is likely conducted in the study. It is a study carried out seeking to list positive law, fundamentals and positive legal philosophy as well as *in concreto* legal findings exercised in particular legal matters”[1]. While the aim of the study is to resolve problems. Thus, the government is demanded to establish judicial and theoretical foundations in its governance as ways to specify MUI participation in running the state of Indonesia.

This study uses several approaches based on its research objects. First, the statute approach which literally means that all regulations related to legal matters be explored and *ratio legis* findings need to be highlighted prior to the birth of laws ”[2]. The statute approach is used this since it focuses on numerous legislation related to MUI such as Laws, State Regulations, President Regulation President Decrees.

3 Result and Discussion

As judicial issues emerged as MUI fatwas are definitely not regulations, thus binding legal power is absent. Ironically MUI fatwas have played a considerably important role to society and the government albeit in reality it is not a state institution. Rather, it is merely an NGO whose function like that of the House of Representatives (thereafter abbreviated as DPR) as a policy maker or functions as norm creator and apply the norms simultaneously [3].

One of the MUI fatwas used as a guideline within the state operation is expressed in Laws Number 21, 2008 on Sharia Banking (thereafter called as Sharia Banking Laws). Article 26 section (1) f Sharia Banking Law describes “ Business activities mentioned in Articles 19, 20 and 21 and or Sharia products and services comply with the Sharia Principles. Furthermore, Article 26 section (2) states that the Sharia Principles mentioned in section (1) is formulated through MUI fatwa”.

The following Laws are Number 19, 2008 Laws on National Sharia Securities Laws (hereafter called Laws of NSS) that mainly focus on Section 25. The Laws of NSS Number 33, 2014 focus on Halal Product Guarantee (hereafter called Laws of HPG) and Number 40, 2014 Laws focus on Insurance (hereafter called Laws of Insurance) specifically Article 1 section (3).

MUI fatwas included within Sharia Banking Laws can be specifically be seen on Article 25 which states that “ in efforts to issue National Sharia Securities (NSS) , the Ministry of Religious Affairs sought fatwas or justifications of MUI to make NSS acceptable to Sharia principles. MUI was considered as an authorized institution entitled to issue fatwas related to

sharia principles. Article 25 clearly defines that "the authorized institution to establish fatwas regarding sharia principles is MUI or other institutions appointed by the government".

Additionally, MUI fatwas contained in the Laws of Halal Product Guarantee on Article 1 state that "halal certification is recognition over the warranty of halal products issued by the authorized institution responsible for issuing warranty of halal products based on written fatwas issued by MUI. Article 10 claims that "MUI is in charge of auditing halal certifications, establishing warranty of halal products and issuing Accredited Halal Product Labels". While MUI fatwas written in the Laws of Insurance on Article 1 section (3) mentions that "Islam Sharia Principles are Islamic law principles exercised within the insurance business activities on the basis of fatwas issued by the authorized institutions responsible for establishing fatwas related to sharia principles".

Undoubtedly, those four Laws have proven that MUI has played a significant role in the Indonesian Governance System despite lacking of legal power and hierarchy in legislation. Fatwas simply function as advice rather than laws. Thus, society can opt between using fatwas as guidance or simply ignore them.

In running the organization and its functions, the members of MUI Fatwa Commissioner are also assisted by the Daily Operatives of MUI Head Council. All MUI fatwas issued by the MUI Fatwa Commissioner are grouped into several categories from which there are sections of Aqidah and Islam Sects, Worship, Society and Cultures, Food Products, Drugs, Science and Technology.

Subsequently, MUI fatwas turned into society guidelines as responses to problems closely related to religious matters. As an institution MUI is formally seen as non partisan and holds no affiliation towards particular political powers. The government's major supports to MUI is clear in terms of its acceptance and adoption of MUI fatwas for the state governance especially dealing with religious issues over Islam blasphemy and MUI halal warranty certification.

Along with its significant role, MUI likely enhances its existence within the state governance as a large number of MUI fatwas have been issued since its establishment in 1975. There were 137 fatwas collected from 1975 to 2011, illustrated in MUI book published in 2011 whose title was "Himpunan Fatwa MUI Sejak Tahun 1975". The National Sharia Council of MUI (hereafter called NSC MUI) from which approximately 174 fatwas concerning Sharia Financial Institutions were also issued as the basis of Islamic financial institutions.

Furthermore, MUI's role within the state governance can be found in the issuance of halal certification by the institution of Food Product, Drug and Food Research (hereafter called LPPOM MUI). LPPOM MUI stated that the halal warranty of food products, drugs, cosmetics, and other respective products in accordance with Islamic principles. The certification is a prerequisite to acquire halal label attachments on product containers issued by halal certification institutions. However, the authorized institution has been delegated to the Executive Body of Halal Product Warranty Issuance on the basis of Laws of Halal Product Guarantee

Apart from its involvement in the halal food certification, MUI also established 10 fatwas denoting freedom of religion issues and 8 fatwas related to religion and sects grouped separately in Aqidah Section and Religion and Sect Section. The ten fatwas have so far been applied to connote whether any religious activities conducted by numerous sects under Islam laws as "misleading and leading people to violate against Islamic fundamental principles" [4]. One of the famous fatwas was concerning a sect who called themselves the Jama'ah

Muslimin Hizbullah (community of Hizbullah Muslims) and their teaching on Jama'ah, Khalifah dan Bai'ah.

MUI fatwas also served as a legal basis to resolve conflicts as a response toward Basuki Tjahja Purnama also known as Ahok related blasphemy of Al Qur'an related to a revelation stated in the Qur'an Surah Al Maidah verse 51 to which he took it as a deception for it clarifies that Muslims should never appoint Christians nor Jewish to serve as a leader within the Muslim society. Inevitably, Ahok allegedly committed a defamation against the Qur'an as issued by MUI through its fatwa and announced publicly on October 11, 2016. MUI asserted that the Governor of DKI Jakarta was charged for defamation against the Qur'an as well as the ulema, thus a legal sanction be imposed on him. Under these circumstances, MUI recommended that the government through its officials as legal measures to put Ahok to trial quickly, proportionally and professionally as an individual personally gave the Qur'an and Islam religious teaching a bad reputation. Despite its significance, MUI simply had no biding legal power to be exercised in such legal matter since it operated as an NGO rather than a State Institution.

MUI is grouped in The Sosio Political Sphere and interest groups are groups of people building the brotherhood with others whose interests are the same Gabriel A.Almond, classified the groups as: Interest Group Association, Institutional Interest Groups and Non Association Interest Group. Meanwhile, MUI is listed in the Association Group of Interests for this group is established in favor of a particular group's interests within the society or social group mainly for the Muslim society. Such group of Interests are NGO wherein MUI is not classified as a state institution within the structure of the Government Political Sphere.

Decisions with binding legal power exist within decisions granted by MPR, DPR and DPD. Yet, MUI is included in The Socio-Political Sphere namely the group of interests that literally refer to each enactment issued by the MUI that barely contains legal power and it is up to the society as to whether they comply with the fatwas or leave them behind. MUI Fatwas related to the state have been influential, it is obvious that MUI existence within the state governance is essential.

Moreover, evaluations and managements over the MUI existence within the Indonesian Governance System are highly needed. As such, all MUI products accommodate the government necessities, for instance, in issuing the Halal Certificates as well as Sharia Fatwa from which some laws are made and they have binding legal power Rianto Nugroho stated that evaluations are highly needed "to figure out the gaps between expectation and reality" [5]. Therefore, this evaluation is needed to see whether the MUI has met the objectives and benefits of its establishment. Therefore, evaluation must be carried out not only at the end of policy making, but must be carried out in the entire policy making process. Policy evaluation is an objective, systematic, and empirical evaluation carried out on the impact of the applicable policy and the objectives of the intended target [6].

On the policy evaluation, results and implications shall appear as to whether they have met the expectation or not. Thus, it means that the enacted policies have succeeded or failed in achieving the goals and the ways to maintain the policies and solutions in case the policies fail to meet the target and ways to sustain the effects. In addition, "evaluation on policies serve as the basis of the existing policies whether they are continued, revised or stopped completely".[7]

Upon the evaluation, the government needs to organize the existence of MUI which influences the state governance and Muslim activities in Indonesia. Several methods in governing state institutions are described as follow, namely: [8] a) By maintaining state institutions whose managements are beyond the 1945 Indonesian Constitution by giving them

the right and precise as well as using the proper stipulations forms as the legal basis of of the state establishment; b) By combining or galvanizing numerous unorganized regulations withing the 1945 Indonesian Constitution as the basis for establishing the state institution; c) By becoming part of the state institution as managed in the 1945 Indonesian Constitution or the state ministry under which institutions organized beyond the 1945 Indonesian Constitution; d) By liquidating some institutions wherein their managements are organized beyond the 1945 Indonesian Constitution; and e) By understanding several managements of the state institutions , thus , an analogy can be applied to refer to MUI and Ormas management. It turns out that MUI has the most suitable management and considered as the most proper institution. Hence, once MUI registered as the state institution a sync is created between both institutions.

MUI, in this regard, works on a specific function related to matters in Islamic field, and it is suggested that MUI be the part of the ministry of religious affairs that handles religious matters wherein Islam as a religion is included. By appointing MUI as part of the ministry of religious matters, the government should be able of minimizing operating budget and carrying out functions, duties and authorities more efficiently.

4 Conclusion

MUI, along with its fatwas, plays an integral role in establishing the state governance despite its category as an NGO (Ormas). However, judicial issues emerged as to whether MUI holds a legal power and the MUI fatwas bind the society within the state, more importantly the life of Muslim society.

The MUI should be managed in such a way that it subsequently gain legal power seeking to enhance MUI fatwas existence in running the state of Indonesia as well as in its governance system. In this regard, MUI should be made as part of a State Ministry. In the extent that MUI works as part of the Ministry of Religious Affairs , a great collaboration should be created between MUI with the Ministry of Religious Affairs. Despite its category as an NGO, MUI has a specific function related to Islamic matters. Thus, suggestions arise within the Muslim society that MUI should be made an state agency assisting the Ministry of Religious Affairs`

References

- [1] B. Sunggono, *Metode Penelitian Hukum*. Jakarta, Indonesia: RajaGrafindo Persada, 2001.
- [2] P. M. Marzuki, *Penelitian hukum* . Jakarta, Indonesia: Kencana, 2016.
- [3] Jazim. et. al Hamidi, *Teori Dan Politik Hukum Tata Negara*. Yogyakarta: Total Media, 2008.
- [4] F. Umam, *Kala Beragama Tak Lagi Merdeka: Majelis Ulama Indonesia Dalam Praksis Kebebasan Beragama*. Jakarta, Indonesia: Prenada Media Group, 2015.
- [5] S. Naihasy, *Kebijakan Publik (Public Policy) Menggapai Masyarakat Madani*. Yogyakarta: Mida Pustaka, 2006.
- [6] W. Parsons, *Public Policy – Pengantar Teori Dan Praktik Analisis Kebijakan (tr)*. Jakarta: Kencana, 2006.
- [7] Edy. et. al Wibowo, *Hukum Dan Kebijakan Publik*. Yogyakarta: YPAPI, 2004.
- [8] Y. W. Harimurti, *Kelembagaan Negara Dalam Praktek Ketatanegaraan Indonesia*. Malang, Indonesia: Intelgensia Media, 2019.

Regulation Village Funds as Cash Direct Aid for Poor People in Rural Area due to Covid-19 Pandemic in Indonesia

Encik Muhammad Fauzan¹, Yudi Widagdo Harimurti², Indah Purbasari³, Indra Yulianingsih⁴

{encik.fauzan@trunojoyo.ac.id¹, yudi.harimurti@trunojoyo.ac.id², indah.purbasari@trunojoyo.ac.id³, indra.yulianingsih@trunojoyo.ac.id⁴}

Universitas Trunojoyo Madura, Indonesia¹, Universitas Trunojoyo Madura, Indonesia², Universitas Trunojoyo Madura, Indonesia³, Universitas Trunojoyo Madura, Indonesia⁴

Abstract. The Covid-19 pandemic has impacted various aspects of life such as the global economy, especially for rural communities. The problem is how the Indonesian government policy in dealing with the impact of the Covid-19 outbreak toward people poverty in villages. Using doctrinal research that aims to find out government policies in handling Covid-19 for people in rural areas. Based on the results of this study, it was found that the handling of covid-19 for rural communities used village funds as direct cash aid for village communities. The local government must create a regent regulation to distribute cash direct aid from village funds toward people poverty villages.

Keywords: covid-19 pandemic, village funds, cash direct aid, regent regulation, rural communities

1. Introduction

World Health Organization (WHO) had declared the corona virus diseases (Covid-19) as a dangerous virus and a global pandemic. It significantly impacts the global economic, political, and socio-cultural system. The measures and strategies to stop spread of the covid-19 have been carried out in ways such as keep the distance, trip and mobility bans, society lockdown, stay at home campaign, self quarantine, and avoid the crowd [1]. The pandemic of Covid-19 influenced all aspects in life where people feel could not their activities normally in long term.

It is difficult for us to predict when the Covid-19 pandemic outbreak will end and the long-term effects. Even though the community has had experience in dealing with several outbreaks in the past, it is still difficult to predict the social and economic conditions in the Covid-19 outbreak. Previous research has shown that when people are hit by disease outbreaks globally, people tend to keep their assets and are not interested in investing. It is a situation like this that results in changing people's behavior to protect and survive for themselves rather than thinking about what might happen in the future [2].

In response to the increasing transmission of Covid-19, many countries have banned social activities to prevent the spread of Covid-19. These countries have imposed border closures, restricted travel abroad, and postponed export and import activities of goods that are feared to trigger an economic crisis and recession in the future. The economic sector is a

sector that has been severely affected by delays in raw material extraction, production of finished products and the closure of the service-providing industry [3].

Facing this difficult situation, the Indonesian government issued and provided several policies to prevent the expansion of the Covid-19 outbreak. These policies include large-scale social restrictions by closing schools, closing markets, shops, prohibiting group activities, encouraging work from home, and worshipping from home. The implementation of this large-scale social restriction is enforced for 14 days and can be extended by looking at the situation and conditions of the development of Covid-19. This is because this virus can be transmitted through physical contact, namely touch, air and air and must maintain a distance between humans outside the room approximately 1.5 meters [4].

Indonesian Government has settled that Covid-19 is threat to Indonesia's economic could lead zero growth. Therefore, the government must solve immediately it, despite some people argue that the government to be slow in detecting a possible outbreak of this virus. This can be seen from the efforts of the government which previously even gave certain incentives so that the number of visits to Indonesia continues to increase in the middle of the Covid-19 pandemic [5]. The government has also attempted to provide incentives to the community such as direct cash assistance as cash incentives for the poor, especially in rural areas as people who have been directly affected by their socio-economics due to the Covid-19 pandemic. This research was conducted to describe how Indonesia government making models of regulation to coping rural community especially poverty people due to Covid-19 pandemic impacted. Therefore, the aim for the research to find out the model of Indonesian Government in coping rural community Covid-19 Impacted through its social public policy.

2. Literature Review

Village fund is a program from Indonesian Government as one of the financial instruments which will effectively alleviate poverty and reduce development gaps in local levels by strengthening development and empowering communities. This fund was allocated in national budgnet and distribute to village goventment through its local government. The first allocation of villagge in 2015. Allocating of village fund using three methods namely percentage of central government revenue, common procedure like other expenditures, and formula [9].

Based on Government Regulation Number 60 Year 2014, the priority of village fund utilization is development and empowerment for rural community. In general, the use of village funds is prioritized to meet basic needs, develop local economic potential, and develop village infrastructure and facilities [10]. However in Covid-19 pandemic currently, the priority of village funds change to social aid of rural community.

The novel coronavirus disease (COVID-19) caused which caused by a strain of coronavirus (the SARS-CoV2) with begun in the city of Wuhan, Hubei province, China. This virus has had a long-term impact on human life globally. The virus that has spread by WHO was declared a global pandemic on March 11, 2020. Several studies have also shown that it may take more than a decade for the world to recover socially and economically or society can live a normal life [11].

3. Methods

Research type- This research was arranged by the using legal research methodology which focused on the doctrinal study. As a doctrinal research, the research was basically conducted by library study search to discover, explain, examine, principles, provisions, and concepts [6]. Doctrinal legal research makes abstract legal rules as a measure of truth in legal studies. The objects and references referred to in doctrinal research are the norms of norms, concepts and doctrines that develop in legal thinking [7].

Research Approach- Supporting doctrinal research, this study uses statute approach to analysis law deeply such as analysis the Indonesian government regulation in overcome community Covid-19 impacted. It means that the statutes used to answer the problem statement of the research refer to Indonesian government regulations enacted during the pandemic situation [8].

Material - Having declared that Indonesia was infected Covid-19 pandemic in March 2020, the President issued the Indonesia Government Regulation in lieu of laws Number 1 years 2020. Later, in May, this regulation is passed to Indonesian Law Number 2 Year 2020. They become the primary material. Besides, this research is supported by secondary material from article accessed in credible journals websites, books, official websites.

Method of Analysis- The collected materials are analyzed by using deductive reasoning. Deductive analysis derives from the general premise of the norm to be synchronized with the minor premise of the fact. The general premise regards to the concept, norm, or regulations of Indonesian government to cope with the impact of COVID-19 pandemic, as listed in the materials. Those laws will be examined to find the solution of coping Covid-19 impacted to rural community.

4. Result and Discussion

4.1 Making Emergency Law and Using Village Fund

The Indonesian government announced people infected with Covid-19 in March with 2 initial cases of people who were positive for Covid-19. This positive case continues to increase from week to week until August 2020. The increase in positive cases has had an impact on the Indonesian economy because the Indonesian government must impose large-scale social restrictions, namely by reducing economic and social activities in the community. As a result, many companies have laid off workers because production cannot be maximized. This reduction in workforce has also resulted in increased unemployment and poverty, especially in rural areas. The Indonesian government in this condition has tried to accelerate state spending and divert the state budget for handling, preventing Covid-19 and overcoming the impact due to the implementation of this large-scale social restriction [12].

The first step when Indonesia was declared to be entering the Covid-19 pandemic, the government issued the Indonesian Regulation in Lieu (Government Regulation in Lieu of Law) Number 1 Year 2020. The regulation regulates the use of state finances for handling Covid-19, maintaining economic and financial stability due to the Covid-19. Meanwhile, the purpose of establishing the regulation, one of which is to provide a legal basis for the government in establishing policies and unusual steps due to the Covid-19 pandemic. This regulation has equal position with Indonesia law which passed by House of Representative.

In Indonesian regulation system, there are types and hierarchies of laws. Refers to article 7 section 1 Indonesia Law Number 12 of 2011, stated that types and hierarchies of laws are:

1. The 1945 Indonesian Constitution,
2. MPR's Decree (People's Consultative Assembly/MPR or People Consultative Assembly)
3. Indonesian Law or government regulation in lieu of laws,
4. Government regulation,
5. Presidential regulation,
6. Provincial local laws,
7. Regency or municipality local laws.

The hierarchies of law above shows which regulations are under the law, on par with the legislation, and higher than legislation. Government regulations is a legal product which is the object of examination by the Parliament as an institution of the legislators because a maximum of 3 months after being issued by the government, the Government regulations must be discussed in the House of Representative. President issued the Government regulations by reason of the situation in matter of forcing as stipulated in article 22 the 1945 Indonesian Constitution. The article state This article states that the President could determine the Government regulations in urgent conditions and situations. This Government regulation is submitted to the House of Representatives for approval at the next session of the House of Representatives.

This constitution gives President a right to issue a Government regulation on condition that the critical compelling condition must base on the constitution. The provisions in this constitution reflect the importance when facing emergency condition such as the Covid-19 outbreak [13]. The constitution as the basic law not only regulates the government system of a country, but there are particularly important social values, especially in coping the socio-economic effect of the Covid-19 outbreak. It exists can be done through the Government regulations by allocating a state budget for handling the prevention of Covid-19 and its impacts. Therefore, Fauzan argues that the constitution also has two functions, namely a normative function and a sociological function. This normative function makes the constitution the main and first reference for the preparation of norms under it. While the sociological function means that this constitution has an important role in safeguarding and protecting the public against arbitrary actions by the government [14].

In accordance with the Verdict of the Constitutional Court Number 138 / PUU-VII/2009, parameter in making Government regulations must include:

- a. because of an urgent need to solve legal problem quickly according to the Act.
- b. Law that is needed does not exist yet, so this happens the legal vacuum or the inadequacy of the current law there is, and
- c. a legal vacuum that cannot be resolved in a way make laws in the usual procedure that requires quite a long time while the urgent situation need certainty to be completed.

Therefore, the Government regulations Number 1 Year 2020 is appropriate in recent situation where the covid-19 has caused all life aspect down. Government regulations could not create by President in every year like law. For this, in three months from issued by President. The Government regulations must passed by House of Representative. They could reject the Government regulations if the substance is not in accordance with people aspiration.

However, Government regulations Number 1 Year 2020 had passed by House of Representative through Indonesian Law Number 2 Year 2020. The Government regulations is a form of anticipation of the implications of the Covid-19 pandemic which will have an impact on slow up national economic growth, decreased state revenue but there is an increase in state spending and financing for save the country's health and economy. This Government

regulation provides a change in state expenditure that has been previously determined into state expenditure that is focused on spending on health, social aid, and is used to restore the national economy. This economic recovery includes the affected business sector and communities. One of the substances of this Government regulation is the change in state financial policies related to budgeting and financing used for social safety nets with the use of budgets in village funds. Based on this Government regulation, the government refocuses village funds by adjusting the Village Fund budget ceiling. Furthermore, the village fund can be used for cash direct aid to the poor in villages and activities for handling the Covid-19 pandemic.

4.2 Use of the Village Fund for poverty of rural community

The village is the lowest jurisdiction unit in the government system in Indonesia. Villages can manage their villages through one government system, namely village government. The existence of this village is regulated in Indonesian Law Number 6 of 2014 on Villages where the Law functions to contain all the concern and necessity of village communities, which until now around 73,000 villages in Indonesia. This means that most Indonesians live in rural areas. This law does not only provide protection for the existence of villages, but there is an even more important aspect than just the existence of this law, namely the government provides opportunities for village development with the existence of a village fund budget. This aspect has been further informed in Government Regulation Number 43 Year 2014. The concepts of this Law of Village to be independent to solve village problems, build facilities according to budget, increase community participation, carry out development planning, improve the quality of human resources of village officials, carry out social activities and services to the community [15].

The Village Fund is a fund sourced from the state budget allocated to village governments through the district/city regional revenue and expenditure budget. This village fund is used to finance governance, implementation of infrastructure development, community development, and community empowerment. To provide a legal basis for the existence of this village fund, government regulation number 60 of 2014 has been prepared. This regulation is an implementing regulation of Law Number 6 of 2014 concerning Villages. The existence of this regulation is so that the implementation of village government can run village governance well, there is legal certainty, orderly governance, openness, professionalism, accountability, effectiveness, and efficiency, maintaining local wisdom, diversity, and participation. Thus, in implementing village development, the priority is the value of togetherness, kinship, and cooperation to achieve peace and social justice [16].

The implementation of village development to run according to development principles in the village, the village government must prepare a medium-term development plan and a village government work plan. This development planning can be financed from the village fund budget by looking at the situation, conditions and needs of the village. The importance of village funds for villages and village communities, so the use of village funds must be aimed at increasing village development and the welfare of village communities. Village communities are part of the Indonesian community in the smallest area [17].

The allocation of village funds is further regulated in the regulation of the village minister, development of underdeveloped areas and transmigration number 11 Year 2019. Derive from this regulation, the priority of using village funds is used to finance various

village programs and activities that must provide benefits to village communities such as improving the quality of life, increasing welfare, poverty alleviation and community services.. This regulation also emphasizes the use of village funds for natural disaster preparedness, natural disaster management, and environmental conservation.

However, with the covid-19 pandemic, the ministerial regulation was changed through ministerial regulations number 6 and number 7 Year 2020. The amendments were made because the transmission of Covid-19 has had an influence on social, economic, and welfare of the people of the Village. In addition, in the Government regulations Number 1 of 2020 as stipulated by Law Number 2 of 2020, the use of Village Funds can be used for direct cash assistance to the poor in the village. The ministerial regulation regulates the amount of direct cash assistance to the rural poor. Direct cash assistance was given for 6 months, where in the first 3 months the community received 600 thousand per month and in the next 3 months received 300 thousand per month. The cash direct aid could be distributed by villages if the village funds for a village are still available. This means that village funds which were originally for village development, due to the conditions of the Covid-19 pandemic, were used to maintain the economic stability of rural communities. The Covid-19 pandemic has eliminated the jobs of poor families in villages. They cannot work or lose their jobs and must stay at home to prevent the spread of this virus.

4.3 Cash Direct Aid distribution

The distribution of direct cash assistance from the Village Fund budget must be carried out by the regional government through the formation of a regent regulation. This district head regulation regulates how village heads can distribute direct cash assistance to the community. Without this regent's regulation, cash direct aid would not be given to those entitled to receive it. Therefore, the position of district head regulations as a product of regional law is important as a technical regulation. This regulation is created by head of local government. Making the regent regulation to avoid legal vacancy and the substance derive from the local laws and or the enactment of the minister [18].

The regent's regulation regarding the distribution of direct cash assistance can be specially formed or make changes to the existing regent regulations regarding the distribution of village funds. The formation of this regent regulation does not only refer to the enactment of the minister of villages, underdeveloped region and transmigration, it must also refer to the enactment of the minister of finance such as the regulation of the minister of finance number 40/PMK.07/2020, the regulation of the minister of finance number 50/ PMK.07 /2020 regarding amendment of the enactment of the minister of finance number 205/PMK.07 /2019 about the management of village funds.

The management of village funds must indeed refer to two different ministries. The ministry of villages, underdeveloped regions and transmigration regulates general policy priorities for the use of village funds while the ministry of finance regulates the mechanism for transferring village funds to regional finances and documents for financial accountability. The existence of the regent's regulation serves as a guideline for channeling village funds as direct cash assistance to poor rural communities affected by Covid-19.

5. Conclusion

Facing the covid-19 pandemic situation, Indonesian government policies are needed in maintaining the socio-economic stability of the community. Indonesian people who live in rural areas have become residents affected by the Covid-19 pandemic because they have lost income due to social restrictions to prevent more widespread transmission. Therefore, the government has enacted Indonesian law number 2 year 2020 concerning stipulation of government regulations in lieu of law number 1 year 2020. The law provides an order, one of which is the use of the Village Fund budget to be used as cash direct aid as a form of handling the impact of Covid-19 on poor people of rural communities. Village funds which should have been used for village development, during the Covid-19 pandemic, were used as a solution to ease the burden on rural communities. The implementation and realization of village funds must be carried out through the formation of a regent regulation as the legal basis for disbursing village funds because it will definitely change the regent's regulations regarding the allocation of village funds which must be re-allocated in the form of cash direct aid to maintain the economy of rural communities.

References

- [1] M. Sigala, "Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research," *J. Bus. Res.*, vol. 117, no. June, pp. 312–321, 2020, doi: 10.1016/j.jbusres.2020.06.015.
- [2] N. Donthu and A. Gustafsson, "Effects of COVID-19 on business and research," *J. Bus. Res.*, vol. 117, no. June, pp. 284–289, 2020, doi: 10.1016/j.jbusres.2020.06.008.
- [3] M. Nicola *et al.*, "The socio-economic implications of the coronavirus pandemic (COVID-19): A review," *Int. J. Surg.*, vol. 78, no. March, pp. 185–193, 2020, doi: 10.1016/j.ijsu.2020.04.018.
- [4] Zaharah, G. I. Kirilova, and Anissa Windarti, "Impact of Corona Virus Outbreak Towards Teaching and Learning Activities in Indonesia," *Salam; J. Sos. Budaya Syar-i*, vol. 7, no. 3, pp. 269–282, 2020, doi: 10.15408/sjsbs.v7i3.15104.
- [5] M. Hidayatullah and E. Purwanto, "COVID-19: Public support to handle economic challenges," *J. Inov. Ekon.*, 2020, doi: 10.22219/jiko.v5i3.11681.
- [6] A. Yaqin, *Legal Research and Writing*. Kelana Jaya Selangor: Lexis Nexis, 2007.
- [7] M. H. Hakim, "PERGESERAN ORIENTASI PENELITIAN HUKUM: DARI DOKTRINAL KE SOSIO-LEGAL," *Syariah J. Huk. dan Pemikir.*, vol. 16, no. 2, p. 105, 2017, doi: 10.18592/sy.v16i2.1031.
- [8] K. Benuf and M. Azhar, "Metodologi Penelitian Hukum sebagai Instrumen Mengurai Permasalahan Hukum Kontemporer," *Gema Keadilan*, vol. 7, no. 1, pp. 20–33, 2020.
- [9] M. Paellorisky and A. Solikin, "Village Fund Reform: A Proposal for More Equitable Allocation Formula," *J. Bina Praja*, no. 21, pp. 1–13, 2019, doi: 10.21787/jbp.11.2019.1-13.
- [10] I. Meutia and L. Liliana, "The Management of Village Fund Finances," *J. Din. Akunt.*, vol. 9, no. 1, pp. 63–81, 2018, doi: 10.15294/jda.v9i1.12009.
- [11] R. Djalante *et al.*, "Review and analysis of current responses to COVID-19 in Indonesia: Period of January to March 2020," *Prog. Disaster Sci.*, vol. 6, p. 100091, 2020, doi: 10.1016/j.pdisas.2020.100091.
- [12] S. Susilawati, R. Falefi, and A. Purwoko, "Impact of COVID-19's Pandemic on the Economy of Indonesia," *Budapest Int. Res. Critics Inst. Humanit. Soc. Sci.*, vol. 3, no. 2, pp. 1147–1156, 2020, doi: 10.33258/birci.v3i2.954.
- [13] E. M. Fauzan, "Evaluasi Pentingnya Perpu Dalam Peraturan Perundang-Undangan Dan Ketatanegaraan Indonesia," in *Sipendikum*, 2018, pp. 184–199.

- [14] E. M. Fauzan, “Fungsi Sosiologis Undang-Undang Dasar Negara Republik Indonesia Tahun 1945 dalam Memenuhi Hak-Hak Masyarakat,” *Masal. Huk. J.*, vol. 42, no. 3, pp. 346–354, 2013, doi: 10.14710/mmh.42.3.2013.346-355.
- [15] A. Widiyanti, “Implementation of Local Participation as Part of Good Governance Principles: Galengdowo Village Wonosalam Sub-District, Jombang,” *J. Akunt. dan Keuang.*, vol. 19, no. 2, pp. 59–66, 2017, doi: 10.9744/jak.19.2.59-66.
- [16] F. A. Nasution, Erlina, and Rujiman, “The Role of Village Funds to the Development Area in the Sub- District of West Bilah , Labuhanbatu Regency , North Sumatera , Indonesia,” *Int. J. Progress. Sci. Technol.*, vol. 6, no. 1, pp. 221–227, 2017.
- [17] H. M. Syafingi, D. A. S. Dewi, Suharso, Heniyatun, P. Sulistyaningsih, and U. Rahmawati, “Village fund optimization strategy for rural community welfare in Indonesia,” *J. Crit. Rev.*, vol. 7, no. 7, pp. 580–583, 2020, doi: 10.31838/jcr.07.07.103.
- [18] Y. W. H. E. M. F. I. Y. I. Purbasari, “Consensus as Democratic Education on the Village Consultative Body Election in Bangkalan,” vol. 11, no. 2, pp. 84–110, 2020, [Online]. Available: <https://jsser.org/index.php/jsser/article/download/2020/448>.

Animals Prospectus as a Legal Subject of Environmental Law In Indonesia (A Study of Ecofeminism)

Kadek Cahya Susila Wibawa¹, Aga Natalis²
{kadekwibawa@lecturer.ac.id¹, aga@usm.ac.id²}

Faculty of Law, Diponegoro University, Semarang, Indonesia¹, Faculty of Law, Semarang University,
Semarang, Indonesia²

Abstract. Rene Descartes' teachings influence the trend of environmental crises in the modern era causing harm to animals by human activities. In line with this thought, animals are considered only as properties instead of a subject of environmental law. Such thinking is the major criticism of ecofeminism. This study is a qualitative using juridical normative approach with the specification of descriptive-analytical research. The result found that there are three possibilities of legal status for animals in the study of environmental ethics and ecofeminism including status as a property for human needs, as property but its welfare must be guaranteed and as a legal subject. The animal status prospectus as a legal subject of environmental law in Indonesia in the study of ecofeminism can be done in two methods, namely reconstruction of environmental laws and court ruling.

Keywords: Legal Subject; Animals; Ecofeminism.

1. Introduction

The world of science has been influenced by the development of the mechanistic paradigm system popularized by Rene Descartes and Isaac Newton [1]. For those who believe in the mechanistic paradigm, the universe, and the organism is seen as a machine consisting of separate parts. For Descartes, plants and animals are considered only as machines and are used entirely for the benefit of humans [2]. In such a dimension of thought, the environmental crisis is something that cannot be avoided because modern humans see nature as an object that must be exploited. For example, environmental exploitation by humans which has an impact on animals is forest destruction. The forest ecosystems have decreased over time due to human intervention and it gets worse by illegal hunting which also threatens the lives of the animals in the forest.

The impact of environmental damage due to human activities that harm animals becomes a major problem because animals cannot hold accountable people who harm them before the court, this is because Descartes' teachings influence the study of law. Descartes' teaching led to the classification of animals' not as legal subjects but as property. Seeing such conditions, many of the scientists and legal practitioners are fighting for the establishment of legal personality (legal subjects) for animals. Status as a legal subject is considered to have an extremely important role and position in the field of law because it is the legal subject who later has legal authority, such as filing a lawsuit to court.

In December 2014, the New York State Supreme Court ruled in a case in which the Court was urged to enlarge the definition of common law tradition of the term "person" to grant legal rights to a chimpanzee named Tommy. The Nonhuman Rights Project (NhRP), founded by Steven Wise, has filed a series of cases in New York Courts seeking to characterize chimps detained in several US states, intending to protect chimpanzees' rights to integrity and freedom and allow them to seek rehabilitation efforts. This case is good for building legal subjects for non-humans.

The documents filed by the NhRP show that animals are autonomous beings with advanced cognitive abilities including episodic memory, self-awareness, self-knowledge, self-agency, deliberate communication, mental, empathy, imagination, working memory, decision making, symbolic culture, and use of tools. Legal arguments to expand the meaning of legal subjects

beyond humans and legal entities are arguments that expand ethical considerations from humans who control the moral center.

Regulations concerning the position of animals in Indonesian law are contained in the Criminal Code, Civil Code, Law Number 5 of 1990 concerning Conservation of The Living Natural Resources and Their Ecosystems, and Law No. 18 of 2009 concerning Husbandry and Animal Health. Considering the human activities in environmental management that harm animals, it is regulated in Law 32 of 2009 concerning Environmental Protection and Management in Article 92 paragraph (1) stating that “In the framework of executing responsibility for environmental protection and management, environmental organizations shall reverse a right to file a lawsuit in the interest of environmental functions conservation”. The law concerning Environmental Protection and Management does not specifically regulate animal rights, even in Article 1 Number 32, it reduces the definition of a person who is identical to the meaning of a legal subject only to an individual or a business entity in the form of legal entity or not.

The issue of whether animals can be classified as legal subjects is a major topic of discussion in the study of law. Ecofeminism like other social movements emerged as social activism and intellectual criticism [3]. Ecofeminism combines the perspectives of feminism and the environment. Ecofeminism argues that women’s domination and environmental degradation are the consequences of patriarchal domination with the face of capitalism in social life [4].

In contrast to feminist jurisprudence which limits only on the experience of women in law, ecofeminism jurisprudence aims to voice every silence caused by domination and exploitation of patriarchal societies in the form of western industrialists [5] by incorporating views and experiences in existing legislation, although these two schools can be included in the paradigm of critical theory et al, with the historical realism ontology that law is seen as a virtual reality which is formed by social, political, cultural, economic, ethnic and gender factors [6]. Eco feminist jurisprudence sees law not as a sovereign instrument to control society, but as a tool for social development, one of which is related to the establishment of the status of legal subjects in animals.

The problems that need to be studied in this research is: what is the legal status of animals in the study of environmental ethics and the perspective of ecofeminism? And what is the animal status prospectus as legal subjects of environmental law in Indonesia in the study of ecofeminism? The objective of this study is to find out and analyze the status of animals as legal subjects in the study of environmental ethics and ecofeminism and to find out and analyze the animal status prospectus as legal subjects of environmental law in Indonesia in the study of ecofeminism.

2. Methods

This study uses a qualitative method with a normative juridical approach. This study can be specified as analytical descriptive because it elaborates, describes, or reveals the status of animals as legal subjects, then it will be linked to various regulations and legal theories that apply and their implementation regarding the problems under study. The data collection technique used is a literature study and documents to discuss the topic of the problem in more detail and can be held accountable for scientifically.

3. Results and Discussion

3.1 Legal Status for Animals in Environmental Ethics and Ecofeminism Studies

Environmental ethics is interpreted as a critical reflection on norms and values or moral principles that are commonly known in relation to the environment and a critical reflection on the way humans perceive humans and nature as well as behavior that comes from this perspective [7]. Various schools of environmental ethics are quite popular, such as anthropocentrism, animal rights, animal welfare, and ecofeminism. These various schools dominate the thought about the status of animals in the study of law. One thing that makes the difference between these various schools is related to the recognition of whether animals have moral status or not.

Every entity has moral status if and only for its interest and it is morally important to some degree in the interest of the entity itself. The presence or absence of moral status in animals will have implications for their status as legal subjects. If a living thing is considered to have moral status, then that living thing can be said to be a legal subject, and living beings considered a legal subject means that they have rights and authority without exception, this is what is called the legal authority to have rights and obligations.

The granting of moral status is not because the entity is beneficial to other entities, but because their needs to have a moral interest and the rights of an entity itself. According to Warren, the moral degree is unlimited, depending on its function in a moral community [8].

The philosophical debate about the moral status of animals between the Utilitarian Theory pioneered by Peter Singer and the Rights Theory of Tom Regan and Christopher D. Stone. Opposing position in terms of the moral status of animals, Peter Singer argues based on a combination of behavioral, physiological, and evolutionary evidence that animals have an interest, at least an interest not to suffer, and therefore a feeling less being (the ability to experience pain and pleasure) does not need to be considered morally [9].

Peter Singer stated that organisms are organized in a moral hierarchy, where the lowest group does not deserve moral consideration and the top group deserves more moral consideration than the latter. The group is divided into three groups among others are: (1) groups of animals that are aware of their existence, which includes animals that are aware of their existence and prefer to continue to live properly, animals that experience pain and pleasure, animals that are aware of their existence and context, animals that prefer to have a good life, and animals that prefer to stay alive; (2) animals that are not aware of their existence, which includes living animals but does not have the idea to continue to live in the future, animals that can feel pain and pleasure, animals that prefer to avoid pain, and animals that like to experience pleasure; (3) and morally incapable organisms and inanimate objects are therefore do not deserve to be considered morally because they do not deserve to speak of how to treat them well or badly and they cannot feel them.

Tom Regan has a quite different view from Singer. Regan with his alternative opinion begins by rejecting utilitarianism. For Regan, utilitarianism failed to respect what came to be known as "Separateness of Persons"[10], for example following the utilitarian view that slavery is wrong only because it fails to maximize the good, not because it disturbs the dignity of others. That it was justified to harvest organs from another person to save the two others. Regan came up with one of the first animal rights theories in his book "The Case for Animal Rights", published in 1983. Regan claimed that at least some animals should be recognized to have innate value and moral rights. Regan creates basic life requirements that cover more than just violence.

The animal rights include the right not to be considered as property. Gary L. Francione argues that animals have rights, namely the right not to be treated as property [11]. Gary points out that many approaches to animal care without challenging the status of animals as resources for humans. Gary described rights as merely a way of protecting interests. The perception that feelings (awareness and perception) alone must be the only criterion for the right not to become property (property rights). Garner believed that animals have no interest in freedom and even though animals have the interest to live, it is a lesser interest than humans [12]. Garner focuses on unnecessary suffering (the principle of human care) because that's something most people already agree on. There is one interest that Garner believes is equal between humans and animals and that is not to suffer. Legal rights were popularized by Steven Wise who proposed to win animal rights through United States law [13]. Wise believes that the Common Law approach will work because it has flexible and adaptable nature. Other animal rights according to the rights theory including the right not to be paralyzed, the right not to be harmed by violations, the right not to be deprived of the pursuit of the basic goods of life, the right not to be traumatized by human activities, the right not to be placed at risk of serious illness in sporting activities (such as cockfighting and horse racing), and the right not to be placed at risk of serious illness, injury or death in human products testing (cosmetics, pharmaceuticals, and chemicals).

The rights that animals have as subjects, according to Christopher D. Stone, will have meaning for the rights holders if they meet several conditions. First, the right obligates government officials or agencies to assess and study activities that contradict or violate this right. Second, the right holder can file a lawsuit on their behalf if their rights are threatened. Third, in determining

legal remedies, the court should consider the loss of the right to it. Fourth, the legal remedies should be provided for the benefit of right holders [14].

In the common law system, the second condition stated by Stone, namely “the right to file a lawsuit” is referred to as “legal standing”. For humans, having rights will not cause difficulties in voicing, defending, and realizing their rights in their interests in court proceedings and administrative processes because they can communicate or speak. However, Stone rejected that view by using the corporate analogy, private, and public legal entities that also cannot have the ability to communicate. By using the concept of guardianship, then Non-Governmental Organizations (non-government associations) can become guardians on behalf of animals. In countries with the continental European system, the concept of the right to file a lawsuit for non-governmental organizations has also been formulated in legislation. In Indonesia, the right to file a lawsuit for Non-Governmental Organizations is regulated in Article 92 of Law no. 32 of 2009 concerning Environmental Protection and Management [15].

The animals suffering that are universal, such as the increasing extinction of wild animal species, a large scale of domestic animals exploitation for food production or other purposes, the use of animals for experimentation, while many others are deprived of their liberty for other purposes (such as entertainment). According to Tom Kelch, there is a need for a global animal law worldwide. Modern global law must be adhered to and pursued in an integrated and cross-cultural manner, as a strategy to promote the interests of animals globally [16].

Anthropocentrism is a school of ethics that sees humans as the center of the universal system [17]. Humans and their interests are considered to be the ones who determine the ecosystem order and in the policies taken concerning nature, either directly or indirectly. The highest value is human beings and their interests. The anthropocentrism argument is found in the Aristotelian tradition as developed by Thomas Aquinas with the main focus on the Chain of Life (The Great Chain of Being). According to this argument, all life on earth forms and is in a chain of perfections of life, from the simplest to the Most Perfect Being that is God. In the chain of perfection of life, humans occupy the position as the closest to the Most Perfect Being, it means that humans are at the top of the chain of creation so that they are considered superior to all other creations, including all living beings.

Rene Descartes emphasized that humans have a special place among all beings because humans have a soul that allows them to think and communicate with language, on the other hand, animals are beings that are inferior to humans because animals only have bodies which Descartes considers just as an automatic moving machine. Descartes’ statement is known as *Cogito, ergo sum* (I think, therefore I am). In line with this statement, Immanuel Kant stated that only humans are rational beings, so humans are allowed to use non-rational beings such as animals to achieve human life goals [18] because non-human beings and all other natural entities including animals do not have a sense so that they are not obliged to be treated morally. Based on this understanding, humans have no moral obligation and moral responsibility towards other living beings.

Deep ecology was coined in Scandinavia, the result of discussions by Arne Naess and her colleagues Sigmund Kvaloy and Nils Faarlund. Naess was inspired by Spinoza’s *Metaphysics* which rejected the existence of Atomistic Individualism, [19] because it only considered that humans are individuals who have separate essences. Naess’ belief places that animals have moral status because a person must be oriented and act towards his relationship with the world (including animals) must be based on a platform; the life and welfare of humans and animals specifically continue to develop and have value within themselves.

Ecofeminism is a branch of feminist philosophy that sees the relationship between oppression and the environment as the basis for its analysis and practice [20]. The concept of ecofeminism was popularized by French writer, Francoise d’Eaubonne, in his book entitled “*Le Feminisme ou la Mort*” in 1974. Ecofeminism claimed that a feminist should not put women in a dominant position of power, but rather need an egalitarian and collaborative society where there is no dominant group. The analysis of ecofeminism explores the relationship between women, nature, culture, religion, literature, and iconography as well as discusses the parallel relationship between the oppression of nature and oppression of women [21]. Parallel relationships are not limited seeing women and nature as property, seeing men as curators of culture and women as curators of

nature, and how men dominate women and humans dominate nature. Ecofeminism emphasizes that both women and nature must be respected.

To build a relationship between women, nature, and oppression of animals, ecofeminism comes with its various schools. Spiritual ecofeminism does so by citing numerous examples of the worship of nature in the form of a “Goddess” in primitive legal societies [22]. The oppressive traditions of patriarchy are not only hostile to nature and natural resources, but also a large extent connected to it, such as animals. Cultural ecofeminism explains the basics of maternal care and affection, as well as associating traits, natural values, and compassion. Hence, the patriarchal mindset exploits not only women, nature, or the third world, but also any part of the earth that is weak and unable to do so against male chauvinism [23].

3.2 Animal Status Prospectus as a Legal Subject of Indonesian Environmental Law in Ecofeminism Studies

According to Sudikno Mertokusumo, legal subjects are all beings that can obtain rights and obligations from the law [24]. A similar opinion was stated by Subekti which said that the legal subject is the rights holder or the subject in law, namely people. While in Black’s Law Dictionary, the definition of a legal subject is formulated as one that owes allegiance to a sovereign and is governed by his laws. The natives of Great Britain are subjects of the British Government. Men in free governments are subjects as well as citizens; as citizens, they enjoy rights and franchises; as subjects, they are bound to obey the laws.

The term legal subject is derived from the Dutch language, *rechtsubject* or legal subject in English. In general, *rechtsubject* is defined as supporting rights and obligations, namely humans and legal entities. Therefore, a legal subject is anything that has legal authority, has rights and obligations in legal actions. Legal subjects are closely related to legal proficiency or *rechtsbekwaam*, and authority in law or *rechtsbevoegd*. A legal subject is every person who has rights and obligations in legal relationships [24].

In December 2014 the New York Supreme Court rejected a lawsuit from the Nonhuman Rights Project (NhRP) founded by Steven Wise by citing what was formulated in the Black’s law dictionary, that people are anyone who can execute rights and legal obligations. The court considers chimpanzees as non-legal subjects because chimpanzees do not have legal rights. This argument is also based on social contract theory, that the notion of rights is related to the imposition of social obligations and duties. Animals cannot fulfill any social responsibility, which is the reason why there is no need to confer with chimps on legal rights.

Regulations concerning the status of animals in environmental law in Indonesia are contained in Law 32 of 2009 concerning Environmental Protection and Management in Article 1 Number 32 which regulates that everybody shall be an individual or business entity whether in the form of legal entity or not. This regulation has implications for animals because the definition of a person who is inclined towards the notion of a legal subject regulated in the law is simplified only to individual or business entities. This is supported with the explanation of Article 2 Letter I that what is meant by “the principle of biological diversity” is that Environmental Protection and Management must pay attention to integrated efforts to maintain the existence, diversity, and sustainability of living natural resources consisting of vegetable natural resources and animal natural resources together with the surrounding non-living elements as a whole forming the ecosystem. In this article, animals are categorized as a resource for humans, but what is unique about this article is the word ecosystem.

If it is an ecosystem, there should be no differentiation between the various components. An ecosystem always leads to an “equilibrium” state, which means that all components in the ecosystem are in a harmonious and stable interaction so that the ecosystem is formed in an orderly process and runs continuously. In short, in such an ecosystem concept, all components are legal subject. Similar to the definition of a legal subject that emphasizes everything that can be subject to legal rights and obligations, if it is combined with the concept of an ecosystem, then each component can be subjected to rights and obligations. For example, the right not to be exploited and the obligation to maintain the balance of the ecosystem.

The prospectus for the establishment of the subject of environmental in animals in Indonesia can be carried out through 2 (two) mechanisms including reconstructing the law regulating the environment and through a court ruling (judge law) mechanism. In Indonesia, laws and regulations

and a court ruling are both interpreted as sources of law, even though as adherents of the civil law system, laws and regulations are considered as the main source of law.

An example of a country that uses court ruling to establish legal subject status in animals in India. In an external ruling, the Punjab and Haryana High Courts have ruled that animals have legal rights like humans and declare citizens as “guardians of the animal kingdom” and are tasked ensuring the welfare and protection of animals such as prohibiting the use of animals to tow vehicles during winter and summer season. The use of sticks, harnesses, or yokes with nails, knobs, projections, and sharp objects is also prohibited to avoid bruising, swelling, abrasions, and serious pain to the animal.

To avoid discomfort to the animals, the Judge also directed the police to ensure that animal-drawn cart is provided with the “right of way”. Its use is also limited to 9 (nine) hours a day in aggregate and no more than 5 (five) hours without rest. Animals are considered entities that are equated with legal entities because they have personal rights, franchises, duties, and obligations like humans, such as having the right to file a lawsuit in court. Animals including poultry have the right to life, body integrity, honor, dignity and cannot be treated as property. All citizens throughout Haryana are declared to have obligations towards animals as *loco parentis*, namely responsibility for a child without the presence of parents.

Apart from India, several countries exclude animals from property status, such as Austria, Germany, Switzerland, and Romania which use a statutory approach. However, it needs to be realized that the statutory approach requires a large amount of political and public support because this support will have a quick and effective impact on changing the status of animals from property to being a legal subject. The regulation concerning animals in Indonesian environmental law is based on the political law of Law 32 of 2009 concerning Environmental Protection and Management that the decreasing quality of the environment has threatened the continuity of human life and other living beings so that all parties involved can carry out a serious and consistent environmental protection and management. In this understanding, animals as an element of the environment can be damaged or extinct which affects human life. This understanding is consistent with the statement of Peter Singer that if anything can feel pain then it must be protected. In short, the law only covers animal welfare.

Even though the law concerning the environment has regulated animal welfare, this law has many limitations. For example, the law does not prevent suffering from all forms of harm to animals and regulates exploitation rather than prohibits it and the law does not apply equally to all animal species. The limitations of the law mean that it provides only “Band-Aid” rather than solutions for the problems. Such laws are full of patriarchal nuances which are the major criticism of ecofeminism.

Ecofeminism begins with the analysis that the effort maintaining masculine traits in law such as environmental regulations will only perpetuate domination, violence, exploitation, aggression, and humiliation of nature which is the root of exploitation of animals, experts of Eco feminists declare a new ethical legal framework which is more radical. There are 6 methods of ecofeminism to provide criticism on the more traditional Western philosophical views in understanding the position of animals in law which includes emphasizing that the western philosophical view of man as a separate rational agent and superior to nature has failed to place a proper position for animals in law; Eco feminists make interconnections between lawful violence against women, nature, and animals; traditional western philosophy that influences law by playing with language in creating, maintaining, and perpetuating the interconnected exploitation of women and animals; Eco feminists show how dualism as the basis of canonical philosophy such as culture versus nature and mind versus body which is historically gender-neutral has connected men and cultures with superior minds and women and animals that have lower natures and bodies; Western philosophy that influences law has placed women and animals in a system that mutually reinforces unjust domination practices by law, especially related to the practice of sexism and speciesism; and such laws raise the question of the absence of a gender perspective in traditional animal ethics by creating positions on incomplete and inadequate animal mistreatment.

Ecofeminism then rejects masculine approaches to animal liberation, such as the philosophy popularized by Peter Singer and Tom Regan, because it focuses on abstract and impartial moral issues for animals. For example, the experts of Eco feminists have criticized Regan’s focus on

animal rights because the concept of rights is seen as encouraging or prioritizing male experience by promoting isolated individualism and autonomous statement, then denying the close relationship between humans and other beings such as animals [25]. Eco feminists go further from the philosophy of Tom Regan and Peter Singer, as they provide a gender perspective on these practices in animal protection in general. Ecofeminism approach to animals prioritizes emotions, relationships, sympathetic responses, and instincts of care while rejecting the use of rational and fair moral reasoning to determine what morality should be done with animals. Instead of calculating the debt of humans to animals, Eco feminists ordered to establish laws based on human experience and the real world where humans live. The law that will be applied must consider the close relationship between humans and everything outside themselves, including animals by promoting sympathy. Given that the law has a function as a tool of social and bureaucratic engineering, then such laws will guide humans to ethical treatment of animals. This approach is known as the ethics of care.

Lawmaking relating to animal care ethics proposes that the attention of lawmakers should be directed to what animals say to humans, rather than what humans say to other humans about animals. In the article "Feminism and the treatment of animals: From care to dialogue" express a new emphasis on dialogue with animals by studying their communication systems, reading the animal's phenomenological body language, and taking that communication seriously in the ethical decisions of lawmakers [25].

For ecofeminism, it is not only animals that must be grouped as legal subjects, but all components in the ecosystem are legal subjects. Grouping one entity but the others into a legal subject is discriminatory, therefore the understanding of the subject is comprehensive. The urgency of the status of legal subjects for everything in the ecosystem is that all components appreciate and respect each other because all components are the guardians of the balance of the system. A universe without animals is certainly not balanced, humans without plants will cause humans to become extinct, natural damage will cause women to suffer, nature without humans will not be balanced, etc.

Making all components in an ecosystem including animals to be a subject of environmental law based on ecofeminism in Indonesia will certainly have many challenges. These challenges include two things, namely challenges to the status of legal subjects in animals and challenges in using ecofeminism studies. This challenge arises because the legal culture of Indonesian society has a strongly patriarchal culture. According to Mochtar Kusumaatmadja, when the law is categorized as a social principle, then the law cannot be separated from the applicable values [26], so it can be said that law is a reflection of the standard values adopted by society. In a patriarchal society, the character and implementation of the law is a reflection of masculine values, so that the character of the law will be patriarchal and has the potential to cause discrimination against women, nature, and marginalized communities because the law that is enforced will always maintain the dominance of men over women and the dominance of humans to nature. The patriarchal character in the field of law can be felt in the traditional school of law, namely legal positivism, which sees law as an objective reality and reality is a foothold for law enforcers, therefore such environmental law must be reconstructed to create a just law for all components of life [27].

Furthermore, there will be debate regarding the status of legal subjects in animals because animals are considered legally unable to defend their rights and obligations before the court. In fact, they can use the understanding that animals are incapable of legal subjects or *miserable personae*, as in the case of children under *kuratele*. *Miserable personae* mean a legal subject who does not have the authority to act [28]. The authority to act is a skill recognized by law to carry out legal acts itself, therefore the state through the legislative body must create a special *miserable personae* institution for animals to support their status as legal subjects. The establishment of such laws is consistent with the principle of ecofeminism, that establishing the status of legal subjects in animals does not mean that animals must have the same constitutional rights as humans because ecofeminism rejects general matters but focuses on specific issues because all components in life are equal but different. Each entity has different characteristics and needs, therefore the state must embrace all interests through a just law and be sensitive to the different needs between entities in life.

The ecofeminism logic is about the relationship between animals and humans in the making of laws and regulations by using the parable of a fish in the pond of a royal palace. The King loved the fish dearly, with great affection, the King wanted to ensure great happiness for the fish. The King was wealthy and prosperous. Everything the King wore was made of gold, for the entire palace was endowed with attractive gold ornaments. One day, the King came up with the idea that if he wanted to make the fish truly happy and prosperous, then he must surround the fish with gold just like him. The King ordered to take the fish from the pond and put it on a gold plate. The following morning, when the king went to see the fish all his joy was gone because the fish had died.

The story depicts the human being played by the King as a lawmaker in this case the government which wrongly determines the legal norms that are good for all creatures, so they think that all happiness or welfare is universal. The problem is that the concepts of development, prosperity, happiness, and so on are completely pure and vary from place to place, being to being, and community to community. Ecofeminism assumes that development or empowerment cannot be forced, because it can only be encouraged. Therefore, to build and incorporate the concept of ecofeminism in the field of law, eco-feminism emerges as an ecofeminism jurisprudence to uphold and establish laws to regulate the development of living beings through the preservation of originality and efforts to ensure that the law is progressive for all beings.

Adopting the teachings of ecofeminism which is a branch of the philosophy of feminism in shaping the status of the subject of environmental law in Indonesia will certainly lead to various challenges, such as rejection because ecofeminism is considered a western and liberal thought so that it is incompatible with Indonesia with the Pancasila ideology. This statement can be refuted by looking further into the teachings of ecofeminism. Ecofeminism is not limited to any ideology, it exists to fight for justice for anyone who is harmed by the influence of patriarchy in terms of forming relationships between humans and nature. Ecofeminism has a spiritual side that is unique to the Indonesian culture. In line with Pancasila, ecofeminism develops an understanding of spirituality based on nature and all related components of life. The spirituality aspect of ecofeminism is not related to one particular religion but is centered on the values of caring, compassion, and non-violence. This concept of ecofeminism can be found in various cultures of Indonesian society, even though most Indonesians do not realize that these cultural practices are part of ecofeminism.

An example of the spirituality of ecofeminism that is practiced in Indonesian society is the *Dayak Benuaq* community that views nature not as an asset or wealth (property) but as a common or shared house [29]. The concept of a common or shared house is seen in every ceremony that precedes certain activities related to utilizing the forest, where there is always an element of a premise or asking permission from the spirit of the forest for the utilization of the forest. The sound of certain birds or animals is a means of communication between humans and natural inhabitants. Even the land and forests, which in *Dayak Benuaq* terms are referred to as *talutn-tanaq*, become an inseparable unity from humans and other beings that encompass all components of the ecosystem, including humans, flora, fauna, etc.

4. Conclusion

The legal status of animals in the study of environmental ethics and ecofeminism, that environmental ethics is interpreted as a critical reflection on norms and values or moral principles that are commonly known in relation to the environment and critical reflection on the way humans perceive humans and nature. Environmental ethics focuses on the issue of whether animals have a moral status that affects the way humans should treat animals whether as property or legal subjects. From various schools of environmental ethics, there are three possible positions of animals in law, namely as a property that is controlled for the benefit of humans, as property but humans must guarantee animal welfare through laws governing animal welfare, and as legal subjects who have legal rights and obligations. For ecofeminism, animals are legal subjects so that animals must be protected from all exploitation activities by human activities.

The animal status prospectus as legal subjects of environmental law in Indonesia in the study of ecofeminism can be done through changing environmental legislation or through court ruling mechanisms to establish legal subject status in animals. The ecofeminism criticism concerning environmental legislation that discriminates against animals begins by analyzing that the effort maintaining masculine traits in laws such as statutory regulations will only perpetuate domination, violence, exploitation, aggression, and humiliation of nature which is the root of exploitation of animal. Animals are legal subjects who are incapable or *miserable personae*, as in the case of children under *kuratele*, therefore the state must create a special institution for *miserable personae* to support the status of legal subjects in animals.

References

- [1] Y. D. Alfia, I. Triyuwono, and A. D. Mulawarman, "Visi Antropokosmik Membangun Kerangka Prinsip Teoretis Akuntansi," in *International Conference Thoughts on Human Sciences in Islam*, November, 2016.
- [2] J. Leiber, "Descartes: The Smear And Related Misconstruals," *J. Theory Soc. Behav.*, vol. 41, no. 4, pp. 365–376, 2011.
- [3] G. Chandra Mondal and P. Majumder, "Ecofeminism: Encouraging Interconnectedness with Our Environment in Modern Society," *Am. J. Educ. Res.*, vol. 7, no. 7, pp. 482–484, 2019.
- [4] F. Sanati, H. N. Hatamian, and T. S. Tengku Mahadi, "An Analysis of the Ecofeminist Viewpoint on Industrialization and Environmental Degradation in Starhawk's The Fifth Sacred Thing," *J. Sustain. Dev.*, vol. 4, no. 4, pp. 86–90, 2011.
- [5] A. Sahoo, "Ecofeminist Jurisprudence: A Much Needed Change in the Perception of Law," *Int. J. Law Leg. Jurisprud. Stud.*, vol. 2, no. 6, 2015.
- [6] E. Indarti, *Diskresi dan Paradigma: Sebuah Telaah Filsafat Hukum*. Semarang: Badan Penerbit Universitas Diponegoro, 2010.
- [7] S. Sukmawan and M. A. Nurmansyah, "Etika Lingkungan dalam Folklor Masyarakat Desa Tengger," *Literasi*, vol. 2, no. 1, pp. 88–95, 2012.
- [8] M. A. Warren, "The Moral Significance Of Birth," *Ethics Reprod.*, vol. 4, no. 3, pp. 46–65, 1989.
- [9] D. DeGrazia, "The Moral Status Of Animals And Their Use In Research: A Philosophical Review.," *Kennedy Inst. Ethics J.*, vol. 1, no. 1, pp. 48–70, 1991.
- [10] L. Semrau, "Christopher Woodard: Taking Utilitarianism Seriously," *J. Value Inq.*, no. 0123456789, 2020.
- [11] G. L. Francione, "Some Brief Comments On Animal Rights," *Anim. Front.*, vol. 10, no. 1, pp. 29–33, 2020.
- [12] A. T. Schmidt, "Why Animals Have An Interest In Freedom," *Hist. Soc. Res.*, vol. 40, no. 4, pp. 92–109, 2015.
- [13] A. Fernandez, "Legal History and Rights for Nonhuman Animals : An Interview with Steven M . Wise," *Dalhous. Law J.*, vol. 41, no. 1, 2018.
- [14] T. Bryant, "Animals Unmodified: Defining Animals/Defining Human Obligations to Animals," *Univ. Chic. Leg. Forum*, vol. 2006, no. 1, p. 6, 2015.
- [15] N. Listiyani and M. Yasir Said, "Political Law On The Environment: The Authority Of The Government And Local Government To File Litigation In Law Number 32 Year 2009 On Environmental Protection And Management," *Resources*, vol. 7, no. 4, pp. 0–13, 2018.
- [16] T. G. Kelch, "Towards Universal Principles for Global Animal Advocacy," *Transnatl. Environ. Law*, vol. 5, no. 1, pp. 81–111, 2016.
- [17] T. Gansmo Jakobsen, "Environmental Ethics: Anthropocentrism and Non-anthropocentrism Revised in the Light of Critical Realism," *J. Crit. Realis.*, vol. 16, no. 2, pp. 184–199, 2017.
- [18] J. Birch, "The Place Of Animals In Kantian Ethics," *Biol. Philos.*, vol. 35, no. 1, pp. 1–11, 2020.
- [19] P. Valenzuela, "The Metaphysical Bond between Natural and Human Beings: an Argument from Aquinas's Natural Law for justifying Environmental Ethics," *Forum Suppl. to Acta Philos.*, vol. 5, pp. 299–312, 2017.
- [20] L. F. Zein and A. R. Setiawan, "General overview of Ecofeminism," *LAXARS*, no. August, pp. 1–10, 2016.
- [21] G. Vandermassen, "Can Darwinian Feminism Save Female Autonomy And Leadership In Egalitarian Society?," *Sex Roles*, vol. 59, no. 7–8, pp. 482–491, 2008.
- [22] P. S. Sharnappa, "Reconstructing ecofeminism: A study of Kamala Markandaya's nectar in a sieve," *Cogent Soc. Sci.*, vol. 2, no. 1, 2016.

- [23] M. Estévez-Saá and M. J. Lorenzo-Modia, "The Ethics and Aesthetics of Eco-caring: Contemporary Debates on Ecofeminism(s)," *Womens. Stud.*, vol. 47, no. 2, pp. 123–146, 2018.
- [24] D. H. Prananingrum, "Telaah Terhadap Esensi Subjek Hukum: Manusia Dan Badan Hukum," *Refleks. Huk. J. Ilmu Huk.*, vol. 8, no. 1, pp. 73–92, 2014.
- [25] C. J. Adams, "Ecofeminism and the Eating of Animals," *Hypatia*, vol. 6, no. 1, pp. 125–145, 1991.
- [26] A. W. Wibisana, "Teori Mochtar Kusumaatmadja tentang Hukum Sarana Pembangunan Masyarakat Sebagai Teori Jalan Tengah Antara Aliran Mazhab Positivisme Dengan Mazhab Sejarah," *Themis*, vol. 9, no. 1, pp. 961–973, 2017.
- [27] A. Natalis, "Reformasi Hukum Dalam Rangka Mewujudkan Keadilan Bagi Perempuan," *J. Crepido*, vol. 2, no. 1, pp. 11–23, 2020.
- [28] E. A. Q. Adriano, "Natural Persons, Juridical Persons and Legal Personhood," *Mex. Law Rev.*, vol. 8, no. C, pp. 101–118, 2015.
- [29] H. Rahmawati, "Local Wisdom dan Perilaku Ekologis Masyarakat Dayak Benuaq," *Indigenous*, vol. 13, no. 1, pp. 72–7, 2018.

Analysis of the Application of Prevailing Law Principle and Nailed Down Principle in Mining Contract of Work (Comparison Between Act Number 4 of 2009 and 3 of 2020)

Ledy Famulia¹, Tian Terina²
{ledyfamulia95@gmail.com¹, tianterinausbrj@gmail.com²}

Universitas Sang Bumi Ruwa Jurai, Lampung, Indonesia¹, Universitas Sang Bumi Ruwa Jurai,
Lampung, Indonesia²

Abstract. After the mining converted into the law number 4 2009, provisions on contract of work is not applied return except for existing before this act is promulgated. One of the reasons, not to apply the work of contract is implementation of nailed down and prevailing law principles. As a function of time, law number 4 2009 changed into law number 3 2020 including article is to apply the principle of both. Methods used in research is a qualitative methodology by approach juridical normative. The technique of data collection is done through the library research. Furthermore, the data will be analyzed deductive through method. The result of this research shows that there is the transition the base used in law number 4 2009 and law number 3 2020, about state income. The nailed down principle in law number 4 2009 was change to prevailing law principles in the law 3 2020.

Keywords: contract of work, nailed down, prevailing law

1. Introduction

Indonesia is a country with a lot of natural resources. According to US Geological Survey, by 2014, Indonesia became one of the countries with the biggest production and mineral reserves in the world. In terms of production, Indonesia is the third largest nickel producer in the world, the second largest bauxite producer, the ninth largest gas producer, the sixth in coal, and the first crude paint oil producer in te world. As for mineral reserves, Indonesia has the second largest mineral reserves in the world, the sixth largest gold reserves in the world, and the first country to have geothermal energy reserves in the world. Those natural resources must be managed in a way that meet the greatest benefit of the people in Indonesia.

The regulation on natural resources management was accommodated in Article 33 the 1945 Constitution of the Republic of Indonesia. Basically, this article emphasizes that sectors of production which are important for the country and affect the life of the people shall be under the power of the States and be used to the greatest benefit of the people [1]. Furthermore, the implementation of those various natural resources are regulated in law. In relation to the natural resources in the form of mineral and coal mining, the regulation is specifically accommodated in Act number 4 of 2009 on Mineral and Coal mining.

Before the enactment of Act number 4 of 2009, the first regulation of mining in Indonesian independence era is Indonesische Mijnwet in 1907. Furthermore, in 1960, Act number 37 Government Regulation in Lieu of Law of 1960 on Mining Law was published which replaced the Indonesische Mijnwet. In further development, this regulation was considered unable to meet the demands of the public to give the private sector chances in mining, so that in 1967 Act number 11 of 1967 on Basic Mining Regulations was published [2]. In further development, this regulation with sentralistic material content was not fit to the development. The mining development should adjust to strategic environment changes, national and international. Hence, in 2009, Act number 4 of 2009 on Mineral and Coal Mining was published [3].

Act number 4 of 2009 introduced the concept of “approval” in mineral and coal mining management. Before this act existed, mineral and coal management used a contract of work of mining. For the mining that has existed before the enforcement of Act number 4 of 2009, the mining was allowed to use contract of work of mining in accordance with this act. Therefore, the article about contract of work of mining was in transitional provisions chapter that is Article 167-171 Act number 4 of 2009. More specifically, this research will discuss about regulation on contract of work of mining in Act number 4 of 2009. As a function of time, article containing both the principle of this revised by making changes to the law number 4 of 2009 into law number 3 of 2020 concerning mineral and coal mining. More specifically, this research will talk about nailed down principles and prevailing principles where following of this law.

2. Methods

This research uses qualitative method with normative juridical research type oriented to library research. The main object of this reseach is norm or principle in Act number 4 of 2009 on Mineral and Coal Mining and Act Number 3 of 2020 on Mineral and Coal Mining. This research is a descriptive research explains clearly about work of conract of mining as regulated in that regulation.

This research uses statutory approach and comparison approach. These approaches are chosen to learn abot the implementation of norm or principle of the regulation [4]. Data type and sources of this research are from normative provisions of laws and regulations related to the research’s object directly or indirectly that is contract of work of mineral and coal mining. Primary, secondary, and tertiary data were collected through the observation of laws, books, journals, and even websites that are accountable. After that, the data was analyzed with description to answer the research problems.

3. Result and Discussion

3.1 Contract of work of Mining in Indonesia

Basically, problems related to contract of work belong to civil law section so that all the regulations are complied to Indonesian Civil Code, especially in Article 1233-186. Contract is

defined as cooperation between parties who agree to bind an agreement on an object of cooperation with a commitment based on good intention. This is in accordance with the formulation of Article 1313 and 1338 of Indonesian Civil Code. Contract management system in Indonesia is an open system, means that every person has the freedom to organize agreements both those that have been regulated and those that have not been regulated in the law [5]. This is known as freedom of contract [6].

There are four requirements of making contract according to Article 1320 Indonesian Civil Code, those are agreement from the person who bound themselves in the contract, proficient on making an engagement, a certain subject matter, and a cause that is not prohibited [7]. Every agreement made acts as a law to those who bound themselves in the contract. This is known as *pacta sunt servanda* principle. The agreement cannot be withdrawn except for the agreement of both parties or for certain reasons determined by law.

Regarding the naming of contract of works in the mining business, this is a form or special designation for contracts known in general mining. In Australian law, the term used to address work of contract is indenture, franchise agreement, state agreement or government agreement [5]. According to Eman Rajagukguk, contract of work is a foreign capital cooperation in the form of a contract of work occurs when foreign investor establishes an Indonesian legal person and this legal person enters into a cooperation with a legal person who is using national capital [8].

In the juridical term, the definition of contract of work could be found in Article 1 Ministerial Decree of Mines and Energy Number 14/9.K/201/M.PE/1996 on Procedure for Submission of Processing Provision of Mining Authorization, Principle License, Contract of Work and Coal Mining Concession Work Agreement and Article 1 number 1 Ministerial Decree of Energy and Mineral Resources Number 1614 of 2004 on Guidelines for the Processing of Application for Contracts of Work and Coal Mining Concession Work Agreements in the context of Foreign Investment. Article 1 Ministerial Decree of Mines and Energy Number 14/9.K/201/M.PE/1996 defines contract of work as an agreement between the government of the Republic of Indonesia and foreign private company or joint venture between foreign and national (in the context of foreign investment) for undertaking mineral with the guidance to Act number 1 of 1967 on Foreign Investment as well as Act number 11 of 1967 on General Mining Regulations [9].

Furthermore, Article 1 number 1 Ministerial Decree of Energy and Mineral Resources Number 1614 of 2004 defines contract of work as an agreement between the government of the Republic of Indonesia and Indonesian law company in the context of foreign investment to carry out mining business of excavated materials excluding petroleum, natural gas, geothermal, radioactive and coal [8].

The subject of contract of work is Indonesian government and foreign private company or a joint venture between foreign company and national company. Government's position in a contract of work is to be the principal while businessman acts as the contractor. The government as the representative of the state in conducting cooperation contract of work is carried out by granting concession rights in the form of Mining Authorization (MA) or Mining Permit (MP) to Indonesian citizens or legal entities, those are state-owned enterprises, national private or private companies, cooperation companies with the government, individuals, or in the form of community mining areas [10]. Because of the relation between government and the contractor in an agreement, so the relation is a contractual relation, by placing the parties in equal positions in the civil sphere, regardless of government function as an authorized party to issue policies [11].

A contract of work has a distinctive characteristic that differentiates it with a contract in general, namely the existence of special enforcement (*lex specialis*) given by government to the contract of work of mining holders. That special enforcement is that all written provisions in the contract will never change because of the changes in laws and regulations that apply generally. If changes would happen, a renegotiation should be held until both parties meet an agreement [11]. If the agreement couldn't be made, the renegotiation has not succeeded, and the parties could not change the provisions in the contract of work.

The background to the presence of a work contract as written in Law Number 11 of 1967 is to attract investors in order to support the national development acceleration program. Hence, the regulations on contract of work are closely related to the regulation on investment both Law Number 1 of 1967 on Foreign Investment and Law Number 6 of 1968 on Domestic Investment [9].

The first mining company that signed the contract of work with government is PT Freeport Indonesia to conduct copper mining in West Irian. Because the vision of government in this first contract of work is to increase investment, therefore the contract of work was designed for companies and foreign contractors [12].

The equal relation between government and contractors is certainly not in accordance with the function of the government representing the state to control natural resources to the benefit of the people. In the real application, in some multinational companies, the share owned by government and local private parties was considered very small, therefore, government could not influence the company's policies. Hence, Act Number 4 of 2009 was issued, which aimed to change the system of contract of work that put the government in line with contractor, who in practice did not benefit the state [12]. Next, this law changed along with the times and the needs, to be Law Number 3 of the year 2020. In this Act, contract of work turned into mining business permit. This change surely affected the position of the government too which was not in line anymore with the contractors. The change put the government in a higher position as the licensor [12].

3.2 Analysis of Prevailing Law Principle and Nailed Down Principle in Contract of Work of Mineral and Coal Mining

Contract of work of mining can still be found in Law of Mining namely Law Number 4 of 2009. However, the article concerning contract of work has been placed in the transitional provisions which means that the new contract of work will not be agreed upon anymore. The contracts of work that have existed before this regulation are still valid only until the completion of the contract, and be necessary to adjust to this law as soon as possible. The transitional articles which specifically regulate the contract of work are articles 167-172, Law Number 4 of 2009, namely as follows:

Article 169

Upon effectiveness of this Law:

- a. Contracts of works and coal contracts of works that already exist prior to the effectiveness of this Law shall remain valid until the contracts/agreements expire.
- b. The terms that are stated by articles of Contracts of works and coal contracts of works as intended by point (a) shall be adjusted at the latest 1 (one) year of the promulgation of this Law, with the exception of state revenues.
- c. Exception of state revenues as intended by point (b) shall be an effort to increase state revenues.

Article 170

Holders of contracts of works as intended by Article 169 that have made production must conduct refining/smelting as intended by Article 103 section (1) at the latest 5 (five) years of the promulgation of this Law.

Article 171

- a. Holders of contracts of works and coal contracts of works as intended by Article 169 that have undertaken stages of explorations, feasibility studies, construction, or production operations at the latest 1 (one) year of the effectiveness of this Law must submit activity plans of all contract/agreement areas until the contracts/agreements expire for government approval.
- b. Failure to meet the provisions as intended by section (1) shall cause the size of mining areas having been authorized to the holders of contracts of works and coal contracts of works to be adjusted to this Law.

Article 172

Applications for contracts of works and coal contracts of works that have been filed with the Minister within at most 1 (one) year prior to the effectiveness of this Law and already obtain principle approvals or preliminary survey permits shall remain upheld, and their permits therefor may be processed without bids under this Law.

From the four Articles in transitional provisions concerning contract of work that have been mentioned above, Article 169 letter b is the most interesting to have a further discussion, and the reason is because this article demands an adjustment with the exception of state revenues. Therefore, the article has applied the prevailing law principle as well as the nailed down principle. Prevailing law principle is defined as the applicable law. prevailing law principle is a principle which states that an agreement made is subject to applicable law, and must adjust according to the amended law. This principle is a principle that is generally applied in a contract.

In relation to Article 169 letter b, the sentence “shall be adjusted at the latest 1 (one) year of the promulgation of this Law” is one of applications of prevailing law principle. This adjustment is then re-spelled out in Article 170 Law Number 4 of 2009 that contract of work holders as referred to Article 169 which is already in production must refine no later than 5 years from the enactment of this law. The refinements referred to Article 170 refers to Article 130 section (1) that contract of work holders are obliged to process and refine domestic mining products. Processing and Refinement are mining business activities to improve the quality of minerals and/or coal as well as to utilize and to obtain associated minerals. The obligation to process and refine domestic mining products is intended to increase and optimize the mining value of the product, the availability of industrial raw materials, employment, and increased state revenue [3].

As explained above, besides prevailing law principle, Article 169 also applies nailed down principle. Nailed down means standardized, nailed down principle means an agreement made is not subject to changes in law and only refers to the standard provisions that have been mentioned in the contract of work. This provision can be found in Article 169 section (2) which states that contract of work is required to conform to this law except for state revenues. It means that the issue about state revenues still refers to the provisions contained in the contract of work. This unchanging state revenue are such as:

- a. Fixed fees for mining areas
- b. Exploitation/production fees (royalties)
- c. Corporate Income Tax
- d. Employee Tax Income
- e. Obligation to deduct Income Tax for payment of dividends, interest, including compensation due to guarantees of debt repayment, rent, royalties and other income in relation to the use of assets, compensation for technical and management services and other services
- f. Value Added Tax (VAT) and Sales Tax on Luxury Goods (PPn BM) on imports and delivery of taxable goods and or taxable services
- g. Stamp duty on documents
- h. Import duties on goods imported into Indonesia
- i. Property Tax
- j. Levies, taxes, fees and charges imposed by the Regional Government with the approval of the Central Government
- k. General administrative fees and charges for facilities for services and special rights provided by the government as long as they are approved by the central government
- l. Transfer of Ownership Fees for Registration and Transfer of Ownership Rights of motorized vehicles and ships in Indonesia.

But, 10 June 2020, government passed the amendments to the law number 4 of 2009 to law number 3 of 2020 on changes on the law number 4 of 2009 concerning minerals and coal mining. In the broad, rules changing this law was based on yet the law number 4 of 2009 to resolve the problem and the need for the law in the minerals and coal mining in order to become more effective, efficient, and comprehensive. In addition, the principle used in law number 3 of 2020 is as follows:

- a. Benefit, that the management of mineral and coal resources must be able to provide benefits for the welfare of society in general. This principle by Jeremy Bentham is termed the concept of utility (happiness or well-being).
- b. Fair and equitable, that the management and utilization of mineral and coal natural resources must provide equal and equal rights for the community. The community is given the right to manage and utilize minerals and coal to maintain their survival, because so far the government has always been considered to give special rights to large companies.
- c. Sustainable and environmentally friendly
- d. Legal certainty, that in implementing mineral and coal management, strict rules are needed as a basis as well as a guideline so as to create legal certainty in the management of mineral and coal mining.
- e. Siding with the interests of the nation, that in the implementation of mineral and coal mining, the government must side with the interests of the nation which are bigger than the interests of investors in a structured manner.

- f. Participation
- g. Transparency
- h. Accountability, that every administration and management of minerals and coal must be accountable to the people by taking into account the sense of justice and propriety.

Based on the above considerations, Law Number 3 of 2020 was passed. In relation to state revenue, the principle that was originally nailed down becomes the prevailing law, which is subject to the applicable law. This is reflected in the following sound:

Article 169A

- (1) KK and PKP2B as referred to in Article 169 are guaranteed to be extended to become IUPK as a Continuation of Contract / Agreement Operations after fulfilling the requirements provided that:
 - a. Contracts / agreements that have not received an extension are guaranteed to get 2 (two) extensions in the form of IUPK as a Continuation of Contract / Agreement Operations, each for a maximum period of 10 (ten) years as a continuation of operations after the end of the KK or PKP2B by considering efforts to increase revenue country.
 - b. a contract / agreement that has obtained the first extension is guaranteed to be granted a second extension in the form of IUPK as a Continuation of Contract / Agreement Operation for a maximum period of 10 (ten) years as a continuation of operations after the end of the first extension of the KK or PKP2B by considering efforts to increase state revenue.
- (2) Efforts to increase state revenue as referred to in paragraph (1) letter a and letter b are carried out through:
 - a. rearrangement of the imposition of tax revenue and non-tax state revenue; and or;
 - b. the area of the IUPK as a Continuation of Contract / Agreement Operation in accordance with the development plan of the entire contract area or agreement approved by the Minister.

From the article above, it can be seen that in relation to state revenue a re-arrangement is made. This indicates that state revenues are not subject to the principles that are 'standardized' in the work contract agreement and are nailed down. However, this law does not remove the provisions of Article 169 letter b which also regulates state revenue. Therefore, the two laws regarding Mineral and Coal Mining still use the principles of nailed down and the prevailing law. Although it seems contradictory to each other, the use of the prevailing law principle in Article 169A paragraph (1) and paragraph (2) as mentioned above is intended for work contracts and coal mining exploitation work agreements that are guaranteed an extension to an IUPK. Meanwhile, state revenue that is nailed down as stated in Article 169 letter b is an exception to the adjustment of the coal mining exploitation work contract and work agreement to the statutory regulations.

4. Conclusion

From the explanations above, several things can be concluded: first, both principle those are prevailing principle and nailed down principle are still recognized and enforced in Act Number 4 of 2009 on Mineral and Coal Mining. Prevailing law principle can be found in Article 169 letter b that is the sentence “shall be adjusted at the latest 1 (one) year of the promulgation of this Law.” Whereas nailed down principle can be found in the sama Article, that is the sentence “with the exception of state revenues.” Regarding the principle of nailed down, it is also found in the same Article, namely the phrase "except for state revenue". Whereas in Law Number 3 of 2020 in relation to state revenue, the principle that was originally nailed down becomes the prevailing law, which is subject to the applicable law as regulated in Article 169A. Second, to the application of these two principles, the prevailing law principle is a general principle that applies in an agreement because it requires an adjustment to the changing laws and regulations. This provision is of course for the sake of prioritizing the interests of the state. Meanwhile, the provisions that still apply the nailed down principle are actually the principle that does not require changes to the contract following the amendments to laws and regulations, which has the potential to cause state losses. Therefore it is appropriate for the government to change the provisions of this principle to become the prevailing law as stated in Law number 3 of 2020.

The change of work of contract regime into a mining business permit certainly has a very different impact. In contract of work, the position of government and mining company as contractor is equal, whereas in mining business permit regime, the government certainly has a higher position because the government act as the licensor. So if a business is deemed detrimental to the state, the government can immediately impose penalties by not extending the business license. It is different with contract of work where if one of the parties wants a change, then a negotiation is needed before conducting the changes. If one of the parties is not agree, the contract will not be changed. If one of the parties violates, then the resolution of the matter will be submitted to international arbitration.

References

- [1] GOVERNMENT, *No Title UNDANG-UNDANG DASAR NEGARA REPUBLIK INDONESIA*, vol. 4, no. 1. 1945, pp. 1–12.
- [2] GOVERNMENT, *THE ACT NO. 11 1967*, no. 11. 1967, pp. 1–9.
- [3] GOVERNMENT, *THE ACT NO. 4 2009*. 2009.
- [4] M. S. SUMARJONO, *Bahan Kuliah Metodologi Penelitian Ilmu Hukum*. 2011.
- [5] A. Nefi, I. Malebra, and D. P. Ayuningtyas, “IMPLIKASI KEBERLAKUAN KONTRAK KARYA PT FREEPORT INDONESIA PASCA UNDANG-UNDANG NO 4 TAHUN 2009 TENTANG PERTAMBANGAN MINERAL DAN BATUBARA Arman Nefi*, Irawan Malebra**, Dyah Puspitasari Ayuningtyas**,” vol. 48, no. 1, pp. 137–163, 2018.
- [6] I. Rahadiyan and K. A. Savira, “Menimbang Posisi Indonesia dalam Kontrak Karya Freeport (Problematika Hukum-Sosial Serta Kemungkinan Solusinya),” vol. 3, pp. 41–55, 2017.
- [7] GOVERNMENT, *Kitab Undang-Undang Hukum Perdata*. .
- [8] S. Awaliyah, “KONTRAK KARYA DAN PERJANJIAN KARYA PENGUSAHAAN PERTAMBANGAN BATUBARA (KK / PKP2B),” no. 5, 1997.
- [9] R. F. Abidin, “KONTRAK KARYA DI INDONESIA (Studi Kontrak Karya antara Pemerintah Republik Indonesia dengan PT . Freeport Indonesia),” pp. 19–42.
- [10] A. W. Hertanto, “(SUATU KAJIAN HUKUM KEPERDATAAN) I,” 2004.
- [11] M. Pardede, “IMPLIKASI HUKUM KONTRAK KARYA PERTAMBANGAN TERHADAP KEDAULATAN NEGARA,” vol. 18, no. 740, pp. 1–21, 2018.

- [12] A. Ridwan, "Perubahan Rezim Kontrak Karya Menuju Izin Usaha Pertambangan dalam Undang-Undang Nomor 4 Tahun 2009," no. April, 2019.

A Comparative Study of Waqf Legal System Between Indonesia and Malaysia

Islamiyati,¹ Dewi Hendrawati,² Aisyah Ayu Musyafah³
{islamiyati@yahoo.co.id¹, dewihendrawati@lecturer.undip.ac.id², aisayahayumusyafah@gmail.com³}

Law Faculty at Universitas Diponegoro, Semarang, Indonesia¹, Law Faculty at Universitas Diponegoro,
Semarang, Indonesia², Law Faculty at Universitas Diponegoro, Semarang, Indonesia³

Abstract. Indonesia and Malaysia, were developing countries, the correlation of them was waqf law that had similarities and differences, from its implementation, legal basis, system, as well as the settlement of *waqf* disputes. This study analyzed the similarities and differences between Indonesia's *waqf* legal system and Malaysia's *waqf* legal system. Its benefit was in expanding the legal discourse on waqf at international level. The type of this research was library research that used comparative juridical approach, its data analysis method was comparative study. The research results explained that the implementation of *waqf* law between Indonesia and Malaysia, had their own characteristics that were adjusted to the typology of the community. The form of government of Indonesia and Malaysia were different, therefore its legal system was also different. The similarity of these two countries were the Islamic legal framework of non-absolute Shafi'i *mazhab*. However, in Malaysia, it was only implemented in certain states.

Keywords: Comparative, Legal System, *Waqf*, Malaysia, Indonesia

1 Introduction

Waqf is a legal act of *wakif* to separate and or give some of his assets to be used forever or in a certain term based on its interests for the need of worship and/or general welfare according to *sharia* (Islamic law). Throughout Islamic history, *waqf* had important role in improving Muslims' welfare. In the beginning, *waqf* law had emerged since the Prophet Muhammad SAW asked Umar Bin Khatab to give his assets by holding his principal assets (called as waqf asset) and to give the proceeds of the principal assets. Then the Prophet also asked to not sell, inherit and donate *waqf* assets, because of its benefit in community [1]. Therefore, at that time, waqf law principle had emerged, that was giving the assets by maintaining the *waqf* assets forever, and this principle was the basis of the enactment of *waqf* law. Furthermore, the practice of waqf was followed up by the generation of the Prophet's friends to the generation of Daulah Bani Umayyah and Abbasiah, then the generation of Turkey's Empire of Utsmani [1].

The development of waqf law was very rapid, besides Saudi Arabia, also spreading throughout the whole world, especially Islamic countries, for example; Turkey, Egypt, Iran, Pakistan, Malaysia, Bahrain, Bangladesh, Indonesia and others. This is because waqf was widely used in a large scope that could reach the interest of community generally, for example; to finance the education and research sector, provision of scholarship, construction of library building to study science and technology[2].

The development of *waqf* had advanced in Iran in the century of X AD, at that time *waqf* had expanded to the sectors of infrastructure, tourism, health service, education, hospital, and lodging.[2] In Turkey, in 1924, *waqf* condition had been showed from 75% of agricultural land was *waqf* land, and then it was rented by the community using profit sharing system. Likewise, in AlJazair (50%), Tunisia (33%), Egypt (12,5 %). In Kuwait, *waqf* institution had been established to administer *waqf* assets and manage it in a professional manner, that provided benefit aspect for orphans and children with disabilities, household harmony and gave reward to scientific work[3].

In Indonesia, *waqf* had become a law whose implementing regulation had been determined by the state without ignoring religious law. Religious rules had correlation with *waqf* thoroughly, while state regulation had correlation with detailed information regarding management, use, and legal protection of its *waqf*, so that the involved parties in *waqf* law was protected by law. As the result, there was a harmonization between state law and religious law, because the goals and benefits of *waqf* assets had highly important role in national development goals such as; educate nation's life and maintain general welfare.

In Malaysia, *waqf's* benefit had been in large scope, besides the aspect of worship, also in business and commerce world, banking, insurance, also industry and tourism [3]. If it was compared with Indonesia, although both of the countries had status as developing countries and their location was next to each other, *waqf* law had highly significant similarities and differences, from its implementation, legal basis, system, and the dispute settlement of *waqf*.

Based on the explanation above, the similarities and differences (comparative study) between Indonesia's *waqf* legal system and Malaysia's *waqf* legal system needed to be explained. The main reason was because Indonesia and Malaysia has similarities in their location that were located in the Southeast Asian and they were Malays descent, and historically had strong relations from the aspects of language, race, religion and the establishment of their countries. Moreover, both of the countries also had different form and system of their government, where their *waqf* law was also different. Through the analysis and identification of the comparison of *waqf* law between Indonesia and Malaysia, therefore it will be useful as evaluation of *waqf* law policy and the development of *waqf* strategic role that was implemented in Indonesia.

2 Methods

The type of this research was library research, whose data source used secondary data, that was obtained from literature studies related to the research theme, that was *waqf* legal system in Malaysia and Indonesia. The research approach method used normative juridical, related to the law that had been described in legislation. The data analysis used a comparative study, that was comparing and analyzing *waqf* legal system between Indonesia and Malaysia to answer research problems. The research tradition was qualitative research that aimed to develop a theoretical concept based on reading material. Data processing was carried out by reviewing, organizing, or compiling data, synthesizing, analyzing, editing, and concluding.

3 Discussion and Analysis

In this discussion, *waqf* legal system in Indonesia would be explained first, it consisted of some elements, that were; the enactment history, legal basis, legal framework, *mazhab* (school of thought) adopted in the implementation of *waqf*, *nazhir* coordinator, use of *waqf* assets, *waqf* implementation practices, and *waqf* dispute settlement institutions. After that, *waqf* legal system in Malaysia was also explained such as the elements above, then a comparison of the similarities and differences of *waqf* legal was analyzed.

3.1 Waqf Legal System in Indonesia

In Indonesia, *waqf* had emerged along with the emergence of Islam in Indonesia in XIII century AD, at that time Indonesia was still in the form of kingdoms. However, the actual implementation of *waqf* practice in community had developed since XV century AD [4]. At that time the practice of *waqf* was in the form of a place of worship (*mushalla*, mosque, surau), a place to study Islam (Islamic education and boarding schools), a place for joint activities in the community (farming, gardening, building public facilities[2].

The teachings of *waqf* by Muslims could be used as a daily worship activity in addition to other life activities. At that time, the law of *waqf* in Indonesia was included as legal realism, that was real law and a living law because it was practiced in community, its legal basis was from the principles or values contained in religious teachings (Islam). Along with the rapid development of *waqf*, *waqf* had become a law whose implementation was based on the laws stipulated by the state.

Indonesian recognized and protected *waqf* actions committed by the Indonesian people, because the benefits of *waqf* assets[5] could assist the government in achieving national development goals as stated in the Preamble of the 1945 Constitution of the Republic of Indonesia Paragraph IV. Besides as an effort to fulfill the constitutional rights of citizens to worship in accordance with their beliefs and religions. Muslims (as well as members of other religions) had been protected by the state in carrying out their teachings including giving *waqf*, as explained in the First Line of Pancasila and the 1945 Constitution of the Republic of Indonesia Article 29 Paragraph (1) and (2).

Based on the explanation above, it could be understood that the enactment of *waqf* law in Indonesia used religious law (Islam) and state law. Religious law was based on Al-Qur'an and Al-Hadith [6] as well as the book of *fiqh* that usually used non-absolute Shafi'i *mazhab* (school of thought), it meant that it accepted the teachings of other legal *mazhab* (school of thought), such as Hanafi and Maliki *mazhab* (school of thought). The position of religious law was related to the validity of *waqf*, while state law was related to legal certainty to provide legal protection for the implementation of *waqf* including *waqf* assets. Thus state law provided reinforcement for the enactment of religious law, so that there was harmony (a harmonious and mutually supportive relationship) between state law and religious law.

The form of government recognition and protection whose relation to *waqf* law was the formulation of state policy to make laws and regulations that were used as a basis or juridical basis as well as a guideline for Muslims in giving *waqf* as well as legal certainty of *waqf*. The legislations were;

1. Act Number 5/1960 concerning Basic Regulations on Agrarian Principles. The most essential provision in this act was the protection of *waqf* lands[7].
2. Government Regulation Number 28/1977 concerning Donation of Land Ownership.

3. Regulation Minister of Home Affairs Number 6/1977 concerning Land Registration Regarding Land Ownership Donation[7].
4. Regulation of Minister of Religion Number 1/1978, Joint Instruction between Minister of Religion and Minister of Home Affairs Number 1/1978, Decree of Minister of Religion Number 73/1978 concerning the Delegation of Authority to Provincial/Regional Office of Religion Department in Indonesia to hire/terminate each Head of Religious Affairs District Office as *PPAIW* (Officials Maker of the *Waqf* Pledge Deed)[8].
5. Regulation of Islamic Directorate General of Correctional Center Number Kep/D/75/1979 concerning Forms and Guidelines for Implementing the Regulations concerning Donation of Land Ownership[8].
6. Presidential Instruction Number 1/1991 concerning Compilation of Islamic Law (KHI) Book III concerning *Waqf* Law.
7. Act Number 7/1989 jo Act Number 3/2006 concerning Religious Courts that stipulated the authority over legal issues of *waqf* to the Religious Courts, and aligns the Religious Court's position with other courts[9].
8. Act Number 41/2004 that was enacted on October 27th, 2004 was the first act that specifically regulated *waqf*. with the enactment of this act, all *waqf* regulations were still valid as long as they did not conflict and/or had not been replaced by new regulations based on this act[10].
9. Presidential Regulation Number 28/1977, regarding the regulation that explained *waqf*.

In Indonesia, the implementation of *waqf* was under the authority of the Ministry of Religion for the Affairs of Zakat, Infaq, Shadaqah and Waqf (ZISWAF). Since 2004, since the enactment of the Waqf Law Number 41/2004, *waqf* affairs were under coordination between Ministry of Religion and Indonesian Waqf Institution (BWI). BWI had the authority to coordinate the management of *waqf* assets, then BWI collaborated with *Nazhirs* who were from elements of community, such as; BKM (Mosque Welfare Institution), institutions, foundations, or community organizations to manage *waqf* assets according to community needs [11]. People who gave *waqf* through District *Ulama* Council that was called as *Kantor Urusan Agama* (Religious Affairs Office). Regulations regarding *waqf* law, besides state policies, were also in the hands of Indonesian *Ulama* Council in the form of *fatwa*, for example; *Fatwa* of Indonesian Council of Religious Scholars (MUI) regarding *waqf* in cash, intellectual property rights *waqf* (HKI), productive *waqf*, and others[11].

The legal basis for *waqf* stipulated by the government aimed to assist Muslims in carrying out legal action of *waqf*, including providing instructions for the settlement of *waqf* disputes so that problems, conflicts or disputes could be settled easily and significantly. Article 62 of Act number 41/2004 explained that the steps for settling *waqf* disputes were;

- a. Waqf dispute settlement was settled through deliberation to reach consensus.
 - b. If the dispute settlement as stated in paragraph (1) was unsuccessful, the dispute could be settled through mediation, arbitration or court.
- Institutions that had the authority to settle *waqf* disputes were:
- a. The authority of administrative sanctions belonged to the Ministry of Religion
 - b. Criminal Sector was under the authority of the General Court
 - c. Civil Sector was the authority of Religious Courts

Based on the explanation above, it could be concluded through the following table :

Tab 1. Waqf Law in Indonesia

Waqf Law in Indonesia	Description
The emergence history	Along with the emergence of Islam in Indonesia, that was in the XIII century AD.
Legal Basis	Al-Qur'an and Al-Hadith Presidential Regulation Number 28/1977 concerning donation of land ownership, Islamic Law Compilation of Presidential Instruction Number 1/1991 Third Part concerns waqf law, Act Number 41/2004 is concerning <i>Waqf</i> and Government Regulation Number 42/2006 concerning Implementation of Government Regulation Number 41/2004.
Legal <i>Mazhab</i> (Legal school of thought)	Non-absolute Shafi'i <i>mazhab</i> , it meant Shafi'i's view was used more, but also accepted <i>mazhab</i> of <i>Hanafi</i> on waqf case that was suitable to be implemented for Indonesian people, for example; productive waqf, waqf in cash, and waqf exchange.
Waqf Legal Framework	Including Islamic law that was enacted nationally
Implementer of Waqf Practice	It was under the coordination of the Ministry of Religion through the District Ulama Council, that was called as Religious Affairs Office.
<i>Nazhir</i> Coordinator	BWI collaborated with <i>Nazhir</i> who were from elements of community, such as; BKM (Mosque Welfare Agency), institutions, foundations, or community organizations, to manage waqf assets according to community needs.
Waqf Dispute Resolution	Through deliberation, if it did not work through mediation, if it did not work through arbitrase, if it did not work through the Religious Court.
Waqf Dispute Settlement Institution	Religious Court

3.2 Waqf Law in Malaysia

Based on Malaysian history, it could be found out that the introduction and implementation of waqf began around 1800 AD, that was brought by Gujarati traders while spreading Islam in Malaysia. This could be proven by the existence of several mosques in Malaysia that were waqf-based, such as Hulu Mosque in Malacca and Sultan Abu Bakar Mosque in Johor. At that time, waqf had become a part of daily worship activities, the community was very enthusiastic or passionate about donating to waqf[11]. According to Othman (1986), the practice of waqf in Malaysia was believed to have lasted for eight centuries, since the presence of Arab Muslim traders who spreaded Islam in the Malay peninsula in the X century AD The legal framework for waqf in Malaysia was based on the framework of Islamic law, as the applied law in Malaysia[12].

Malaysia's federal constitution mandated that Islamic religious code including waqf in states that had sultan (or other equivalent title) was governed by state regulations. Moreover, for states that did not have sultan, such as Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and Putrajaya, the regulation used Islamic religious law including management of waqf following the Administration of the Religion of Islam (Federal Territories) Act 1993[13].

The legal basis used as the guidelines in waqf law in Malaysia, as stated by Zubaidah & Hilal [13], were the Federal Constitution 1957 (section 3.4.1, article 3), National Land Code 1965 (NLC), Administration of Islamic Law (Federal Territories) (Act 505 of 1993), Selangor Wakaf Enactment (No. 7 of 1999), Trustee Act 1949 (Act 208), Malacca Wakaf Enactment

2005, Negeri Sembilan Wakaf Enactment 2005, other Islamic law regulations issued by each state, Specific Relief Act 1950, Contracts Act 1950.

Waqf law in Malaysia were set by the government in each state. This was because 9 of 13 states in Malaysia were sultanates led by the sultan as head of local government. In states that was not led by a sultan, such as; Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and Putrajaya, the regulation of waqf as well as other Islamic religious regulations was under the federal government. Thus, waqf law might be different from one state to another state [14].

In Malaysia, *perwakafan* used main teaching Shafi'i *mazhab*, because this *mazhab* was adopted by the first Islamic *ulama* (Muslim scholar) who spreaded Islam in Asian including Malaysia and the community who accepted it so that the teachings of shafi'i *mazhab* could be developed. In addition, Shafi'i's ideology was recognized as fiqh *mazhab* that represented the intersection point of thought between textualist traditions and had become a vital elan for the existence of waqf law in Malaysia[15].

In Malaysia, the implementation of waqf regulation was under the authority of Indonesian Council of Religious Scholars (MUI) as the enforcer of waqf law in concerned states. Then, each MUI had the authority to validate, regulate, supervise and manage consumptive waqf within the states. The Majlis had an Advisory Board and Waqf Asset Management Committee. The Advisory Board consisted of individuals with experience in the field of Islamic law appointed by the Majlis with the state Mufti, the secretary of MUI, the state director for Agrarian Affairs and state officials in the field of legal consultant being permanent members. The other members consisted of state finance officials, academics and practitioners in professions related to Islamic law, property management and financial management [2].

Based on the explanation above, it could be understood that legal framework that was enacted in Malaysia tended to be different among the states, everything that regulated waqf was regulated independently by each state government [16]. Different legal framework and management practices for waqf affected the efficiency of planning and distribution between states. This gave impact in the practice of waqf in Malaysia until today, mostly of it was only limited to land. Even though, in its management it was bound by the provisions required by waqf. In addition, there were still many waqf lands that were managed besides the Religious Council, the *nazhir* was not economists and had no management background, so that some of waqf in Malaysian state were less productive and less economical [11].

In addition, it also gave impact on the settlement of *waqf* disputes that was different depended on the interpretation of the institution of law maker. In various cases regarding *waqf* in Malaysia, there were disparities in opinions and interpretations between legal entities that had the competence or authority to make and interpret the regulations and *waqf* manager. One of interpretations that had been decided by the State Legislative Institution was automatically imperfect when the the Council (Parliament), whose authority was higher, decided otherwise. As the response of this case, Hokker considered that ideally the Court Council should not interfere the affairs under the authority of the Low Court too far, because it would assume a dictatorial system in regulating *waqf*. Furthermore, he emphasized and noted that in this field, changes or at least additional regulations need to be added in Malaysia[17].

In addition, the management of *waqf* in Malaysia that was generally under the authority of MUI was considered as insignificantly contributed to the welfare of the community, both economically and socially. This was caused by many people who gave *waqf* but were not in accordance with the regulation of *waqf* and the lack similarity in the regulation of *waqf*, so that the differences in interpretation and guidelines for the implementation of *waqf* happened.

This situation had encouraged Malaysian people to propose to the government to establish *waqf* institutions that managed *waqf* centrally, not under the authority of the state MUI, so that it could encourage the growth of *waqf* assets in Malaysia.

On the issue of *waqf* dispute settlement, Malaysian people mostly used non-litigation process, through deliberation and mediation. This was due to the factor of judicial power in handling *waqf* disputes. Authorized court institution to settle *waqf* disputes was the General Court, not the Religious Court. Although *waqf* system in Malaysia was centered on the MUI, however, many *waqf* disputes actually ended up in general courts, not Islamic courts, where the general court was higher than Islamic court. This caused many differences in Islamic cases that should only be settled in Islamic courts. Ironically, the competence of judges in the general court had low mastery in Islamic law [18], even though the case of *waqf* must be a Muslim case related to Islamic law or sharia.

Based on the explanation above, it could be concluded about *waqf* legal policy in Malaysia through the following table :

Tab 2. *Waqf* Law in Malaysia

<i>Waqf</i> Law in Malaysia	Description
The emergence history	1800 AD, brought by Gujarati traders while spreading Islam in Malaysia.
Legal Basis	<i>Federal Constitution</i> 1957 (section 3.4.1, article 3), <i>National Land Code</i> 1965 (NLC), <i>Administration of Islamic Law (Federal Territories)</i> (Act 505 of 1993), <i>Selangor Wakaf Enactment</i> (No. 7 of 1999), <i>Trustee Act</i> 1949 (Act 208), <i>Malacca Wakaf Enactment</i> 2005, <i>Negeri Sembilan Wakaf Enactment</i> 2005, <i>Specific Relief Act</i> 1950, <i>Contracts Act</i> 1950.
Legal <i>Mazhab</i>	Other Islamic laws that were issued by each state. It was different depended on state policy. Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and Putrajaya, Islamic regulations including the management of <i>waqf</i> was based on absolute Syafi'i <i>mazhab</i> . In some other states, they used non-absolute syafi'i <i>mazhab</i> , such as Hanafi <i>mazhab</i> .
Waqf Legal Framework	Each state was different, everything that regulated <i>waqf</i> was regulated independently by each state government.
Waqf Practice Implementer	MUI had the authority to validate, regulate, supervise and manage consumptive <i>waqf</i> within the state. MUI collaborated with the Advisory Board and Waqf Asset Management Committee. The Advisory Board consisted of individuals with experience in the field of Islamic law that was appointed by <i>Majlis</i> with the state <i>Mufti</i> , the secretary of MUI, the state director for Agrarian Affairs and state officials in the field of legal consultant being permanent members.
Nazhir Coordinator	MUI
The Use of Waqf Assets	Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and Putrajaya, their <i>waqf</i> assets were immovable property, whose use for agriculture, plantations, rentals, places of worship, places of education, and hospitals. Apart from these states, <i>waqf</i> assets were used for economic value, such as; business, property, stocks and investments.
Waqf Disputes Settlement	It used non-litigation process more. The authorized court to settle <i>waqf</i> case was General Court.

3.3 Comparative Study of Waqf Legal System between Indonesia and Malaysia

A comparative study of waqf legal system between Indonesia and Malaysia was an attempt to describe or explain waqf law that was enacted in Indonesia and Malaysia, then a comparison between both of them. This was done to determine the characteristics of each country in enforcing the waqf law.

Based on the explanation above, it could be found out about *waqf* law that was enacted in Indonesia and Malaysia. When they were compared, it could be seen in the table as follows;

Tab 3. Comparison waqf legal system between Indonesia and Malaysia

Comparison of Waqf Law	Malaysia	Indonesia
The emergence history	1800 AD, brought by Gujarati traders while spreading Islam in Malaysia.	Along with the emergence of Islam in Indonesia, that was in the XIII century AD.
Legal basis	Based on the teachings of Islamic law that used the Al-Qur'an and Al-Hadith as the references as well as regulations set by the state, such as; Federal Constitution 1957 (section 3.4.1, article 3), National Land Code 1965 (NLC), Administration of Islamic Law (Federal Territories) (Act 505 of 1993), Selangor Wakaf Enactment (No.7 of 1999), Trustee Act 1949 (Act 208), Malacca Wakaf Enactment 2005, Negeri Sembilan Wakaf Enactment 2005, Specific Relief Act 1950, Contracts Act 1950. Regulations of laws issued by each state.	Based on the teachings of Islamic law that used Al-Qur'an and Al-Hadith as the references as well as regulations set by the state, such as; Act of Agrarian Principles (<i>UUPA</i>) Number 5/1960, Government Regulation 28/1977 concerning the donation of land ownership, Islamic Law Compilation of Presidential Instruction (<i>KHI Inpres</i>) Number 1/1991 The third part of waqf law, Act Number 41/2004 concerning Waqf and Government Regulation Number 42/2006 concerning Implementation of Government Regulation No. 41/2004.
Legal <i>Mazhab</i>	It was different depended on state policy. Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and Putrajaya, followed absolute Shafi'i <i>mazhab</i> . Besides those states, the other used non-absolute syafi'i mazhab, it meant accepting teachings from Hanafi and Maliki <i>mazhab</i> , such as; waqf for productive assets, waqf in cash, and waqf exchange.	Having non-absolute Syafi'i mazhab, it meant that it used more Shafi'i's view, but also accepted Hanafi <i>mazhab</i> in the case of waqf that was suitable to be implemented by Indonesian people, for example; productive waqf, waqf in cash, and waqf exchange.
Waqf Legal Framework	Each state was different, everything that regulated waqf was regulated independently by each state	Including Islamic law that was enacted nationally

Waqf Practice Implementer	government. MUI had the authority to validate, regulate, supervise and manage consumptive waqf within the state. MUI collaborated with the Advisory Board and the Waqf Asset Management Committee. The Advisory Board consisted of individuals with experience in the field of Islamic law appointed by the <i>Majlis</i> with the state <i>Mufti</i> , the secretary of MUI, the state director for Agrarian Affairs and state officials in the field of legal consultant being permanent members.	Under the coordination of BWI and the Ministry of Religion through the District <i>Ulama</i> Council, that was called as Religious Affairs Office.
<i>Nazhir</i> Coordinator	MUI (Indonesian Council of Religious Scholars/ <i>Majles Ulama Islam</i>)	BWI collaborated with <i>Nazhir</i> who was from the element of community, such as; BKM (Mosque Welfare Agency), institutions, foundations, or community organizations, such as NU and Muhammadiyah to manage waqf assets according to community needs.
The use of Waqf assets	Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and Putrajaya, their waqf assets were immovable property, that were used for agriculture, plantations, rentals, places of worship, places of education, and hospitals. Besides these states, waqf assets were used for economic value, such as; business, property, stocks and investments.	The use of waqf assets in the aspects of worship, then social, education, health, morals, public service facilities and the economy.
Waqf Settlement	Disputes It used more non-litigation process. Authorized court to settle waqf case was General Court.	Through litigation and non-litigation process. Authorized court to settle waqf disputes was Religious Court.

Based on the table above, it could be analyzed that the similarity between waqf legal system in Indonesia and waqf legal system in Malaysia was their legal framework, where both of them used Islamic legal framework with non-absolute Syafi'i *mazhab*. Common difference was the form of government of Malaysia, that consisted of thirteen (13) states, tended to use different waqf legal systems, including the legal basis, the allocation of the waqf assets, *mazhab* of waqf legal teachings, and the use of the assets.

The states of Malaysia that used the teachings of absolute Syafi'i *mazhab* waqf law, such as; Sabah, Sarawak and Malacca, as well as federal territories such as Kuala Lumpur and

Putrajaya. Syafi'i *Mazhab* taught that the assets that could be donated were only fixed assets/land, so it was easier for the people to give it, the state allowed credit waqf. Credit waqf was waqf by paying in installments or credit every month for the assets that had been donated in the form of immovable assets, because they were expensive and was not able to pay it in cash. It caused rapid growth of waqf in Malaysia, because the state provided community services according to their capabilities without violating Islamic sharia.

The states under Sultan's rule, used the teachings of the waqf law of *mazhab* of Syafi'i, Hanafi and Syafi'i, that allowed movable assets of waqf, such as; waqf in cash, Marketable securities/*sukuk*, waqf obtained from rent, and others. The advantages of this waqf system were *wakif* could gave *waqf* in cash and according to his ability. The assets of movable assets of waqf could be managed through economic activities, for example; to provide capital for low-income entrepreneurs, for investment and its profits were used to help general welfare and improve living standards.

In every state of Malaysia, full authority of waqf belonged to *Majlis Ugama Islam/Indonesian Council of Religious Scholars (MUI)*, however in 2008, Prime Minister Tun Abdullah Ahmad Badawi announced the formation of the Department of Waqf, Zakat and Haj (JAWHAR), whose duty was implementing the authority of federal government in waqf management affair. The establishment of JAWHAR was expected to provide development in the management of waqf in a more organized, systematic and effective manner. In carrying out his duty, JAWHAR as the executor of federal power in the field of waqf only played role as the coordinator of MUI in the states.

In context of the settlement of waqf disputes, Malaysians mostly settled their disputes through non-litigation process in the form of deliberation and mediation, and less used syari'ah arbitrase process. This was because the use of waqf assets was more in the function of worship. However, in the states of Malaysia that used non-absolute Shafi'i *mazhab*, where the allocation of waqf assets was more based on economic value, they used waqf dispute settlement through sharia arbitrase using Islamic financial system. The settlement of waqf disputes using litigation that was through the Court Institution therefore Malaysia had appointed a General Court or Conventional Court to settle waqf disputes that included in the realm of Islamic economics.

In contrast with Indonesia, since the issuance of Waqf Law Number 41/2004 the enactment of the waqf legal system was constitutionally equal for all Indonesian people. There were several legal innovations regulated in Waqf Law, for example; Waqf might be movable assets as long as the principal or original assets were retained and their use was developed, waqf might has limited time as long as its use was permanent, the management of *waqf* assets that was professional, certification of waqf (for land). However, the *waqf* management institution (BWI) established by the Indonesian government had been stagnant so far, because the government's political will had not fully supported the enforcement of waqf law in Indonesia. In addition, the authority to implement waqf law that was held by the Ministry of Religion had also experienced many legal and social problems, for example; the legality of waqf, protection and salvation of *waqf* assets, misunderstandings among *waqf*, *infaq* and *shadaqah*, management of waqf, and education of *waqf* for the community.

The comparison of *waqf* law between Malaysia and Indonesia could give inspiration for the development of waqf in Indonesia, especially in the management of *waqf* assets in a professional, accountable and transparent manner. In addition, in Malaysia, there had been a mindset that waqf was a job that contained the mandate of the world and the hereafter. Therefore the institution that had the authority to provide *waqf* services and manage the increasing number of *waqf* assets was the Ministry of Waqf, Zakat and Hajj.

4 Conclusion and Suggestion

Based on the explanation above, it can be concluded that the implementation of *waqf* law between Indonesia and Malaysia has similarities and differences as their own characteristics which are adjusted to the typology of the community. The form of government of Indonesia and Malaysia is different, therefore the legal system is also different. The point of similarity of *waqf* law between the two countries is Islamic legal framework of non-absolute Shafi'i *mazhab*. However, this is only implemented in certain states.

The suggestion that deserves to be provided is by comparing the enactment of the *waqf* law between Indonesia and Malaysia; it will provide inspiration and motivation for the development of Indonesian *waqf* in a professional manner, both through its legal culture, guidelines and law enforcement.

References

- [1] M. I. A. bin M. Al-Shaukani, *Mustafa Al-Bab Al-Halan*, Vol. III. Kairo: Nayl Al-Awtar.
- [2] Tuti A Najib dan Ridwan Al-Makassary (ed), Ed., *Wakaf, Tuhan, dan Agenda Kemanusiaan*. Jakarta: CSCR UIN Syarif Hidayatullah, 2006.
- [3] M. A. Mahdiy, *Sistem Pengelolaan Wakaf dalam Aplikasinya Masa Kini, Contoh-Contoh Terpilih dari Praktek Wakaf di berbagai Negara dan Masyarakat Islam*. Jeddah: Bank Pembangunan Islam, 2001.
- [4] R. Djatmiko, *Wakaf Tanah*. Surabaya: Al Ikhlas, 1962.
- [5] M. A. A. al Kabisi, *Waqf Law*. Jakarta: IIMAA Press, 2004.
- [6] S. A. B. bin S. Muhammad, *I'alah al-Thalibin*, Juz III. Beirut: Daar al-Kutub al-Ilmiah.
- [7] M. Y. ; A. R. L. Lubis, *Hukum Pendaftaran Tanah*. Bandung: Mandar Maju, 2008.
- [8] U. Santoso, *Hukum Agraria dan Hak-hak atas Tanah*. Jakarta: Prenada Media, 2005.
- [9] B. Arifin, *Pelembagaan Hukum Islam di Indonesia : Akar Sejarah, Hambatan dan Prospeknya*. Jakarta: Gema Insani Press, 1966.
- [10] A. G. Anshori, *Hukum dan Praktek Perwakafan di Indonesia*. Yogyakarta: Pilar Media, 2005.
- [11] S. Harahap, *Pedoman Pengelolaan dan Perkembangan Wakaf*. Jakarta: Direktorat Jendral Bimbingan Masyarakat Islam, Direktorat Pemberdayaan Wakaf, Kementerian Agama Republik Indonesia, 2006.
- [12] F. H. Othman, *Islam dan Kemajuan Masyarakat "Islam Menyatu Ke Arah Kebajikan."* Kuala Lumpur: Institut Kefahaman Malaysia, 1996.
- [13] Zubaidah ; Hilal, *Bank Indonesia, Wakaf: Pengaturan dan Tata Kelola yang Efektif*. Departemen Ekonomi dan Syariah bekerjasama dengan Departemen Ekonomi Syariah Fakultas Ekonomi dan Bisnis Syariah, Unair, 2016.
- [14] M. Cizaska, *A History Of Philanthropic Foundation: The Islamic Of World From The Seventh Century Of The Present*. Istanbul: Bogazici University Press, 2000.
- [15] S. H. Amin, *Islamic Law and Its Implication for Modern World*. Scotland: Royston Ltd, 1989.
- [16] T. A. ; R. A. M. Najib, "Management and development of Awqaf Properties," in *Proceeding of Management and development of Awqaf Properties*, 1987, p. 259.
- [17] M.B.Hoker, *Undang- undang Islam di Asia Tenggara*. Kuala Lumpur: Dewan Bahasa dan Pustaka, 1991.
- [18] A. ; R. H. Triyanta, "Penyelesaian Sengketa Bisnis Keuangan Islam Melalui Pengadilan di Malaysia dan Relevansinya dengan Indonesia," *J. Huk.*, vol. 15, no. 2, p. 2009, 2008.

The Protection of The Worker's Right During The Covid-19 In Central Java- Indonesia: Legality V. Reality

Diastama Anggita Ramadhan¹, Rahayu Rahayu², Pulung Widhi Hari Hananto³
 {diastamaanggita@lecturer.undip.ac.id¹, rahayu@lecturer.undip.ac.id²,
 pulungwidhiharihanan@lecturer.undip.ac.id³}

Universitas Diponegoro, Semarang, Indonesia¹, Universitas Diponegoro, Semarang, Indonesia²,
 Universitas Diponegoro, Semarang, Indonesia³

Abstract. The global pandemic has had very significant implications for the global order and human life around the world. One of the serious policies faced is a huge loss in the domestic economic sector of each country, one of which is Indonesia. Many companies in Indonesia have made efficiency by laying off and suspended (housed). As a result, many workers' rights are not accommodated proportionally and are prone to law violations. In this paper, the writes would like to elaborate and harmonize the protection of worker's rights as impacted the Covid-19 in Central Java. Indonesia.

Keywords: The Protection, Right of Workers, Legality, Reality.

1. Introduction

The global phenomenon of Covid-19 pandemic is at the center of the world attention since its outbreak in the early months of 2020[1]. Per may 2020, this pandemic has continued to take over all segment of international segments, from the health crisis to the domestic economy. As the impact, almost every international communities had impacted by this pandemic. Many countries had released the urgent policies to boldly anticipate the spreading of COVID 19 instead imposed the travel ban and also declared the lockdown[2]. Due to this Pandemic and the pandemic global range from US\$ 2 Trillion to US\$ 4.1 Trillion or -2,3 to -4,8 of Global gross domestic economy[2]. In Indonesia, the Fiscal Agency Policy or BKF of Ministry of Finance estimates that the loss rate due to the Covid-19 pandemic in Indonesia will reach IDR 320 Trillion during the first quarter of 2020[3]. As the data above, Covid-19 has a large impact and serious attacks in economic sector not only in global spectrum but also the domestic economy.

The United Nations (UN) had reported that states are at risk of disrespecting human rights in its precaution measures to prevent the spread of pandemic[4]. This encompasses various action such as extensive lockdowns, adopted to slow transmission of the virus, restrict by necessity freedom of movement and, in the process, freedom to enjoy many other human rights[4]. The efficiency measure and step taken by the state in face this pandemic indirectly affect the human right segments, one of them is the rights of workers.

In Indonesia, the implication of pandemic gives significant attacks to the domestic economic, especially the sector of company and labor matters. In this context both big company and local company has serious impact to handle this pandemic. As the result they

release the policy to reduce their workers and labors. The National Development Planning Agency (hereinafter Bappenas) reports that the number of unemployed people in Indonesia is at risk of increasing due to the impact of Covid-19. Echoed by the Minister of National Development Planning (PPN) explained that the open unemployment rate is projected to increase by 4 million to 5.5 million in 2020[5]. Later, the Open Unemployment Rate in 2020 will reach 8.1 – 9.2 percent. This number is far above the realization in 2019 which reached 5.28 percent. Meanwhile, in 2021 it is estimated that will reach 7.7 to 9.1 percent[5]. In Semarang, as the data collected per August by the Manpower Agencies stated that the unemployment rate in Semarang is 15.678 peoples[6]. the sector that lost the most workers were the trade, hospitality, manufacturing, construction, corporate services and accommodation sectors[6]. As the impact of this efficiency, many of worker and labors faced the termination of work and suspended (housed) by its former company.

2. Literature Review

2.1 Definition and Legal Protection of The Worker

Labor relations are regulated in Law No. 13 concerning Manpower (hereinafter referred to as the Manpower Act) which was ratified by the Government of the Republic of Indonesia, State Gazette of 2003 Number 39. UU. Employment separates the definition of the terminology of labor from labor. In Article 1 number 2 of the Law on Manpower, labor is defined as a person who is capable of doing work in order to produce goods and or services either to meet the needs of himself or the community. Meanwhile, a worker or laborer is everyone who works and receives wages or remuneration in any form. This terminology is too broadly demarcated because the context of the meaning of labor can be interpreted as all people who work for anyone, either individually, in a legal entity business association, or other entity by receiving wages or compensation in any form.

The meaning of wages in any form is often interpreted as money, but in fact it is possible for a worker to receive compensation in kind. The main point of setting the law. Employment is a working relationship between an employer and a worker that contains reciprocal rights and obligations. Labor rights are the obligations of business actors and vice versa. Rights and obligations are regulated in the work agreement and must be carried out by both parties properly. The forms of working relations that are facilitated in work agreements include work agreements; Unspecified time work agreement, Fixed Term Work Agreement (PKWTT); Company regulations; Collective labor agreement; Contracting Agreement.

The protection guarantee aims to provide law enforcement on the work relationship system without pressure from the strong to the weaker party. In the juridical arrangement in article 5 of the Law. Manpower guarantees protection by adhering to the principle of non-discrimination, meaning that every worker has the right and the same opportunity to obtain a decent job and livelihood without distinguishing gender, ethnicity, race, religion, and political orientation according to the interests and abilities of the workforce concerned. including equal treatment of persons with disabilities. With this in mind, business actors are obliged to provide workers or laborers with rights and obligations regardless of gender, ethnicity, race, religion and political orientation as regulated in Article 6 of the Manpower law. The limitation of labor protection in the Manpower Act broadly includes: first, wage protection, welfare and social security. Second, the protection of occupational safety and health. third, legal protection to form and join unions; Workers / labor unions. Fourth, protection of the basic rights of workers

/ laborers to bargain; with businessmen.

Wages are an important component in providing welfare guarantees for workers. This provision is explicitly regulated in article 1 point 30 which states that: wages are the rights of workers or laborers that are received and expressed in the form of money as compensation from employers or employers to workers or laborers who are determined and paid according to a work agreement, agreement, or legislation. - legislation, including allowances for workers or laborers and their families for a job and or services that have been or will be performed. The authority to determine the provision of minimum wages is determined by the Government, which is determined by the Regional Government concerned.

Apart from material legal protection, workers also have the basic rights of their workers to negotiate with employers. The manpower law facilitates communication and negotiation for workers / laborers with employers, namely through the existence of a bipartite institution. The purpose of establishing a bipartite institution is to resolve disputes between workers / laborers and employers. The last basic right of a worker is to form and become a member of a trade / labor union found in Article 104 of Manpower Law , there are states : *"Every worker / laborer has the right to form and become a member of a trade union / labor union". Workers / laborers who are members of a trade / labor union have the right to manage finances and be accountable for the organization's finances, including for strike funds. "*

2.2 The factual data of worker in Central Java: fact vs reality

as stated in introduction, the spread of the Covid-19 in Indonesia is a serious matter that cannot be underestimated because within 15 (fifteen) days from March 2, 2020 to the end of August 2020, 6759 people have been infected and 25 of them have died[7]. The Indonesian government has determined the status of the spread of the corona virus as a national disaster since March 15, 2020. Workers have felt the implications of the outbreak of the Covid-19 pandemic in the labor sector. Workers' wages are only calculated per hour, work only 15 (fifteen) days a month, providing unpaid leave until termination of employment. The outbreak of the corona virus has also resulted in reduced shopping center visitors and choked delivery of goods. Unilateral actions taken by companies against workers will cause new legal problems, in which workers / workers are the most disadvantaged party. Daily workers, contract workers and outsourcing workers who have the weakest bargaining position and are easily dismissed. Based on data from the Ministry of Manpower (Kemnaker) as of April 7, 2020, as a result of the Covid-19 pandemic, there were 39,977 companies in the formal sector that chose to lay off and lay off their workers. In total there are 1,010,579 workers affected by this. In detail, 873,090 workers from 17,224 companies were laid off, while 137,489 workers were laid off from 22,753 companies. Meanwhile, the number of companies and workers affected in the informal sector was 34,453 companies and 189,452 workers[8].

In refer to the Right to Work and a Decent Livelihood, it is fitting for the Government to ensure that there is no termination of employment by companies and the provision of decent wages in accordance with the provisions of the prevailing laws and regulations. The wage system has been regulated in Article 90 of Manpower Law, which states that "employers are prohibited from paying wages lower than the minimum wages as referred to in Article 89". It is clear that employers are prohibited from paying workers' wages below the minimum wage as long as there is no wage suspension and continue to pay wages in accordance with the provisions of the prevailing laws and regulations. Likewise, Article 151 paragraph (1) of the Manpower Law states that "employers, workers / laborers, trade / labor unions, and the government must make every effort to prevent termination of employment." Thus, the government has an obligation to make efforts so that nothing happens. laborers / workers who

have experienced termination of employment.

The city of Semarang, which is the center of the economy in Central Java Province, has also experienced an economic downturn and many local business actors have adopted unpopular business policies, namely the termination of employment relationships and "laying off" workers for a while. According to data from the Semarang City Manpower Office, it is recorded that 84 companies registered and affected by Covid-19 have terminated employment and "laid off their employees" for an indefinite period of time. As a result, 7,157 people became unemployed due to layoffs by the company and 8,521 workers who were dismissed without a clear time limit and without getting benefits[9].

However, the provisions of norms regulated in statutory regulations (Law in books) often experience differences with the application of law in a sociological sense (Law in Action). The spread of the COVID-19 pandemic throughout Indonesia indirectly affects productivity performance, company finances and employers' obligations to meet operational costs, especially workers' wages. The work from home policy launched by the Government actually adds to the burden on companies, because not all types of business can be done from the residence of each worker. This condition encourages a number of them to practice unpaid leave (leaving workers, but not paid), laying off workers, and even terminating employment (layoffs) by employers unilaterally in order to reduce the burden on their business. The employment relationship is generally based on a work agreement between the business actor and the worker, which is an agreement in which the first party, the worker binds himself to another party, the employer to work for wages and the employer states his ability to employ the worker by paying wages[10].

The difficulties experienced by entrepreneurs due to the COVID-19 pandemic, which caused a condition called Force majeure, were used by business actors as an excuse to terminate the work relations of their workers. However, this cannot immediately result in layoffs, even though the Covid-19 pandemic is included in force majeure. In the provisions of Article 164 of the Manpower Law, it is stated that: *"Employers can terminate employment of workers / laborers because the company is closed because the company has suffered continuous losses for 2 (two) years, or a force majeure, provided that the worker / laborer is entitled to severance pay amounting to 1 (one) time the provisions of Article 156 paragraph (2) the reward pay for the work period of 1 (one) time the provisions of Article 156 paragraph (3) and compensation for rights in accordance with the provisions of Article 156 paragraph (4)."*

Based on the provisions above, companies can actually lay off on the grounds of the Covid-19 pandemic as a form of force majeure. Although the Manpower Act does not explain the definition of force majeure. However, face-to-face business actors are obliged to pay attention to the welfare of their workers by continuing to provide severance pay, long service reward and compensation money equal to 1 time the value of each of the components above. When viewed in terms of the duration of the event, the corona pandemic is included in a temporary force majeure, considering that the inability of entrepreneurs to carry out their obligations is only temporary until normal conditions. This is supported by the Government's policy which has determined the corona pandemic as a national disaster and the issuance of several legal policies that can strengthen employers' reasons for making the corona pandemic a basis / reason that creates force majeure. In this regard, it can be explicitly stated that the corona pandemic can be categorized as a national non-natural disaster which can be classified into a temporary force majeure.

3. Research Method

This article is a result of research with the type of socio-legal research. The approach used in this paper is a statutory approach. The technique of collecting legal materials in this study was carried out by using literature study techniques and interviews with related sources according to their competence. This research uses the deductive legal material analysis method, in which the legal materials that have been collected are classified and then conclusions are drawn from general matters into specific things.

4. Result and Discussion

4.1 The sector hit the most and status during the pandemic

The Covid-19 pandemic has affected all sectors around the world. One of the sector hardest hit by the Covid-19 pandemic is the economic sector. The stagnation of the economy has made many companies unable to avoid efficiency which has an impact on reduced employment opportunities for workers in various sectors.

As one of the areas that is the production base in Indonesia, Central Java Province is also affected by this pandemic. This can be seen from the Central Java Statistics Agency (BPS) report which states that the Trade Balance experienced a deficit of 4.80% in February 2020 compared to January 2020.³ This is one of the impacts of the social distancing policy implemented by the government obliging several activities to stop, including school and workplace[11]. Referring to the Regulation of the Minister of Health Number 9 of 2020, there are only a few fields that are allowed to continue working, namely:[12]

1. Services related to defense and security;
2. Business in the field of food needs;
3. Business in the field of fuel oil and gas;
4. Health services;
5. Business in the economic, banking and financial services sectors;
6. Business in logistics and distribution;
7. Business in the field of telecommunications;
8. Business in retail that sells basic needs of the community.

Based on research conducted by the author, data released by the Semarang City Manpower Office, in Semarang City itself as the capital of Central Java Province, the number of companies and the number of workers affected by the Covid-19 Pandemic are as follows:[13]

Table 1. Registered Company Data at the Semarang City Manpower Office

Company	Number of the Company	The Amount of Labour
---------	--------------------------	-------------------------

Registered	4.083	230.099
Affected by the Pandemic	83	15.934
Got lay off by the Company		7.413
Got released off by the Company		8.521

About 4% of the total number of companies that registered themselves with the Semarang City Manpower Office declared themselves to be companies affected by the Covid-19 Pandemic. From the point of view of the number of companies this figure does not seem that significant. This is inversely proportional if the impact of this pandemic is seen from the point of view of the number of workers affected. The number of workers affected by the Covid-19 Pandemic in Semarang City was 15,934, with details of 7,413 people losing their jobs and the remaining 8,521 people who were dismissed by their companies because the company could not run operations. Judging from the types of businesses affected, several types of businesses most affected by this pandemic include tourism, garment, manufacturing and other businesses engaged in the service sector[13].

4.2 The gap between the protection of worker's right as stipulated on the Law and the reality happens

The conditions of the Covid-19 pandemic have forced many companies to make efficiency because they are unable to adapt to existing conditions. Worse, companies that no longer have some space to do their business either because they do not have permission to continue to do business or are affected by the downturn in the economy are forced to stop all their business activities and declare themselves bankrupt[14]. Moreover, regarding the rights of workers affected by termination of employment, in Law Number 13 of 2003 concerning Manpower, there are several stages that can be taken when an action termination of employment (PHK) occurs, including:[14]

1. Article 93 paragraph (3) states that efforts are made to negotiate between the parties, both employers and workers and agree on the payment of workers' wages prior to dismissal.
2. Article 164 paragraph (1) states that Employers can terminate their employment by giving the right in the form of severance pay which is calculated from the working period based on Article 156 of the Law.
3. 3.Article 164 paragraph (3) states that in situations where companies are forced to perform efficiency due to the Covid-19 Pandemic, employers are required to provide 2x severance pay from the working period as stated in Article 156 of the Law.

The problem is the ability of companies or employers to fulfill the rights of workers affected by this pandemic. Company bankruptcy is accompanied by a decline in the company's ability to carry out its obligations, including obligations towards employees who are either still working or have been terminated. The Government of the Republic of Indonesia itself has

attempted to provide relief to companies through the Minister of Manpower Circular Number M / 3 / HK.04 / III / 2020 concerning Protection of Workers / Laborers and Business Continuity in the Context of Preventing and Overcoming Covid-19[15]. The letter provides an appeal to employers to renegotiate the wages that will be given to workers.

4.3 The mechanism and durable solution to protect the right of impacted workers.

Various efforts have been made by the government to protect workers' rights in the conditions of the Covid-19 Pandemic, namely by providing concessions in various aspects. This leeway given is expected to make it easier for companies or businesses in various sectors to be able to continue their business when this pandemic has ended, some of the efforts that have been made by the Government of Indonesia include:

1. Tax Relaxation by the Ministry of Finance for business actors through the Decree of the Director General of Taxes Number KEP-156 / PJ / 2020 concerning Taxation Policies Regarding the Spread of the Corona Virus Outbreak 2019;[16]
2. Providing direct cash assistance for workers with incomes below 5 million rupiah through the Minister of Manpower Regulation Number 14 of 2020 concerning Guidelines for Providing Government Assistance in the Form of Salary / Wage Subsidies for Workers / Laborers in Handling the Impact of the Covid-19 Pandemic.[17]

However, further than that, workers need guarantees to be able to continue working and earn income sustainably so that they can earn a decent income. Based on the results of the research carried out, the researchers initiated the need for synergy between ministries to prepare job nets for workers / workers affected by the Covid-19 pandemic while still taking into account the feasibility of wages that workers will receive.

5. Conclusion

This research reveals that the Covid-19 Pandemic has had an impact on Indonesia's economic conditions, especially in Central Java Province. The disruption in the economy has resulted in many companies being forced to make efficiency or declaring themselves bankrupt due to the conditions that have occurred. In any case, workers' rights must be protected. Creating a job net for workers / laborers affected by this pandemic is very urgent to be implemented immediately. Ministries and related stakeholders must work together to immediately resolve the rights of workers affected by the Covid-19 pandemic.

6. Acknowledgement

Acknowledgment. The author would like to credit and thanks to Universitas Diponegoro, Semarang. Another thanks to The International Conference on Environmental and Technology of Law Business and Education on Post Covid-19 in edition 2020, in order to review, advice and accept this paper. Next, we would like to thank the Manpower Agency of Semarang who's giving the data was used by the author as reference material that serves to provide the supporting data for analysis of this article. As the result, this study is highly qualification and can be published for the advancement of science, especially in Labor Law, Covid-19 Studies

and Sociology of Law.

Reference

- [1] World Health Organization, "Novel Coronavirus (2019-nCoV): situation report," 2020.
- [2] P. W. H. Hananto, "Does China can be sued for the Global Pandemic?," *Adm. law Governnace J.*, vol. 3, no. 2, 2020.
- [3] Kementerian Keuangan, "Minister of Finance Report," 2020.
- [4] United Nations, "COVID-19 and Human Rights: We are all in this together," 2020.
- [5] Bappenas, "the Impact of Corona, The Number of Unemployment Could Reach 12.7 Million in 2021," . <https://money.kompas.com/read/2020/06/22/163400126/dampak-corona-jumlah-pengangguran-bisa-tembus-12-7-juta-di-2021?page=all>, 2020. .
- [6] The Report of Manpower Agency of Semarang, "data collected per August by the Manpower Agencies."
- [7] The Data of Covid-19, "Covid-19," <https://covid19.go.id/pada>, 2020. .
- [8] Kementerian Tenaga Kerja, "Data PHK karyawan terdampak covid 19 Per April 2020," <https://kemnaker.go.id/>, 2020. .
- [9] Dinas Ketenagakerjaan Kota Semarang, "Data Perusahaan yang Terdampak Covid 19 Terdaftar Dinas Ketenagakerjaan per 30 Agustus 2020," <http://naker.semarangkota.go.id/2020/>, 2020. .
- [10] Z. Asikin and Dkk, *Dasar-Dasar Hukum Perburuhan*. Jakarta: Rajagrafindo Persada, 2004.
- [11] Indonesia, *Government Regulation Number 21 of 2020 concerning Large-Scale Social Restrictions in the Context of Handling Corona Virus Disease 2019 (Covid-19)*. 2020.
- [12] Kementerian Kesehatan,), *Regulation of the Minister of Health Number 9 of 2020 concerning Guidelines for Large-Scale Social Limits in the Plan for the Acceleration of Handling Corona Virus Disease 2019 (Covid-19)*. 2020.
- [13] Semarang City Manpower Office, "Registered Company Data at the Semarang City Manpower Office," 2020.
- [14] Khairunissa, I. Indriani, Nurhayati, and T. Hanafi Setiawan, Achmad Anedea, "Membangun Mental Positif Para Pekerja dan Penyuluhan Hak-Hak Pekerja Yang di PHK atau yang Mendapatkan Dampak Covid-19," *DEDIKASI*, vol. 1, no. 2, p. 6, 2020.
- [15] Kementerian Tenaga Kerja, *Surat Edaran Menteri Ketenagakerjaan Nomor M/3/HK.04/III/2020 tentang Perlindungan Pekerja/Buruh dan Kelangsungan Usaha Dalam Rangka Pencegahan dan Penanggulangan Covid-19*. 2020.
- [16] *Decree of the Director General of Taxes Number KEP-156 / PJ / 2020 concerning Taxation Policies Regarding the Spread of the Corona Virus Outbreak 2019*. 2020.
- [17] *Minister of Manpower Regulation Number 14 of 2020 concerning Guidelines for Providing Government Assistance in the Form of Salary / Wage Subsidies for Workers / Laborers in Handling the Impact of the Covid-19 Pandemic*. .

Existence of Cultural Rights of Society Law in The Determination of Land Boundaries in Onan Runggu Village Communities, Kecamatan, Toba Samosir District

Amri Panahatan Sihotang¹, Sukimin²
{amripanahatan20@gmail.com¹, sukimin.@usm.ac.id²}

Faculty of Law, Semarang University, Semarang, Indonesia¹, Faculty of Law, Semarang University,
Semarang, Indonesia²

Abstract. This study aims to determine the existence of the customary rights of customary law communities in the customary law community in Onanrunggu Village, Onanrunggu District, Toba Samosir Regency in determining the boundaries of customary land and the obstacles faced by customary law communities in determining the boundaries and utilization of ulayat land. This type of research is sociological juridical. Field research to obtain primary data was carried out by examining the research location in Onanrunggu Village, Onanrunggu District, Samosir Regency. Data were analyzed using descriptive analytical methods to answer the problem. The state, in this case the local government, pays less attention to and involves leaders of the Customary Law Community, Customary Elders and people who are considered to be the forerunners of the formation of Onanrunggu Village in determining the boundaries of Customary Land, Customary Heritage Land, both clan and private groups.

Keywords: Existence; Rights; Ulayat; Society; Adat

1. Introduction

Constitutional guarantees for the existence of Customary Law Communities are contained in Article 18B paragraph (2) of the 1945 Constitution of the Republic of Indonesia which reads “The state recognizes and respects indigenous peoples and their traditional rights as long as they are alive and in accordance with developments. society and the principles of the Unitary State of the Republic of Indonesia, which are regulated in law ”.

Traditional rights or customary rights are one of the rights that become a priority scale in legal protection for Indigenous Peoples in Indonesia in the agrarian sector. This can be seen in Article 3 of Law Number 5 Year 1960 concerning Basic Agrarian Principles which reads "By considering the provisions in Articles 1 and 2 the implementation of customary rights and similar rights of customary law communities, insofar as it still exists, it must be in such a way that it is in the national and state interests, which are based on national unity and must not conflict with laws and other higher regulations ”.

The regulation of customary rights in the constitution and statutory regulations is a guarantee provided by the state for Indigenous and Tribal Peoples who still uphold the values of recognition in terms of land rights, especially in terms of land ownership rights which are in the form without certificates.

The Basic Agrarian Law Number 5 of 1960 concerning Basic Regulations for Basic Agrarian Law (UUPA), has contained a provision which states that this law is based on customary law (Article 5), and recognizes one of the most important aspects of indigenous peoples' rights related to with his living space as stated in Article 3, namely what is known as ulayat rights. Article 3: "Taking into account the provisions in Article 1 and Article 2 the implementation of customary rights and similar rights from the customary law community, as long as they still exist, it must be in such a way that it is in accordance with the national and state interests based on national unity

and may not be permitted. contrary to laws and higher regulations". With this provision, it is clear that ulayat rights are recognized, but with certain limitations regarding their existence, that is, if in fact they still exist, and their implementation must meet limitative requirements.

In the hope of democracy in Indonesia today, some people in the regions are demanding regional rights, one of which is the recognition of the rights of indigenous peoples, namely customary land. It's just that the State is not yet clear about including customary land as clear and definite rights and what its implementation looks like. Concerns that the status of communal land rights being granted can be a problem for the State, because of even greater interests. Many of these land problems occur in several areas that are diluted because of these interests, the dominance of the State in controlling land by the State, causing the State to be trapped in land conflicts, both vertical and horizontal conflicts. The clarity that is still considered vague in our constitution, namely the 1945 Constitution regarding the form of recognition of the rights of indigenous peoples, in terms of customary land. The UUPA does not include customary land as a status of rights owned by indigenous communities, but rather emphasizes control of land by the State. Meanwhile, ownership is carried out individually. This condition is inseparable from the customary law community in the Batak community of Onanrunggu Village where the local government does not pay attention to the customary rights of the customary law community contained in the community. As a result of this, internal conflicts from the community, especially those caused by the problem of land boundaries, resulted. Land that is owned for generations (inherited land) is a source of conflict. Looking at the background of the problems above, the writer makes a problem. What is the existence of the customary rights of the customary law community in determining land boundaries in the community of Onanrunggu Village, Onanrunggu District, Toba Samosir Regency?

2. Literature Review

According to Abidin Zaenal existence is a dynamic process, a being or being. This corresponds to the origin of the word existence itself, namely *eksistere*, which means going out of, beyond or overcoming. So existence is not rigid and stagnant, but flexible or springy and experiences development or regresses, depending on the ability to actualize its potentials. "According to Nadia Juli Indrani, we can also recognize existence with one word, namely existence. Where the existence in question is the influence of our presence or absence [1].

G. Kertasapoetra and friends emphasize the term ulayat rights in their book *Land Law, UUPA Guarantee for the Success of Land Utilization*, stating that; Ulayat rights are rights owned by a legal association (village, ethnic group), where the members of the community (legal association) have the right to control the land, the implementation of which is regulated by the head of the association (the head of the tribe / head of the village concerned)" [2].

3. Research Methods

Based on the formulation of the problem, this type of writing is juridical empirical / sociological. Sociological juridical is something that highlights problems based on legal aspects that actually occur in the field or in the community. In this case, the existence of the customary rights of the customary law community in determining land boundaries in the community of Onanrunggu Village, Onanrunggu District, Toba Samosir Regency. The specification of this research is descriptive analytical because this research will describe the existence of customary law communities and analyzed based on applicable laws and regulations [3].

4. Results And Discussion

The existence of customary rights of customary law communities in determining land boundaries in the community of Onanrunggu Village, Onanrunggu District, Toba Samosir Regency.

Ulayat rights are not individual property rights, but have a private dimension and have tenure rights guaranteed by Law No.5 of 1960 on the Basic Agrarian Law, article 3 because customary law is the main basis, but not all of them are that customary law is the basis main but also complementary, namely the characteristics stipulated in article 5, article 56 and article 58 of the Basic Agrarian Law. The customary rights are a series of powers and obligations of customary law communities, which relate to land located within their territory, which is the main support for the livelihoods and lives of the people concerned throughout the ages, namely those related to the collective rights to own the land, including public law, in the form of duties. and the authority to manage, regulate and lead the allocation and control and maintenance.

The provisions in Article 3 of the Basic Agraria Law stem from the recognition of customary rights in the national land law, which is accompanied by 2 conditions, namely regarding its existence and implementation. If in reality the particular customary law community group concerned still exists, the implementation must be in such a way that it is in accordance with the national and state interests, which are based on national unity and may not conflict with laws and other higher regulations, this is explained in article 3 and General Explanation number II number 3 of the Basic Agrarian Law.

The recognition of customary rights is fundamentally derived from article 18 paragraph 2 of the 2nd amendment of the 1945 Constitution, article 3 of the Basic Agrarian Law and General Explanation number II number 3 of the Basic Agrarian Law, and is defined in article 1 points 1 and 2. Agrarian Regulation / Head of the National Land Agency No.5 of 1999, Presidential Decree No.34 of 2003, Presidential Decree No. 36 of 2005 concerning legal certainty.

The contents of the customary rights authority are:

1. Regulating and administering land use and maintenance;
2. Regulating the legal relationship between people and land; and
3. Regulate and determine legal relationships between people and legal actions relating to land, such as buying and selling, inheritance and others.

Recognition of the existence of customary law and respect for it in the form of adopting or accepting the legal values of customary land into national agrarian law is shown in article 3 of the Basic Agrarian Law, which contains political material on land law, that customary rights represent rights to land within the framework of land law. custom can be enforced if;

1. Customary rights or similar still exist in the life order of customary law communities;
2. Is in line with the principles of the Unitary State of the Republic of Indonesia so that enforcement is in accordance with the national interest and the interests of the state;
3. Not contradicting with higher laws and regulations, meaning that the legal position of customary land is under the Basic Agrarian Law and national land law.

The recognition of the existence of customary rights of customary law communities is qualified by Boedi Harsono, if; First, there is still a group of people as members of a certain customary law association, which is a customary law community. Second, there is still an area that is the ulayat of the customary law community, which is recognized as land belonging to its citizens and Third, there is still a customary ruler who in fact and is recognized by the members of the customary law community concerned, carries out daily activities as the implementer of rights. Ulayat [4].

The existence of the customary rights of the customary law community in determining land boundaries in the community in Onanrunggu Village:

- 1) The customary rights of the Customary Law Community in Onanrunggu Village have not been fully handed over to the traditional elders because there is still arrogance from the local government
- 2) In determining the boundaries of Customary land which should have included witnesses from Indigenous Community leaders, traditional elders, parents who were the forerunners of the formation of the Village were not included by local government officials.

- 3) Customary law which has become the norm or rule that lives in the Onanrunggu Village community has undergone changes with the unstoppable influx of modernization and globalization.
- 4) Government officials in the village of Onanrunggu very much dominate in determining the boundaries of customary lands.

5. Conclusion

- a. Hak Ulayat is a collective right to land ownership that needs to be taken into account optimally by government officials, including public law, which has the authority to manage, regulate, lead the allocation and control and maintenance.
- b. The customary land rights of the Customary Law Community in Onanrunggu Village in determining the boundaries of both customary land, customary inheritance land and private inheritance land do not involve traditional community leaders, customary elders and the people who were the forerunners of the formation of the village.

References

- [1] V. Diijk, *Pengantar Hukum Adat Indonesia*. Bandung: Sumur, 1983.
- [2] G. Kertasapoetra, R. . Kartasapoetra, A. Kartasapoetra, and A. Setiady, *Hukum Tanah, Jaminan Undang-Undang Pokok Agraris Bagi Keberhasilan Pendayagunaan*. Jakarta: Bina Aksara, 1985.
- [3] Mardalis, *Metode Penelitian Suatu Pendekatan Proposal*. Jakarta: Raja Grafinso Persada, 2001.
- [4] B. Harsono, *Hukum Agraria Indonesia: Sejarah Pembentukan UUPA, Isi dan Pelaksanaannya*. Jakarta: Djambatan, 2005.

Digital Natives and Freedom of Speech on Social Media in Indonesia

Adya Paramita Prabandari¹
{adyaprabandari@gmail.com¹}

Faculty of Law, Universitas Diponegoro, Jl. Prof. Soedarto, SH., Tembalang, Semarang, Indonesia
50275

Abstract. The rapid development of information and communication technology in the globalization era brought the Digital Revolution, such as the invention of the internet, and the creation of various kinds of internet-based social media. This eventually results in the birth of a generation called digital natives, i.e. a generation born and growing in the midst of the development and sophistication of the internet and gadgets, so for them, digital technology is an integral part of life and everyday life that cannot be separated. However, we must be aware of the excessive use of internet-based social media. This because they feel that they have unlimited freedom in conveying various opinions, information, and ideas in the form of various statuses on social networks, which they consider as their private territory. They don't seem to realize that by uploading statuses on various social networks, these statuses will be accessible to all other internet users from all over the world, and can have various positive and negative impacts, including the possibility of the occurrence of violence/serious threats to national security. This becomes the responsibility of the state to regulate and supervise digital natives so that they can use the internet responsibly in accordance with moral ethics and laws in Indonesia.

Keywords: digital natives, freedom of speech, social media.

1 Introduction

Information and communication technology continues to develop very rapidly from prehistoric times to the present. This is in line with the main needs of humans as social creatures to interact with each other, so that in order to fulfill these needs and to further simplify and accelerate human interaction, humans continue to strive to create new technological innovations in the field of information and communication. These innovations are not only limited to the tools, but also the information and communication networks.

The development of information and communication technology is progressing rapidly in the era of globalization, which is marked by the beginning of a very rapid and fundamental change in the order of human life through the Three T Revolution (Transportation, Telecommunications and Tourism).[1]

This in line with Alvin Toffler [2][3], who argues that there are 3 social waves that change human civilization and culture in general, where the Third Wave civilization is the Information Age or the Knowledge Age, begins with the Digital Revolution ("the change from analog, mechanical, and electronic technology to digital technology ...") which lasted from the late 1950s to the present. This revolution drastically changes the way a person views life and causes major changes throughout the world. Many very important discoveries have occurred

in this era, such as the invention of computers with technology and increasingly compact forms, the invention of the internet, and the creation of various kinds of internet-based social media.

With the rapid development of the internet, which according to S.K. Tambyah [4], [5] has 3 characters, namely: (1) space / time compression; (2) no sense of place; and (3) blurred boundaries and transformed communities; as a supporter of the growing interaction and increasingly rapid rate of information in the globalization era, coupled with the support of the development of information and communication technology, in the form of increasingly sophisticated gadgets, a community in cyberspace is formed, consisting of what is called net generation [6], [7] or digital natives, as a new type of global community.

Digital Natives is a generation that grew up primarily by the mass media and the internet, which was born after the 1980s, where the internet began to be widely used by the public. This generation is a generation that grows with the setting of information technology developments, especially mobile phones and the internet, which can bring the younger generation to roam the world in a virtual world without borders. [8]

The aim of this study is to find out how digital natives practice freedom of speech in using social media in Indonesia.

2 Method

The method used in this research is normative juridical method "which is performed by examining the data library materials is secondary".[9] This study combines the two approaches, the statute approach and conceptual approach.[10] The data used and analyzed in this research is secondary data which is made legal and non-legal material, which was collected by using literature and document research. [11] The data obtained in this study were selected and arranged systematically to be analyzed and elaborated further with qualitative analysis method. [12]

3 Results

3.1 Social Media and Digital Natives

Social Media. Social media [13] is “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content”. Meanwhile, the Merriam-Webster Dictionary defines social media as “forms of electronic communication (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos)”[10]. Some examples are *social networking* such as Facebook and LinkedIn; *media sharing* such as YouTube, Instagram and TikTok; and *personal online diary* in the form of a blog (Blogspot, WordPress) and microblog (Twitter).

The presence of social media in cyberspace has resulted in very radical and significant changes in the patterns and ways of communicating in society. This latest communication technology has attracted public attention because of the many benefits it can take. Moreover,

this communication technology can be seen, used, and utilized so easily using a cell phone, which we now know as a "smartphone" which nowadays can be owned by everyone easily and cheaply. The widespread use of social media, especially among young people, gave birth to the era of the end of geography, because it causes this world to seem to be borderless, where the dissemination of information about events that occur in one place can be quickly accepted by people in other parts of the world.

Digital Natives. The use of social media which is supported by sophisticated information and communication technology devices (gadgets) is so easy that it eventually results in the birth of a generation called "Millennials", "Net Generation", "Gen Y", or "digital natives". *Digital Natives* is a generation that grew up and raised mainly by the mass media and the internet, which was born after the 1980s, when the internet began to be widely used by people. According to Prensky [14], digital natives constitute "an ever-growing group of children, adolescents, and nowadays young adults (i.e. those born after 1984; the official beginning of this generation) who have been immersed in digital technologies all their lives.[15] Prensky also said that digital natives is "a person who was born during or after the general introduction of digital technology, and through interacting with digital technology from an early age, has a greater understanding of its concepts".[16]

So digital natives are a generation born and growing in the midst of the development and sophistication of the internet and gadgets, so that for them digital technology is an integral part of life and everyday life that cannot be separated. Surfing in cyberspace, downloading songs or videos from YouTube, accessing Facebook, Twitter, Instagram and others are part of their daily lives and have become a lifestyle. Digital natives can access news and updates from anywhere in the world quickly and relatively instantaneously (real time), so that there is no longer a gap between distance and time. Whether we admit it or not, the internet or social networks in cyberspace have the potential to radically change not only the way a person interacts, communicates or transacts with others, but also changes the nature of human existence in society.[17]

3.2 Freedom of Speech

Freedom of speech owned by every human being as part of their human rights. Freedom of speech is stated in Article 19 of the Universal Declaration of Human Rights (UDHR) that *"Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless frontiers."* This guarantee of freedom of opinions and expression (further referred to as freedom of speech) is strengthened by the International Covenant on Civil and Political Rights (ICCPR) particularly in Article 19:

- “ (1) Everyone shall have the right to hold opinions without interference.
- (2) Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice.
- (3) The exercise of the rights provided for in paragraph 2 of this article carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall only be such as provided by law and are necessary:
 - (a) For respect of the rights or reputations of others;
 - (b) For the protection of national security or of public order (ordre public), or of public health or morals.“

In terms of the provisions of Article 19 of the UDHR and Article 19 of the ICCPR, the right to freedom of speech is not limitless in its fulfillment and implementation. There must be restrictions on the fulfillment and exercise of the rights to freedom of speech established by law and for the purposes of respecting the rights and good names of others, and for maintaining national security or public order or public health and morals. However, the restrictions imposed on the right to freedom of speech should not be arbitrary. Furthermore, in the *Siracusa Principles on the Limitation and Derogation Provisions in the International Covenant on Civil and Political Rights* [18] is stated that “*The scope of a limitation refereed to in the Covenant shall not be interpreted so as to jeopardize the essence of the right concerned*”. So all limitation clauses must be interpreted explicitly and aim to support the related rights. This is an affirmation that the restrictions imposed on the rights set out in the ICCPR, in particular the right to freedom of speech, cannot be arbitrary.

One of the restrictions placed on the right to freedom of speech relates to national security. The principles of limitation on the basis of national security reasons are further discussed in detail in the *Johannesburg Principles on National Security, Freedom of Expression and Access to Information*. [19] In the *Johannesburg Principles*, it is stated that a form of freedom of opinion and expression can be assessed as a threat to national security only if the government can show evidence that the expression is intended to motivate serious violence / threat that will occur, can motivate serious violence / threat, or there is a connection directly between the expression and the possibility of the occurrence of violence / serious threats to national security.

4 Discussion

The advancement of information and communication technology in the form of the Internet is like a double-edged sword. On the one hand, the internet has opened wide windows of information so that it is easy for humans to share and also get information from various parts of the world quickly in real time and as if it is borderless. But on the other hand, internet access creates a new problem that is quite complicated, namely in terms of digital natives who feel they have unlimited freedom and tend to be uncontrollable in expressing their opinions, regardless of politeness, decency, and possible violations of the rights and reputation of others.

Digital natives convey various opinions, information and ideas using internet-based social media that we must pay attention to and be aware of. It must be admitted that the current use of internet-based social media tends to be excessive, because digital natives feel that they have unlimited freedom in conveying various opinions, information, and ideas in the form of various statuses on social networks, which they consider as domains or their private territory. They don't seem to realize that by uploading statuses on various social networks, these statuses will be accessible to all other internet users from all over the world, and can have various positive and negative impacts.

Freedom of speech in Indonesia began to get a breath of fresh air since the fall of Soeharto and the start of the Reformation era in 1998. The taps of freedom of speech seemed to be pouring out profusely. The freedom to access, upload and receive various information is widely opened and is greatly enjoyed by all levels of society, including digital natives. In relation to the right to freedom of speech as part of Human Rights, the Government has a position as a duty bearer which includes 3 obligations: obligation to respect, obligation to fulfill, and obligation to protect. [20] These three obligations have been carried out by the

Indonesian government seen in various laws and regulations relating to the fulfillment and implementation of the right to freedom of speech as follows:

1. The 1945 Constitution of the Republic of Indonesia

In the 1945 Constitution of the Republic of Indonesia Article 28 E Paragraph (3) it is stated that "Every person shall be entitled to freedom to associate, to assemble, and of expression". Furthermore, Article 28 F states that "Every person is entitled to communicate and to obtain information for the development of his/her personality and social environment, as well as be entitled to seek, to obtain, to own, to store, to process, and to convey information by means of all kinds of available channels".

With the existence of these two articles in the Constitution, the Government firmly recognizes the right to freedom of opinion and expression owned by every Indonesian citizen. Therefore, the Government has an obligation to accommodate and protect the rights to freedom of opinion and expression that are owned by every Indonesian citizen.

2. The Electronic Information and Transaction Law

The Government of the Republic of Indonesia has enacted the Law Number 11 of 2008 concerning Electronic Information and Transaction which was later amended by Law Number 19 of 2016 concerning the Amendments to Law Number 11 of 2008 concerning Electronic Information and Transaction. Article 3 explicitly states that the use of information technology and electronic transactions is carried out based on the principles of legal certainty, benefits, cautiousness, good faith, and freedom to choose technology or technology neutrality. Furthermore, Article 4 states that the use of information technology and electronic transactions must be carried out with the aim of:

- a. Educating the nation's life as part of the world information society;
- b. Developing trade and the national economy in order to improve people's welfare;
- c. Increase the effectiveness and efficiency of public services;
- d. Opening the widest possible opportunity for everyone to advance their thinking and abilities in the field of use and utilization of information technology optimally and responsibly; and
- e. Provide a sense of security, justice and legal certainty for users and operators of information technology.

Based on the principles and objectives mentioned above, the EIT Law has strictly regulated the prohibited acts within the scope of the use and utilization of information and communication technology, and criminal sanctions against the perpetrators of these violations have also been regulated. Especially with regard to online bullying or cyberbullying, negative campaigns and black campaigns, or various kinds of status, statements, videos, or memes that are made by digital natives that contain elements of ethnicity, religion, race and intergroup (further referred as SARA), or words which is rude, disrespectful, and indecent, which aims to threaten, blackmail, defame, slander, or attempt to assassinate someone's character is regulated in Article 27 paragraph (1), (3) and (4); Article 28 paragraph (2); and Article 29. For the perpetrators of violations of the articles mentioned above, there are also criminal provisions that are regulated in Article 45 paragraph (1), (3), and (4); Article 45A paragraph (2); and Article 45B.

From the several articles described above, it can be concluded that these are the rules in Indonesian law regarding restrictions on the right to freedom of opinion and expression in cyberspace in the form of various content (status, comments, photos, and videos) on various social media.

In accordance with one of the objectives of the Unitary State of the Republic of Indonesia as stated in Paragraph 4 of the Preamble of the 1945 Constitution of the Republic of

Indonesia, namely "... to form a Government of the State of Indonesia which shall protect the whole Indonesian nation and the entire native land of Indonesia, ...", and related to the statement from John Stuart Mill that more or less said "freedom of expression is needed to protect citizens from corrupt and tyrannical rulers / governments". Therefore, in a democratic country, citizens can participate in choosing their government, and provide input in decision making, and provide an assessment of the government's performance. However, freedom of opinion and expression must still be responsible and not be a potential threat to the lives of others. Mill further said that "even opinions lose their immunity when the circumstances in which they are expressed are such as to constitute their expression a positive instigation to some mischievous act", namely that an opinion can lose its immunity (freedom) if stated in the intent or circumstances that instigate and can give rise to evil actions.

Therefore, restrictions on the right to freedom of opinion and expression (freedom of speech) are absolutely necessary, especially in terms of freedom of opinion and expression which can lead to propaganda and provocation that can lead to war, and against all actions that promote hatred and are incitement to discriminate on the basis of SARA.

However, various obstacles in the implementation of regulation and supervision of digital natives' freedom of speech in cyberspace still exist, including:

- a. The digital natives' lack of understanding of what is allowed and should not / is prohibited to be written, uploaded, or disclosed in cyberspace

Digital natives freely write status and comments on various social media that contain racial elements, as well as harsh, disrespectful and indecent words, which aim to threaten, blackmail, defame, slander, or attempt character assassination against someone. Sometimes it can even be classified as a form of provocation and motivation for violence on the basis of SARA, which can result in disruption of public order and national security. This is due to, among other things, the lack of understanding that digital natives members have about what is allowed and shouldn't / is prohibited to be written, uploaded, or disclosed in cyberspace.

- b. The lack of supervision by the Government of Indonesia on various content in cyberspace.

So far, the Indonesian government, in this case the Ministry of Communication and Information, seems to have only focused and focused attention on finding and blocking various pornographic sites in cyberspace. However, various content that contains elements of racial violence, as well as harsh, disrespectful and indecent words, which aim to threaten, blackmail, defame, slander, or attempt to assassinate someone's character, which is a provocation and motivation for violence against the basis of SARA, it seems that it has received little or no attention from the Government.

5 Conclusion

The use of information and communication technology has changed the behavior of society and human civilization globally. The development of information and communication technology has made the world appear borderless, resulting in increasingly rapid political, economic, social and cultural changes. The development of the internet and various internet-based social media resulted in the birth of the digital generation or net generation or digital natives. Digital natives are a generation born and growing in the midst of the development and sophistication of the internet and gadgets, so for them digital technology is an integral part of life and everyday life that cannot be separated. However, we must be aware of the excessive

use of internet-based social media. This because digital natives sometimes feel that they have unlimited freedom in conveying various opinions, information, and ideas in the form of various statuses on social networks, which they consider as domains or their private territory. They don't seem to realize that by uploading statuses on various social networks, these statuses will be accessible to all other internet users from all over the world, and can have various positive and negative impacts, including the possibility of the occurrence of violence / serious threats to national security.

The Government of the Republic of Indonesia has actually strictly regulated the digital natives activities in cyberspace with the Law Number 11 of 2008 concerning Electronic Information and Transaction which was later amended by Law Number 19 of 2016 concerning the Amendments to Law Number 11 of 2008 concerning Electronic Information and Transaction. However, various obstacles in the implementation of regulation and supervision of digital natives' freedom of speech in cyberspace still exist, including the digital natives' lack of understanding of what is allowed and should not / is prohibited to be written, uploaded, or disclosed in cyberspace; and the lack of supervision by the Government of Indonesia on various content in cyberspace.

Thus the author recommend the followings:

1. The inclusion of content on internet education into the national education curriculum to ensure that students (in this case the young generation of the nation who are part of digital natives) receive guidance and direction on how to use the internet properly and correctly according to moral and legal ethics. This is done with the hope that the younger generation of digital natives will be able to make smart use of the internet and various social media for positive purposes as much as possible, and can minimize the negative influence of various content on the internet so as not to harm in the future.
2. The implementation of a filtering system against various sites and content on the internet that are indicated or proven to spread racial hatred, discrimination or radicalization, especially those that openly provoke crimes or violence based on SARA. It can also open a special mechanism that can be used by digital natives to report if they find various sites or content on the internet that are indicated or proven to spread racial hatred, discrimination or radicalization, and are accompanied by evidence.
3. A fair and transparent legal process is carried out, if there are reports of various sites or content on the internet that are indicated or proven to spread racial hatred, discrimination or radicalization, especially those that openly provoke crimes or violence based on SARA.
4. For the internet user figures (influencers, youtubers etc.) who are quite influential in cyberspace and has a large number of followers, to provide educational and knowledge-related information, especially regarding what should and should not be done or ethics using internet-based social media that is appropriate and in accordance with morals and applicable laws in Indonesia.

6 Acknowledgments

Acknowledgments. The author is very grateful to the Dean and Vice Deans of the Faculty of Law, Universitas Diponegoro, for all the support and financial assistance from the 2020 fiscal year.

References

- [1] A. P. Prabandari, P. Susetyorini, and D. Hartono, "The urgency of ratification of the 2010 Beijing convention concerning enforcement of unlawful acts against international civil aviation," *Acad. J. Interdiscip. Stud.*, vol. 9, no. 2, pp. 31–35, 2020.
- [2] Q. B. Baloch and N. Kareem, "The Third Wave," *J. Manag. Sci.*, vol. I, no. 2, pp. 115–143, 2007.
- [3] J. Sitompul, *Cyberspace, Cybercrimes, Cyberlaw: Tinjauan Aspek Hukum Pidana*. Jakarta: PT. Tatanusa, 2012.
- [4] S. K. Tambyah, "Life on the Net: the Reconstruction of Self and Community," *Adv. Consum. Res.*, vol. 23, pp. 172–177, 1996.
- [5] R. Rettie, "Net Generation Culture," *J. Electron. Commer. Res.*, vol. 3, no. 4, pp. 254–264, 2002.
- [6] D. Tapscott, *Growing Up Digital: The Rise of the Net Generation*. New York: McGraw-Hill, Inc., 1998.
- [7] M. Akçayir, H. Dündar, and G. Akçayir, "What makes you a digital native? Is it enough to be born after 1980?," *Comput. Hum. Behav.*, vol. 60, pp. 435–440, 2016.
- [8] R. Sugihartati, *Perkembangan Masyarakat Informasi & Teori Sosial Kontemporer*, I. Jakarta: Kencana, 2014.
- [9] R. H. Soemitro, *Metodologi Penelitian Hukum dan Jurimetri*. Jakarta: Ghalia Indonesia, 1990.
- [10] J. Ibrahim, *Teori & Metodologi Penelitian Hukum Normatif*. Malang: Bayumedia Publishing, 2006.
- [11] P. M. Marzuki, *Penelitian Hukum*, 1st ed. Jakarta: Kencana, 2005.
- [12] M. F. ND and Y. Achmad, *Dualisme Penelitian Hukum Normatif dan Empiris*. Yogyakarta: Pustaka Pelajar, 2010.
- [13] A. M. Kaplan and M. Haenlein, "Users of the world, unite! The challenges and opportunities of Social Media," *Bus. Horiz.*, vol. 53, no. 1, pp. 59–68, 2010.
- [14] P. A. Kirschner and P. De Bruyckere, "The myths of the digital native and the multitasker," *Teach. Teach. Educ.*, vol. 67, pp. 135–142, 2017.
- [15] W. Minghui, "5.1 Digital Natives vs. Digital Immigrants." [Online]. Available: <https://wiki.nus.edu.sg/display/SPORE/5.1+Digital+Natives+VS+Digital+Immigrants>. [Accessed: 04-Aug-2015].
- [16] M. Prensky, "Digital Natives, Digital Immigrants," *Horiz.*, vol. 9, no. 5, 2001.
- [17] P. DiMaggio, E. Hargittai, W. R. Neuman, and J. P. Robinson, "Social Implications of the Internet," *Annu. Rev. Sociol.*, vol. 27, pp. 307–336, 2001.
- [18] American Association of International Commission of Jurists, "Siracusa Principles on the Limitation and Derogation Provisions in the International Covenant on Civil and Political Rights." [Online]. Available: <https://www.icj.org/wp-content/uploads/1984/07/Siracusa-principles-ICCPR-legal-submission-1985-eng.pdf>. [Accessed: 17-Aug-2020].
- [19] I. S. Series, "The Johannesburg Principles on National Security, Freedom of Expression and Access to Information," in *Access*, London: Article 19, 1996.
- [20] M. Nowak, *Introduction to the International Human Rights Regime*. Leiden: Martinus Nijhoff, 2003.

Nutritional Intake of Fetus in Pregnancy in Medical and Koran Perspective: A Literature Review

Tamrin Talebe¹, Haerani Harun², M Sabir³

{tamrintalebe@gmail.com¹, haeraniharun.unhas@gmail.com², msabiruntad16@gmail.com³}

Faculty of Ushuluddin, Islamic Institute of Datokarama, Palu Indonesia¹, Student of Doctoral Program, Faculty of Public Health Hasanuddin University, Makassar, Indonesia², Medical Faculty, Tadulako University, Palu, Indonesia³

Abstract. The maternal mortality rate in Indonesia is quite high. Nutritional factors play a role in physiological processes during pregnancy such as anemia and decreased immunity. Nutritional intake is very important in pregnancy. Various nutritional demand in pregnancy play important role in fetus growth and health. In medical field, nutritional status of a pregnant woman has a lot of concern and has been studied due to the survive of the mother and the fetus. The Koran's call to fulfill the needs during pregnancy is expressed through the command to consume good food. The Koran provide guidance including in the fetus and mother care. This is a literature review, various references were collected from books and online database including reports and journals. The articles were screened according to the research objectives. The keywords used are pregnancy nutrition, fetus growth and Koran view of pregnancy.

Keyword: nutritional, pregnancy, fetus, Koran

1. Introduction

Pregnant women have physiological changes during pregnancy to fulfill the needs of homeostasis and fetal growth. These physiological changes are achieved by adjusting the maternal organ systems. These changes aim to meet the needs of the fetus without harming the maternal body. Throughout the pregnancy, the fetus depends on the nutritional intake from the mother [1].

Imbalance maternal nutritional intake can endanger the mother and the baby and can increase the maternal mortality rate. The maternal mortality rate in Indonesia is quite high. Nutritional factors play a role in pathological processes during pregnancy such as anemia and decreased immunity. Anemia in pregnant women can be caused by iron (Fe) deficiency. Inadequate nutritional intake during pregnancy can also cause a decrease in maternal immunity [1].

The Koran mentions the stages of growth and development of the fetus in the mother's womb as an inseparable relationship such as *nuthfah*, *'alaqah*, *mudgah*, *kasaunal izam*. The importance of fulfilling nutrition, especially the nutrition of a mother for her baby in a series of expressions for the stages of fetal growth, expressed in the form of general sentence boundaries, in the form of orders for consuming *halal* and *thayyib* foods, limiting excessive food consumption and certain types of prohibited foods to ethical aspects of consuming them.

2. Methods

This is a literature review various references were collected from books and online database including articles and journals. The articles and journals were screened according to the research objectives. The keywords used are pregnancy nutrition, fetus growth, Koran view of nutrition and Koran view of pregnancy.

3. Result and Discussion

3.1 Nutritional needs in Pregnancy

Nutritional intake is very important in pregnancy. Mothers with malnutrition are more likely to give birth to low birth weight babies (LBW) than mothers with good nutrition. Fetal nutritional intake during pregnancy determines fetal growth and development and has a major impact on fetal life after birth.[1]

The fetus receives iron transfer from the mother starting at week 30. Serum transferrin carries substances from the mother's blood circulation to the transferrin receptors on the *syncytiotrophoblast* placenta, *holotransferrin* is endocytosis, iron is released and *apothransferrin* is returned to the maternal blood circulation. This system of iron transfer through the placenta regulates iron transport from mother to fetus. When the mother is iron deficient, the number of transferrin receptors in the placenta increases so that iron absorption becomes more [2]. The need for dietary iron increases in pregnancy due to the increased mass of red blood cells to accommodate the fetus and the development of the placenta and for the preparation for excessive blood loss during childbirth [3].

Some studies show that vitamin D status during pregnancy affects fetal bone development. Children aged 9 years with vitamin D deficiency mothers during pregnancy have smaller bone size and decreased bone mineral content. Adequate vitamin D intake during pregnancy is needed for optimal bone development in children [4].

Zinc is essential for fetal growth and development. Zinc deficiency can affect fetal development by reducing cell proliferation, reducing protein synthesis or decreasing the polymerization rate of tubulin. Animal studies have shown that zinc deficiency is teratogenicity, which can interfere with normal fetal development [3].

Calcium requirements also increase during pregnancy. Calcium is needed in various fetal development functions and is very important in fetal bone development. Calcium absorption and excretion in urine are doubled from pre-conception and postpartum.

Folic acid requirement increases during pregnancy because of the fetus growth demand. It has been known that folic acid at conception helps reduce the risk of neural tube defects. Calcium requirements also increase during pregnancy. Calcium is essential in various fetal development functions and is very important in fetal bone development. Calcium absorption and excretion in urine are doubled from pre-conception and postpartum. Fatty acids are essential nutrients for growth in the uterus. Decosahexanoic acid (DHA) has an important role in fetal growth and fetal nervous system among long chain omega-3 polyunsaturated fatty acids [3].

3.2 Nutritional changes in Pregnancy

Nutrition in pregnancy supplies energy needs for both mother and fetus. Two things that are emphasized during pregnancy related to nutritional intake are weight gain and various nutritional needs. During pregnancy there is an increase in basal metabolism by 15-20%. Metabolic changes are influenced by hormonal factors which aim to create an environment that supports fetal growth [1].

The early half of pregnancy is a preparation for fetal growth at last half of the pregnancy. *Corpus luteum* and placenta secreted hormones that play a role in maintaining pregnancy and also affect metabolism during pregnancy. Estrogen is a hormone synthesized in a complex way that involves the mother, fetus and placenta. This hormone effect the uterus and other reproductive organs. Estrogen also influences carbohydrate, fat and bone metabolism.[5]

Fetal nutritional requirements generally increase at the last half of gestation when >90% fetal growth occurs, changes in pregnancy nutrition metabolism begin in the first week. The rapid growth of the fetus during the last half of pregnancy causes changes in basal metabolism, protein and minerals. About 60% of the increase in basal metabolic rate occurs in the last half of gestation when the metabolic requirements of fetal tissue synthesis are greatest. Maternal fat stores are generally collected between the 10th and 30th weeks of pregnancy before fetal energy requirements reach its peak. About 3.3 kg of fat is used as a reserve, providing energy needs of approximately 30,000 kcal, 0.5 kg of fat stored in the fetus [5].

Shift in protein metabolism are complex and change gradually during pregnancy so that nitrogen requirements for fetal growth reach their full potential at the end of pregnancy. The reduction in total nitrogen excretion during late gestation indicates that amino acids are used for tissue synthesis. The total decrease in amino acids is around 15-25% which reflects the increased consumption of the placenta. Maternal oxidation of amino acids for energy decreases at the end of pregnancy, increasing the amount of energy available for transfer to the fetus. There is no evidence that pregnant women store protein early in pregnancy for later fetal use. The increased demand at the end of pregnancy must match the physiological adjustments that require protein. When the supply of food decreases, there are physiological changes needed to meet the needs of the fetus [5].

The requirement of the fetus during pregnancy doubled the nutritional requirements. Accumulated energy needed to increase the basal metabolic rate during pregnancy to protect the fetus is about 36,000 kcal; the daily energy requirement in the final quarter of pregnancy is 230 kcal. To meet these energy needs, several of these changes can be found: 1) a decrease in the rate of lipid synthesis and storage of maternal fat reserves, 2) a change in the intensity of physical activity and 3) an increase in food consumption so that energy intake increases [5].

3.3 Efforts to fulfill nutritional needs in pregnancy

Increasing iron levels only from food is difficult, especially in women who enter pregnancy with less iron intake. This increases the likelihood that the baby will be born prematurely or LBW.[3] Iron supplementation is an effort to reduce the risk of iron deficiency during pregnancy. However, there is still some doubt about the benefits of iron during pregnancy. Iron supplementation has been shown to increase hemoglobin, serum ferritin and serum Fe levels. These iron improvements are seen in the final trimester even in women entering pregnancy with good iron levels. This supplementation helps reduce the acceleration of iron depletion in the final trimester of pregnancy. However, in women who enter pregnancy with deficiency of iron reserves, iron supplementation sometimes fails to prevent iron deficiency anemia [2].

The benefits of iron supplements are seen increasing after childbirth. Data suggest that iron supplementation during pregnancy helps increase maternal hemoglobin levels for up to 2 months after delivery and increases iron stores for up to 6 months after delivery. Increased iron stores are especially beneficial for women who get pregnant again in a relatively short time after giving birth. The mother enters a pregnancy with a good iron status and reduces the risk of iron deficiency and anemia in subsequent pregnancies and some women who give birth experience anemia due to blood loss [2]. Maternal folic acid status is largely determined by folic acid supplementation and other factors such as intake of folic acid from food and genetic variation. This supplementation is important to prevent neural tube defects in the newborn [3].

3.4 Koran and fetal growth

The fetus in the womb will have a good growth if it is supported by good support around it, including is good nutrition for pregnant women. The Koran reveals the stages of normal fetal growth and development through structured of stages. In surah al-mukminun verses 12-14: *Then We made the sperm-drop into a clinging clot, and We made the clot into a lump (of flesh), and We made (from) the lump, bones, and We covered the bones with flesh; then We developed him into another creation. So blessed is Allah, the best of creators.* The fetus goes through phases include: *Nuthfah* as the initial start of fetal growth which means pearls or clear water [6]. This process will be absent without *amsyaj* process. The process of mixing sperm cells with eggs during sexual intercourse.[7]The process of '*alaqah*' described in the Koran as an advanced stage of the *nuthfah* process after conception. '*Alaqah*' literally means sticking, clinging or hanging. The results of fertilization of sperm and ovum cells in the uterus from the formation of *nuthfah* and dividing themselves into two, four and so on. The fertilized cells will continue to get to the uterine wall and put is self in the uterine wall [6]. These process will naturally continue in a good and healthy environment as part of the human creation.

The fetus growth phase is very much determined by the nutritional intake it receives from the mother. As mentioned at the beginning of the process of growing with *nutfah* and switching to the process of '*alaqah*', The process by which a sperm cell is produced and flows through the ribs between the backbone of the man and meets the egg cell of a woman, then changes into a long, red '*alaqah*' lump.[8]The Koran describes the growth and development of the fetus in the womb with the words *Qarar Makin*. *Qarar*, based on the language means that he remains silent in his place in a safe position, such as the dwelling place of a human being on earth because it has conformity in

fulfilling the necessities of life. Therefore, the meaning desired in each *lafadz alaqah* and *mudhghah* in the Koran also has an indication of the relationship between the behavior of pregnant women and the involvement of the head of the family and other family members in fulfilling the nutrition of pregnant women.

3.5 Nutritional Fulfillment Of Pregnant Woman And The Fetus In The Koran

Physical health and fulfillment of nutrition from a mother for her pregnancy will affect the stability of the growth of a healthy fetus. Every stage of change that occurs between a mother and her fetus is an inseparable part that even supports each other's life order [9]. The Koran's call to fulfill the needs during pregnancy is expressed through the command to consume good food (*thayyib*) meaning that this good activity will also affect one's biological physical quality. In Surah al-Baqarah verse 168: *O mankind, eat from whatever is on earth (that is) lawful and good and do not follow the footsteps of Satan.* It is stated that humans are given the widest freedom possible to make efforts to process food staples to support their survival. Food can be sourced from grains, vegetable plants and animals, not from forbidden, either prohibited from obtaining it such as violence and coercion or forbidden because of its kind, such as *khamr* [10].

Halalan accompanied by the sentence *Tayyiban* means that food that is allowed to be consumed is food that is useful for the body, does not have a destructive or other negative effect either on oneself or on others. Food consumption must be in accordance with God's instructions.

The fetus's ability to learn will grow based on the activities of pregnant women. The behavior carried out by pregnant women will have a direct impact on fetal behavior to behave. The ability to orient and link the external world in the fetus is also influenced by the nutritional stimuli it feeds. The treatment of pregnant women in serving the nutritional needs of their fetuses appropriately will have a positive impact both physically and psychologically. Naturally, the relationship between pregnant women and their fetuses in providing nutrition is connected through the umbilical cord. If the nutritional nutrition provided is balanced, the fetus will have a strong basis for growth and development.[11] It can be said that consuming halal and nutritious food is Allah's command to all mankind. In fact, the attitude of fulfilling halal nutrition is the same as protecting oneself from bad behavior.

The fetus that is conceived by a pregnant woman is part of a creature created by God and has the right to receive her rights, including nutritional intake. The availability of this source of nutritional intake has been prepared by God in the QS al-an'am verse 99: *And it is He who sends down rain from the sky, and We produce thereby the growth of all things. We produce from it greenery from which We produce grains arranged in layers. And from the palm trees – of its emerging fruit are clusters hanging low. And (We produce) gardens of grapevines and olives and pomegranates, similar yet varied. Look at (each of) its fruit when it yields and (at) its ripening. Indeed in that are signs for a people who believe.* Allah SWT teaches in this verse various kinds of knowledge about daily food that are a human need if they want to improve the quality of their physical and psychological endurance. Pregnant women and fetuses really need macro and micro nutrients such as carbohydrates, protein, fat, vitamins, minerals and so on. The disclosure of

various food sources is sufficient to indicate that the quality of its nutritional content is very beneficial for humans, especially for pregnant women and the fetus, such as the mention of "green plants" which are needed by fetuses and pregnant women.[6] Beside the green plants, vitamin needs are also provided in the various fruits that green plants produce. In the verse it is mentioned: *We produce from it greenery from which We produce grains arranged in layers*. The green fruit is rich in various nutrients and health benefits, according to the typology of the growing region [12].

Likewise, Allah SWT mentions fruits with various benefits for human health. *And from the palm trees – of its emerging fruit are clusters hanging low. And (We produce) gardens of grapevines and olives and pomegranates, similar yet varied. Look at (each of) its fruit when it yields and (at) its ripening*. The variety of fruit mentioned indicates a variety of nutritional content in each fruit. The mention of dates as fruits of the Arabian desert valley, grapes, olives and other fruits that have similar nutritional content are very useful, especially in the fulfillment of folic acid, omega-3, fiber, magnesium, iron, phosphorus, calcium, beta-carotene, vitamin A, vitamin B1, vitamin C and other types of nutrients essential for health even for pregnancy. The same thing is also described in surah annahl verse 11: *He causes to grow for you thereby the crops, olives, palm trees, grapevines, and from all the fruits. Indeed in that is a sign for a people who give thought*. Scientists are given the freedom of mind to do experiments on various types of fruits and plants that are beneficial for human.[6]

Pregnant women and the fetus also need calcium, protein, iron and vitamin D for the health and development of their fetuses. The nutritional content of milk and consuming it according to the level of need will meet their intake needs. *And indeed, for you in grazing livestock is a lesson. We give you drink from what is in their bellies – between excretion and blood – pure milk, palatable to drinkers*. In this verse (Surah Annahl; 66) the sentence emphasizes and reinforces the meaning it contains, in the body of animals such as goats, cows or camels, there are many foodstuffs needed by humans, including pregnant women and their fetuses. Red meat is a basic necessity for pregnant women who experience iron deficiency which causes anemia and results in the birth of premature children with low body weight. Milk provided by the animal also has very beneficial properties for humans that cannot be ignored.

The nutritional content in fish meat has enormous benefits for a pregnant woman and the growth of her fetus. The fetus has a need to develop completely which can only be met through the intake of a pregnant mother. Physical brain growth and psychological intelligence are very much determined by the omega 3 fatty acids, vitamin B2, calcium, phosphorus and minerals given. The Koran mentions fish as a special food in the Koran surah Annahl; 14: *And it is He who subjected the sea for you to eat from it tender meat and to extract from it ornaments which you wear*. In this verse, it is mentioned the various nutrition that humans can taste freely. Humans can get this taste of a fish to meet their daily needs. The balance of nutrients in the animal is needed for human food source which is *sunnatullah*. God has arranged this resource from nature for humans the ease of obtaining it [6].

Nutritional needs of pregnant women is important to maintain the health and growth of the fetus. But overfilling is also dangerous. Consumption of multivitamins in addition to fruit intake will actually be toxic and damage the body's organs and even become congenital defects for the fetus. The Koran has reminded us to fulfill nutritional intake in orders and need to be aware of prohibitions so that they must be avoided. Meeting the nutritional needs of pregnant women is a must to maintain the health and development of the fetus. But overfilling is also very dangerous.

Consumption of multivitamins in addition to fruit intake will actually be toxic and damage the body's organs and even become congenital defects for the fetus. The Koran has reminded us to fulfill nutritional intake in the form of orders and to be aware of prohibitions so that they must be avoided.

In The Koran surah al-A'raf verse 31 stated: *...and eat and drink, but be not excessive. Indeed, He likes not those who commit excess.* Food consumption model for someone is consumption that is *halal* and good and not excessive. As long as food is consumed in a balanced manner according to the needs, the condition of pregnant women and the fetus, not only pregnant women will feel happiness from their pregnancy activities, but the baby born will grow and develop healthily. In the pre-Islamic period, when the pilgrimage season had come, the people *jahiliyah* preferred to consume high carbohydrate intake and not consume good and healthy foods that added vitamins and balanced nutrition. Praying activities are also very much needed by consuming healthy and regular foods and avoiding physical problems caused by excessive consumption. Excessive consumption can be interpreted as excessive in portions that can cause in disease, excessive storing so that a lot of food is wasted due to expiration and excessive prohibition because it promotes the desire for consumption of *haram* foods.[6]

4. Conclusion

Nutritional intake is very important in pregnancy. Lack of maternal malnutrition increased the risk to give birth to LBW babies. Fetal nutritional intake during pregnancy determines fetal growth and development and has a major impact on fetal life after birth. Some nutritional needs beside major nutrition include iron, zinc, folic acid, calcium, vitamin D and etc. This nutrition can be obtained from food and supplement to fulfill the mother and the fetus demands. The Koran order not only to fulfill the needs of the mother and fetus by nutritious and healthy foods but also consume *halalan* and *thayyiban* food.

Reference

- [1] S. Setiati and P. W. Laksmi, *Peran Internis dalam tata laksana penyakit-penyakit pada kehamilan*. PIPInterma, 2019.
- [2] L. H. Allen, "Anemia and iron deficiency: effects on pregnancy outcome," *Am. J. Clin. Nutr.*, vol. 71, no. 5, pp. 1280S-1284S, May 2000, doi: 10.1093/ajcn/71.5.1280s.
- [3] J. A. Grieger and V. L. Clifton, "A Review of the Impact of Dietary Intakes in Human Pregnancy on Infant Birthweight," *Nutrients*, vol. 7, no. 1, pp. 153–178, Jan. 2015, doi: 10.3390/nu7010153.
- [4] C. R. Gale *et al.*, "Maternal vitamin D status during pregnancy and child outcomes," *Eur. J. Clin. Nutr.*, vol. 62, no. 1, pp. 68–77, Jan. 2008, doi: 10.1038/sj.ejcn.1602680.
- [5] J. C. King, "Physiology of pregnancy and nutrient metabolism," *Am. J. Clin. Nutr.*, vol. 71, no. 5, pp. 1218S-1225S, May 2000, doi: 10.1093/ajcn/71.5.1218s.
- [6] A. S. Muhammad, *Alquran dan Tafsirnya*, vol. 6. Indonesia: Departemen Agama RI, 2009.
- [7] A. H. Faris, *Mu'jam al-Maqayis fi al-Lughah*, vol. 1. Mesir: Dar al-Fikr, 1994.

- [8] A. ALu Syaikh, *Lubab al-Tafsir min Ibni Katsir*, vol. 6. Kairo: Muassasah Dar al-Hilal, 1994.
- [9] H. Yahya, *The Miracle of Creation of the Human Being*, vol. 1. Jakarta: Global Media, 2003.
- [10] A. B. N. as-Sa'di, *Tafsir Karimirahman fi Tafsir Kalamil Mannan*, vol. 1. Makkah: Darul Haq, 2004.
- [11] M. Hanafi, *Tafsir Alquran Tematik*, 2nd ed. Jakarta: Akubisa, 2012.
- [12] W. al-Zuaili, *Tafsir al-Munir*, vol. 7. Mesir, 2014.

Conflict between Villages (Case Study of Conflict between Beka Village and Binangga Marawola District Sigi Regency)

Adam Adam¹, Saude Saude², Malkan Malkan³, Rustina Rustina⁴
{adamiaainpalu05@gmail.com¹, saude@iainpalu.ac.id², malkanmannan@gmail.com³,
rustinaftik@gmail.com⁴}

Institut Agama Islam Negeri (IAIN) Palu, Indonesia¹, Institut Agama Islam Negeri (IAIN) Palu,
Indonesia², Institut Agama Islam Negeri (IAIN) Palu, Indonesia³, Institut Agama Islam Negeri (IAIN)
Palu, Indonesia⁴

Abstract. Conflict is part of human avoidance. Various forms of conflict appear in human life one of them is a conflict between villages. The conflict between villages is crowded in parts of Eastern Indonesia, mainly in Sigi regency. Almost all the villages in Sigi district have conflicted. The conflict sometimes recurred between one village and another. One of the worst conflicts is the conflict between Beka Village and Desa Binangga. This conflict was sparked by a fight between high school students at his school and outside the school. This conflict is also triggered by the absence of children who are drunk, like to detain people in the middle of the street and treat people harshly. These two factors trigger a conflict and then process it into a large one. The factors that exacerbate this conflict are youth delinquency, media factors, political factors, village prestige factors, and economic factors. The resolution of the conflict has been carried out repeatedly so that the two village sagaincoexist in a state of peace.

Keywords: Conflict, Between Villages, Factors

1 Introduction

1.1 Background Issues

The phenomenon of conflict in Indonesia has been increasingly rife lately, the conflict is behind religious factors, ethnic factors, and also natural resource grabbing factors.

The conflict that is the source of The Religion in [1] in Poso, namely the conflict between Christianity and Islam. This religious conflict occurred again in Mataram which was examined [2], and this religious conflict occurred also in Kupang which was swallowed [3].

This conflict research was also conducted by researchers in the field of conflict as done [4], this political conflict is also examined, namely conflict due to the suppression of the region. This conflict has also been examined [5], a conflict between Dayak and Madura ethnic groups.

Among these studies, there has not been a specific study of conflict between villages, whereas conflict between villages is also part of the conflict that needs to be a concern. Moreover, in Central Sulawesi, the conflict between villages is an interesting conflict researched, a conflict between villages such as an *arisan* (gathering) activity. The conflict moved from one village to another, and even the conflicts continued to repeat in each of them.

Villages that conflict in Central Sulawesi include Binangga Village with Padende Village, Binangga Village with Beka Village, Rindau Village with Tulo Village, Tatura with Marawola, Nunu with Tawanjuka, and there is even a conflict between hamlets in one village in Pombewe Village.

According to Alam Sriyanto (interview, dated January 9, 2012) that specifically the conflict of Beka village and Binangga is long. The conflict began in the 1980s, after which it was processed to this day. The conflict in the 1980s was a minor conflict among young people only. Usually every time there is a crowd like a wedding party in another village, then young children from Beka village fight with young people from Binangga Village. It keeps repeating itself, and it usually takes revenge at some point in retaliation. This conflict continues to result in a larger conflict involving village identity, namely village prestige or village self-esteem. Each feels right and doesn't want to be blamed. They formed village solidarity and even dragged other villages out of the solidarity of families in other villages so that the conflict seeped into other villages. And a larger manifest conflict occurred in late 2012 in November and December. As a result of this conflict, about 20 homes were burned, one person died and dozens were injured.

During the conflict, there has been peace initiated by the Governor, Kapolda, and Regent of Sigi. This was done after the burning of five houses in Beka Village carried out by Binangga Village. And after that a re-emerged conflict that was even greater, where Binangga Village attacked Padende Village, as many as 15 houses were burned down. After that, they tense and concentrate on each other and confront each other. And finally, the conflict is getting worse, but the grudge, mutual suspicion is always there, of course, the potential for conflict is always there. The hard and long of this conflict is of course some factors affect it. And to reveal conflict, conflict dynamics, factors that influence conflict, and conflict resolution, the research team will explore it in a further scientific study.

1.2 Problem Statement

Based on the background description of the above problem, the formulation of the problem in this study is as follows: (1) What are the dynamics of the conflict between Beka Village and Binangga Marawola District of Sigi Regency (2) What factors influence the conflict between Beka Village and Binangga Marawola District of Sigi Regency (3) What conflict resolution between Beka Village and Binangga Marawola District of Sigi Regency?

1.3 Research Objectives

The objectives of the research in this discussion are as follows: (1) Describes the dynamics of conflict between Beka Village and Binangga Marawola Sub-District of Sigi Regency (2) Analyze the factors that influence the conflict between Beka Village and Binangga Marawola District of Sigi Regency (3) Describes conflict resolution between Beka Village and Binangga Marawola District of Sigi Regency.

2 Literature Review

2.1 Sociological Perspective on Conflict

Conflict theory is a paradigm with a theory of structural functionalism, but even though one paradigm, conflict theory is precisely built to directly oppose the theory of structural

functionalism. What is less noticed by adherents of structural functionalism, is precisely the center of attention of the adherents of conflict theory.

As with the flow of structural functionalism, some figures support it with their views, hence the flow of conflict as well. The flow of conflict has its thinkers as follows:

The first conflicting figure was Karl Marx. According to Karl Marx, "the main perpetrators of social change are not certain individuals, but rather social classes, therefore we can only understand history with all the developments that occur when we pay attention to the social classes in the society concerned, which should be noticed not only what kind of class is found, but how the power structure among them. According to Marx, it would appear that in every society there are powerful classes and classes controlled by Marx [6].

The second conflicting figure is Georg Simmel. Georg Simmel saw the conflict as a symptom that was impossible to avoid in society but played a positive role in maintaining social and fostering a sense of unity. Simmel disagrees to see social structure as a system that is only divided into two strata, which is seen as a mixed and dissociative process that cannot be separated from each other. Separation can only be done in the level of analysis, not at the level of reality [7].

The third person from conflict theory is Lewis A. Coser. Lewis A Coser is a sociologist who focuses on the functions of conflict in social life. Coser's ideas were the development of Simmel's ideas. His famous book was *The Functions of Social Conflict* in 1964. According to [8], conflict is not always a negative thing, but conflict also has positive functions. Conflict can be an instrumental process in the formation of statements and maintenance of social structures. Conflicts can place and maintain a boundary between two or more groups. Conflict with other groups can strengthen the group's identity and protect it from melting into the social world around it.

The fourth conflicting figure is Johan Galtung. According to Johan Galtung, implicitly the predecessors of social sciences such as Marx, Weber, Durkheim, and Hobbes, showed violence emerging on an individual and State scale. Violence as a result of rational calculations mainly affects the concept of organized violence, namely violence in social movements. The concept of violence of conflict sociological scientists is presented as a representation of individuals and countries later developed by Johan Galtung [9].

3. Methods

This type of research is descriptive in describing an event in words without statistical tests. And the approach used is qualitative. Qualitative research is a study that uses a scientific background, intending to interpret phenomena that occur and are carried out by way of engaging with various existing methods. With various characteristics owned [10].

The model or design of the research used is the phenomenological model. Phenomenology is a study that describes the use based on the life experiences of several individuals to an event. Phenomenology essentially seeks to explore the structure of awareness through the experience of human life [11].

The data collection techniques used are observation, interview, and documentation, namely extending the participation of research, the persistence of observation, and triangulation. And finally, the data analysis technique used is the phenomenological data analysis technique used by Creswell.

4 Results and Discussion

4.1 Conflict Dynamics between Beka and Binangga Village Marawola Sub-District

The conflict between Beka village and Binangga village is long in history, this conflict was screened from a small one then processed into a large open conflict in 2012. The dynamics of the conflict of Beka village and Binangga village process are divided into several stages.

In the first stage, namely in the 1980s, in the 1980s the conflict that occurred was a small brawl between the youths of Beka and Binangga at every wedding or other crowd. It holds a grudge of resentment. This conflict is processed from year to year. Those grudges will be kept and at some point want to be avenged. Old events will be recalled, these grudges are like neatly stored and piled up explosives, which at some point are ready to be detonated. It's just waiting time and where's the right moment. The fires of conflict extension from day to day, from week to week, from month to month, and from year to year are growing and at one point detonation of explosives that have been stored neatly and stacked between the two villages is a grudge or resentment. (Alam Sriyanto, interview, 4-11-2014).

The second stage, which is the activity of school children who often fight in their school and outside the school in SMAN 1 Marawola which is located in the sub-district town located in Binangga village. Children often fight, fights carry village names, often Binangga children hit the school children of SMAN 1 Marawola and different villages with them. These children took revenge, they told each other about the treatment of the school children in Binangga. These people sometimes confront each other. Besides, there are activities of young people in Binangga village who are drunk on the side of the road then detain passers-by while asking for cigarettes and money, to every passer-by. Passers-by who are different villages with them are often targeted to be held and held. They are asked for cigarettes and money, if there is nothing they treat it disrespectfully and even at the time, the people who are treated like that do not accept it and hold a grudge. These grudges are stored neatly in their memory at some point in avenge (Mahfud, interview, 5-11-2014).

The third stage, an open conflict involving village prestige or village self-esteem. The open conflict between the villages began with the number of schoolchildren fighting and fighting in each of the villages that their teachers were slow to deal with. Finally, the village children who were hit were united against the children of Binangga village. They were attacked, this conflict was resolved by the police who immediately brought to the governor to be completed through the police. The conflict subsided because it was quickly handled by the police with the governor and the police.

The conflict opened again, erupting a few months later. Where the trigger is the issue of immorality, where a couple passing by in Binangga village is bullied by a young man, his wife is held and squeezes her chest, then in the hold of her penis. The couple reported it to the police, but the police didn't take it seriously because according to the police there was not enough evidence, no witnesses saw the incident, the culprit was clear but there were no eyewitnesses, eventually the matter was blurred. It just so happens that a victim is a man from Bekavillage. Wants community was appointed the culprit and processed. The community was irritated and angry that there was a massive attack by various villages in Binangga village, which carried out ranging from beka village, Padende, Porame, Palane, Kaleke, and other neighboring villages, 5 houses burned and 1 person died from tear gas spray from the police. The conflict erupted after being handled by the police along with Danrem and the Governor. All Brimob from Manado, Parigi, Poso, Makassar, and Palu was brought in to secure the situation, the Regents and Local Governments all intervened so that finally the situation was safe again as it was.

Three months of conflict erupted again. The conflict was triggered by the beating of a brick-loading driver in Binangga Village, who happened to be from Beka Village, beka villagers could not accept Binangga village's treatment of its citizens. The incident happened on Friday morning in 2012. Finally on Friday night of beka villagers attacked Binangga village, three houses burned, many injured and one person died, against this conflict in the re-arrival of Brimob from Kelapa Dua and with Brimob from various areas both in Manado, Parigi, Makassar, and Palu to secure the situation.

4.2 Factors Influencing the Conflict between Beka Village and Binangga Village

The conflict between Beka village and Binangga village became violent and long due to the many factors that supported it. The factors that make the conflict hard and the length of the conflict as follows:

4.2.1 The Mischief of Young People

This juvenile mischief became the main source of conflict between Beka village and Binangga village, where students love to fight at their school, they hold each other back and enter into open conflict. And the young people who are drunk on the side of the road, detaining and trampling people. They force people to give money with them, and sometimes they also commit immoral acts that treat women in violation of religious and cultural norms. They held the women's belongings and even the wife of the man in front of her husband. This provokes a burning grudge and wants to be avenged in the next day. The behavior of these young men has crossed the boundaries of propriety and violated religious and cultural values. This is all a potential source of conflict, between the two village's beka and Binangga villages.

4.2.2 Media Factors

Media factors also accelerate and exacerbate existing conflicts. Through Mobile they are very quick to format and capture that information sometimes cannot be held accountable. Slanders through that information often occur. Finally they suspect each other, heat each other up so that between them enter into an open conflict, which cannot be avoided, the worst conflict occurred in November and December 2012. It is the role of the media to make the severe and long conflict in Beka village and Binangga village become a reality, so the media is one of the factors so that the conflict between Beka village and Binangga village.

4.2.3 Political Factors

In the conflict between Beka village and Binangga this is a factor that makes the conflict occur and long due to political factors. At that time the Camat and regent wanted to be put aside because he was considered incapable of handling the conflict. Certain people want to be path cloud, even the blatantly says that he's a Regent not like this conflict. There was a desire to create an old conflict situation so it seemed that the local government of both the Camat and the Regent was unable to handle the existing conflict so it was natural to be replaced, so this conflict was hard and long because there was also a political charge.

4.2.4 Village Prestige Factor or Village Self-Esteem

The conflict between Beka and Binangga villages takes long because it wanted to win the pride of the village or the prestige of the village. Each village feels ashamed and they desperately find la self-esteem and the prestige of the village is mainly in the wishes of young people. The young men will unite and work together to defend the self-esteem of the village. For the sake of the self-esteem of his village, they are willing to sacrifice their energy, materials, and even their life. They make weapons assemblies at great expense to fight me l cloud neigh boring villages. It's all because I want to give me the self-esteem of his community, everything I'm a sacrifice both energy, property, and their lives. It's that aggravates and makes the long conflict between these two villages namely Beka and Binangga.

4.2.5 Economic Factors

In the conflict between Beka village and Binangga village is not separated from economic problems, during the existing conflict has required iron and explosives namely matches. Iron and matches were needed to make the assembled weapons and its materials. There are automatically people in this case who are traders and besides in signaling that this conflict is maintained and allowed by the security authorities, because every case that happens in the community, when reported they do not respond quickly and in the process quickly, precisely let it be. So according to the community that this conflict is maintained so that the police can reason to come and long service in the conflict area. It is there a budget that goes down as a security budget, so there is an economic element at play in this conflict. Each conflict of the country issues a large budget as a public security budget in resolving the conflict, the conflict between Beka village and Binangga lama, and hard because of the playing of factors that affect it including economic factors.

4.3 Conflict Resolution Between Beka and Binangga Villages

This conflict was resolved by involving community leaders, religious leaders, Regents, Police Chief in Pegombo regent Sigi room, reached an agreement between the conflicting parties with the making of customary law, and built a peace monument in the middle of Beka village and Binangga village namely in Padende village. The monument is a symbol of peace between the villages. That's where the conflict began to subside until now and added to the hashing of customary law. The customary law of agreement of anyone who hits people will be fined IDR.15, 000,000 (fifteen million rupiahs), and anyone who issues harsh words will be fined IDR.5, 000,000 (five million rupiahs).

The peace deal and customary law were reaffirmed by the governor's government to shoot in place if anyone started the conflict. The governor directly faces the resident Pto asks the authorities to resolve the conflict with a firing order in place. So come out of the emergency law on conflict and the storage of firearms assemblies and the threat of life imprisonment. And in the end, the young men no longer try to disturb each other.

This agreement was followed up by young people by holding local cultural arts activities. The youth themselves held activities pioneered by NKRI 400 personnel and created 1 post of TNI Padende, so that two more years of security runs in the middle of the community.

Meanwhile, hundreds of assembled weapons and ammunition were seized by residents in Beka itself about 5carung assembled weapons and so on in Binangga village. The sense of security and peace exists because of the cooperation between the government, community leaders, religious leaders, youth leaders, police, and the TNI, all elements have taken part in creating peace in Marawola sub-district. According to Pallawangi Andifui (interview, 29-10-2014) said that to resolve the conflict in Marawola sub district, serious efforts have been made by the government along with the community.

Based on the candy No.12 year 2006, the local government has established the Community Early Vigilance Forum (FKDM), this forum is in the form of starting from the district level, sub-district level, and village level. From is facilitated by the local government with the technical agency is KESBANPOL. This forum is in the form of a local government partner. The task of this forum is to detect early information about conflicts that occur in the community. FKDM involves all elements, both community leaders, religious leaders, youth leaders, police, TNI, and local governments starting from regents, camats, and village chiefs. This forum acts as intelligence in the community to detect and report if any seeds of conflict arise. Their work is systematic and co-ordinated with each other.

This forum has been working and the result for a while can see that the conflict between villages has subsided and peace is increasingly intertwined between communities. Hopefully, this sense of peace and security continues in the lives of the people in Marawola Sub-district. And more importantly, is enforcing the law for the perpetrators of the conflict. There are already many young people who are detained by the police by working with the Village Chiefs. Each troubled child is then arrested and handed over to the police. Especially in Beka, 17 people have to live in Selpolice security. Likewise in Binangga there have been many troubled young people to enter Sel as a learning for them. And it turns out that after they came out, they became aware and didn't want to repeat the same thing. Now Beka and Binangga have lived in a peaceful and harmonious atmosphere as it was, and hopefully next as it is.

5 Conclusion

Based on the period of lahan and discussion before, then as ampulantherela has follows: (1) The dynamics of the conflict between Beka and Binangga village. The conflict has been processed since the 1980s, where young people often gotolahian every time there are crowded events such as weddings. In 2012, the conflict caused victims of both property and human life. (2) Factors that affect the conflict between Beka village and Binangga village namely youth delinquency, media, prestige or village self-esteem, economic, and political factors (3) The resolution of the conflict between Beka village and Binangga village is that this conflict has been held peace by involving all elements of both governments, community leaders, religious figures, youth figures, TNI, and police so that there has been peace and harmony between Beka village and Binangga village in his daily life.

Based on the findings of the authors in the field, it is recommended as follows: (1) The need to eradicate liquor and the like in the community, therefore the main trigger in giving birth to the conflict in the middle of society (2) If anyone starts the problem then it needs to be dealt with immediately and handed over to the authorities so as not to seep into the others (3) The need for law enforcement to anyone guilty. There must be a sense of justice amid the community so that the community is dissed from the prevailing law and law enforcement officers so that the conflict does not repeat itself. (4) The need to maintain good cooperation

that has been built up over the last two years so that Marawola Sub-district lives in a sense of security and peace, especially in beka and Binangga villages.

References

- [1] Ali, Mursyid.: Konflik sosial bernuansa agama, studi kasus tentang tragedi kerusuhan poso, dalam serial buku konflik sosial bernuansa agama di Indonesia". Konflik Sosial Bernuansa Agama di Indonesia. Jakarta: Badan Litbang Agama dan Diklat Keagamaan Puslitbang Kehidupan Beragama Bagian Proyek Peningkatan Pengkajian Kerukunan Hidup Umat Beragama, h. 79-106 (2003)
- [2] Halim, Bashori A.: Kasus kerusuhan di mataram januari 2000. Konflik Sosial Bernuansa Agama di Indonesia. Jakarta: Badan Litbang Agama dan Diklat Keagamaan Puslitbang Kehidupan Beragama Bagian Proyek Peningkatan Pengkajian Kerukunan Hidup Umat Beragama, h. 53-78 (2003)
- [3] Muchtar, Ibnu Hasan.: Konflik-konflik sosial bernuansa agama, studi kasus kerusuhan Kupang Nusantara Timur (30 Nopember 1998). Konflik Sosial Bernuansa Agama di Indonesia. Jakarta: Badan Litbang Agama dan Diklat Keagamaan Puslitbang Kehidupan Beragama Bagian Proyek Peningkatan Pengkajian Kerukunan Hidup Umat Beragama, h. 107-134 (2003)
- [4] Idham.: Proses dan Dinamika Konflik, Studi Tentang Konflik Identitas di Kecamatan Arelle, Tabulahan, dan Mambi (ATM) Sulawesi Barat. Disertasi. Program Pasca Sarjana Universitas Negeri Makassar (2003)..
- [5] Surur, Umar.: Konflik sosial, bernuansa SARA berbagai komunitas etnik di Kalimantan Barat". Konflik Sosial Bernuansa Agama di Indonesia. Jakarta: Badan Litbang Agama dan Diklat Keagamaan Puslitbang Kehidupan Beragama Bagian Proyek Peningkatan Pengkajian Kerukunan Hidup Umat Beragama, h. 25-52 (2003)
- [6] Suseno, Franz, Magnis.: Pemikiran Karl Marx dari Sosialisme Utopiske Perselisihan Revisionisme. Gramedia Pustaka Utama, Jakarta (2003)
- [7] Simmel, Georg.: Conflict The web of Group Affiliations. The Free Press, New York (1964)
- [8] Coser, Lewis A.: The Function Of Social Conflict. The Free Press, New York (1996)
- [9] Susan, Novi.: Sosiologi konflik & isu-isu konflik kontemporer.: Kencana Prenada Media Group, Jakarta Timur (2009)
- [10] Noman K. Denzin, Yvonna S. Lincon: Hand Book of Qualitative Research, diterjemahkan oleh Dariyatno dkk. Penerbit Pustaka Pelajar (2009)
- [11] John W. Creswell: Qualitative Inquiry and Research Design Choosing Among Five Traditions. International Educational and Professional Publisher, Thousand Oaks London New Delhi (1997)

Legal Development in Indonesia through the Pancasila Screening Board

Topan Indra Karsa¹, Dwi Nurahman²
{topan_lpg@yahoo.co.id¹, dwinurahman_shmh@ymail.com²}

Law Faculty, University of Lampung, Indonesia¹, Law Faculty, University of Lampung, Indonesia²

Abstract. Efforts to develop law in Indonesia do not come out of the spirit of the Pancasila philosophical values. The norms of religious law that will be enforced in Indonesia must go through the Pancasila screening board as a very strict filter media. The legal issue as a problem in this writing is how is legal development in Indonesia through the Pancasila screening board? Scientific writing uses the method of sociological legal research (socio legal research). Pancasila as a screening board for legal development in Indonesia. All norms originating from outside the nation will be accepted and subsequently used as legal norms in Indonesia through the Pancasila filter. Pancasila functions as a filter or filter for various values or norms that come from outside. The law making process, law awareness and law enforcement processes in Indonesia always use Pancasila as a screening board in institutionalizing universal values to become positive legal norms in Indonesia.words.

Keywords: Legal Development, Screening Board, Pancasila.

1 Introduction

Actualization of law in welfare is a philosophical value of every legal system that is upheld in a nation. Ideally, all laws that are enforced in a nation are able to prosper all elements of the nation. The legal system must go through a process that applies in the nation and there should be no legal colonialism. Prosperous laws will continue to run and be obeyed; meanwhile those that are not prosperous will be abandoned by the community. The existing law in Indonesia is oriented towards being able to create physical and mental welfare for all elements of the Indonesian nation, not for the welfare of a certain group of people and ignoring the interests of other groups. The aspirations of the Indonesian people, as stated in the Preamble to the 1945 Constitution.

The Pancasila ideology unites members of society consisting of various religions and beliefs. If a social conflict occurs, the Pancasila ideology will be able to unite the various interests of the community. Social tensions will become solidarity making because various differences in society will be raised to a higher value system, namely Pancasila. When compared with religion, religion serves to unite people from various views and even from various ideologies. This is where the importance of national unity and integrity which is wrapped in the values of the Pancasila ideology as well as the religious values [1].

The strength of the Pancasila ideology depends on three-dimensional qualities, namely:

- a. The reality dimension, namely the basic values of the Pancasila ideology, has taken root in people's lives. This is because these values come from historical experiences and national culture (volkgeist/national spirit).
- b. Dimensions of idealism, namely the basic values of the Pancasila ideology contain idealism to welcome a better future life.
- c. The dimension of flexibility, namely the Pancasila ideology has flexibility that allows the emergence of the development of new thoughts relevant to Pancasila without denying the essence contained in the basic values of Pancasila. [2]

Pancasila values are developed dynamically and creatively by taking into account the dynamic development of Indonesian society. The basic values of Pancasila are described in daily life operationally. The basic values of Pancasila as stated in the Preamble to the 1945 Constitution are translated into values that are more practical and operational [3].

2 Methods

This scientific writing uses the method of sociological legal research (socio legal research). Sociological Legal Research (socio legal research) is a research that focuses on law as a norm (rule), thus it is a research that is positive law in nature. This study aims to describe the reality that corresponds to the phenomenon in detail and thoroughly, as well as to collect data from a natural setting by utilizing the researcher as a key instrument as a peeler of the problems to be studied. This scientific writing uses a qualitative approach as a research process that produces descriptive data in the form of observed written or oral data.

3. Result and Discussion

Law is used as a tool to regulate human behavior, in its implementation it is in accordance with the ideology of the nation concerned. The law also recognizes human dignity. Indonesia is a state of law (welfare state), and therefore all activities carried out by all Indonesian people must be in accordance with applicable legal norms.

Law as an instrument of democratization. This means that the law must not reject values or norms that come from outside. All norms originating from outside the nation will be accepted and subsequently used as legal norms in Indonesia through the Pancasila filter. So Pancasila here functions as a filter or a filter for various values or norms that come from outside. The law making process, law awareness and law enforcement processes in Indonesia always use Pancasila as a screening board in the institutionalization of universal values to become recognized values in Indonesia.

If all these universal values that come from outside do not pass the Pancasila screening process, naturally they will not become the norms of Indonesian national law. In the perspective of rule of law understanding, it is stated that the interests of individuals and the interests of society are placed in a balanced position. This measure is used because life in the Pancasila realm is full of life based on deliberation. The Indonesian nation does not reject or accept foreign culture as long as the culture does not contradict the noble values of Pancasila. Foreign culture will enrich the existing culture in Indonesia after going through the process of assessing and screening or screening Pancasila. Indonesia's national development has shown progress in various socio-cultural fields including the fields of religious life, economy, science

and technology and law. This progress will certainly affect social change in society. The development and progress of science and information technology in Indonesia is a very dominant factor in influencing social change.

The development of national law in Indonesia must pay attention to the rule of law and enforcement of human rights which originates from Pancasila and the 1945 Constitution, including realizing reform of national law in accordance with Pancasila values. The development of national law is adapted to the characteristics of the cultural characteristics of the people in Indonesia. The characteristics of Indonesian society are more monodualistic and pluralistic. National law is oriented towards legal values and norms that live in society. Cultural values that live in the community are more inspired by the values of customary law and religious law. The development of national law is essentially building concepts of an order that is imbued with the values of Pancasila, namely 1) religious or divine moral values, 2) humanistic or humanitarian values, 3) nationalism or national values, 4) democratic or popular values, and 5) the value of social justice. [4]

National law development that is imbued with religious moral values is understood that the basis in formulating national law must refer to the noble moral values that have been grounded in Indonesia. Many of these noble moral values are colored by the values of religious teachings, especially Islam. This means that noble moral values in Indonesia are colored by transcendent religious values.

Therefore, implementing Pancasila values in the life of the nation and state is a form of practicing Islamic teachings in the context of Indonesia. The development of a national law that is imbued with humanistic or human values means that legal development must place humans in an honorable position in accordance with the dignity of humanity as the most perfect creature of God. All Indonesian human groups are essentially one equal degree and there is no difference in social class. Therefore, policies in the development of national law must be based on the values of equality among citizens. There is no tyranny of minorities and hegemony of the majority.

4. Conclusion

Pancasila as a screening board for legal development in Indonesia. All norms originating from outside the nation will be accepted and subsequently used as legal norms in Indonesia through the Pancasila filter. Pancasila functions as a filter or filter for various values or norms that come from outside. The law making process, law awareness and law enforcement processes in Indonesia always use Pancasila as a screening board in institutionalizing universal values to become positive legal norms in Indonesia. Pancasila as a screening board or filter against the entry of universal norms must continue to be used as a center for the study of the principles in Pancasila. The study of Pancasila principles must still pay attention to academic ethics and also the dynamic development of Indonesian society.

References

- [1]Anthon F. Susanto.: The Face of Our Judiciary (Social Construction on Deviation, Criminal Court Control and Accountability Mechanisms), Bandung, Refika Aditama, (2004)
- [2]Anthon F. Susanto.: Legal Theories, Bandung, Refika Aditama, (2010)

- [3]Effendy, H.A.M.: The State Philosophy of Pancasila. Semarang: BP IAIN Walisongo Press. (1995)
- [3]Karim, M. Abdul.: Exploring the Contents of Pancasila in an Islamic Perspective. Yogyakarta: Sunan Kalijaga Press. (2004)
- [4]Mubyarto.: Pancasila Ideology in Economic Life, in the book Pancasila as Ideology. Jakarta: Central BP-7. (1991)
- [5]Muladi.: Exploring Pancasila as the Basis for the Development of Indonesian Legal Studies ", in Progressive Law Journal, Volume 1 Number 1, April 2005, Diponegoro University's Doctor of Law Program in Semarang. (2005)
- [7]Soerjono, Soekanto.: Introduction to Legal Research, UI Press, Jakarta, (1986)
- [8]Sunoto,: Getting to Know the Philosophy of Pancasila. Yogyakarta: BP FE UII. (1981)

Cybercrime Policies: Juridical Evidence and Law Enforcement Policies

Dwi Nurahman¹
{dwinurahman_shmh@ymail.com¹}

Law Faculty, University of Lampung, Bandar Lampung, Indonesia¹

Abstract. This Study is oriented to know the legal aspects of Cybercrime Proving and law enforcement policies against cybercrime. This Study uses the method of Sociological Law Research (socio-legal research). The legal aspects of Cybercrime Proving have been firmly regulated in several laws and regulations in positive law in Indonesia, namely: Indonesian Criminal Procedure Code, Act Number 19 of 2016 concerning Amendments to Act Number 11 of 2008 concerning in Information and Electronic Transactions, Decision of the Constitutional Court Number 20/PUU-XIV/2016 and so on. Provisions regarding cybercrime are also regulated in international regulations namely the 2001 Convention on Cybercrime initiated by the European Union. The European Council Convention as the Protection of Human Rights in overcoming cybercrime, without reducing the opportunity for each individual to continue to develop their creativity in developing information technology. The policy of law enforcement against cybercrimes carried out with an approach that is both penal and non-penal. Seen from the perspective of criminal policy, cybercrime prevention efforts certainly cannot be done partially with criminal law (penal), but must also be taken with an integral/systemic approach or a preventative approach (non-penal).

Keywords: Cybercrime, Proof, Law Enforcement

1. Introduction

Advances in telecommunication technology have an impact on the universal life of society. The acceleration of information technology is increasingly rapidly encouraging continuous changes in the interaction and activities of the information society in the internet world.

The rapid development of information technology brings changes and movements in all aspects of life that are not limited. These technological means has stimulated rapid business growth because the various information provided through the network and transactions of the parties is sufficient through telecommunications equipment.[1] The development of information technology also creates a new world society that is no longer obstructed by territorial boundaries. However, these advances have also generated new concerns with sophisticated conversations in the form of cybercrime.

The current era of the development of a new legal order has given rise to cyber law or telematics law. Cyber law is internationally designated for laws relating to the regulation of the use of information and communication technology. Meanwhile, telematics law is a manifestation

of the convergence of reform of telecommunication law, media law and information technology law (information technology law), cyber law, and finally *Mayan Tara* law. National human activities have turned international. So it is only natural that cybercrime is included in the types of crimes that are international in nature based on the United Nations Convention Against Transnational Organized Crime (Palermo Convention) November 2000 and based on the ASEAN Declaration dated December 20, 1997, in Manila) which do not meet the provisions of the Indonesian criminal law system.[2]

Efforts to ensnare the perpetrators of *Mayan Tara* (cybercrime) must continue to be made, efforts to expand evidence become a solution for law enforcement. Proving *Mayan Tara*'s crimes in the Indonesian criminal justice system has become an important topic, especially since the issuance of Law Number 11 of 2008 which currently has been amended by Act Number 19 of 2016 which governs Electronic Information and Transactions. The latest provisions of the law have accommodated evidence in the criminal justice process.[3] The evidentiary regulations must be based on the correct procedural law evidentiary systems and principles in Indonesia. It can be seen that *Mayan Tara* (cybercrime) knows no boundaries and timing of events because victims and perpetrators are often in various countries. All actions are carried out only from computers that have internet access without being noticed by other people/witnesses, so this crime is included as a transnational crime whose disclosure often involves law enforcement in more than one country.

Observing this matter, it can be agreed that cybercrime has a different character from general crime both in terms of the perpetrators, victims, *modus operandi* and the crime scene. Evidentiary systems in the current era of information technology face great challenges and need serious handling, especially in efforts to eradicate crime in cyberspace (cybercrime). To be able to conduct in-depth discussions on this issue it is necessary to conduct in-depth research to provide a clear picture in terms of proving *Mayan Tara* crime (cybercrime) both regulated in Indonesian criminal procedure law and the verification and study of the jurisdiction in the transnational sphere.

2. Literature Review and Hypothesis Development

In general, what is meant by computer crime or cybercrime is "efforts to enter and or use computer facilities or computer networks without permission and against the law with or without causing changes and or damage to computer facilities that are entered or used". many new types of crimes that are not only transnational but also manifest in virtual actions have made the international community aware of the need for new international legal instruments that can be used as international legal norms in dealing with cybercrime cases (crimes in the virtual world).

Crime in the information technology sector is a mode of crime through the internet network and its users. The nature of this crime could be of an international scale. This crime includes two categories, namely cyber crime in the sense of crimes against existing systems in computers, and cyber crimes in a broad sense, namely crimes against network systems and those using computer software media.[4]

Theory used in this study is the theory of law enforcement. The next hypothesis in scientific writing is this: the legal aspects of Cybercrime Proving have been firmly regulated in several laws and regulations in positive law in Indonesia, namely: Indonesian Criminal Procedure Code, and

Act Number 19 of 2016. Provisions regarding cybercrime are also regulated in international regulations (Convention on Cybercrime) namely the 2001 Convention on cybercrime initiated by the European Union. The policy of law enforcement against cybercrime is carried out with an approach that is both penal and non-penal.

3. Research Method

This paper uses the method of Sociological Law Research (socio-legal research). Sociological Law Research (sociologic research) is a research that focuses on the law as Norms (rules) and thus is positive legal research. This article also describes the reality in accordance with the legal facts that occur in detail and thoroughly, as well as collecting data from a natural setting by utilizing the researcher as a key instrument as a peeler of the problem to be studied.

4. Discussion and Analysis

4.1 Legal Aspects of Cybercrime Proving

An important substance regulated in Act Number 19 of 2016 is regarding the regulation of electronic transactions and concerning cybercrime. Material this regulation is an implementation of several principles of international provisions. Act Number 19 of 2016 contains prohibited acts in Article 27 to Article 36. Provisions of Article 42 also regulate the provisions of the investigation, namely: "the investigation referred to in this law is conducted based on the provisions in the Criminal Procedure Code and the provisions in this law".

Therefore, the system of evidence adopted is a system/theory of evidence based on the law in a negative manner, that is the system based on Article 183 of the Criminal Procedure Code, which states: "Judges must not impose a crime on someone unless with at least two legal pieces of evidence he gained the conviction that a crime had actually taken place and that the defendant was guilty of it". Thus, it means that the evidence must be based on the provisions of the law, namely the legal evidence set out in Article 184 of the Criminal Procedure Code, namely:[5]

1. Witness testimony

Formal requirements for witness statements set out in the Criminal Procedure Code, among others, are stated at court and an oath or appointment is taken before the witness gives a statement. Whereas the material requirements for witness testimonies include:

- a) the information given is about the event that he heard, saw, and experienced himself by stating the reason for his knowledge;
- b) not opinions, inventions or expert statements;
- c) there is more than one witness following the principle of *unus testis nullus testis*;
- d) not the information he obtained from other people (*testimonium de auditu*);

- e) There is a match between one witness's testimony with another and one witness's information with other evidence.

In the case of cybercrime, due to its virtual nature, evidence using witness statements cannot be obtained directly. Witness statements can only be in the form of the results of conversations or only hear other people. This testimony is known as *testimonium de auditum* or hearsay evidence, although this kind of testimony is not used as evidence, in practice, it can still be used as consideration for the judge to strengthen his conviction before making a decision. The possibility that can be used as witness testimony is through the results of interactions in the cyber world, such as chatting and e-mail between internet users, or also through the information of a certified computer system administrator.

2. Expert statements

Description The expert is formally regulated as an expert in the field of science and his competence when asked to attend the trial. For example, such as computer scientists, network experts, software experts and other experts. The expert's statement becomes significant if the prosecutor submits electronic evidence to prove the culprit of cybercrime. The role of expert statements here is to provide an explanation in court that the electronic documents/data submitted are legal and can be legally accounted for.

3. Letter of evidence (Article 184 letter c and Article 187 of the Criminal Procedure Code)

Types of letters recognized based on evidence are letters issued by authorized officials, authentic letters, proof of payment, letters issued by agencies/agencies, letters of agreement that are attached to legal relationships, and so on with reference to Article 187 of the Criminal Procedure Code. "Letters" in the case of cybercrime have changed from their written form to unwritten and online. There are two categories of evidence in a computer that has been certified. First, if a computer system has been certified by an authorized body, then the results of the computer print-out can be trusted for authenticity. Example receipts issued by a bank in ATM transaction. This evidence has the power of proof, although further trials are needed in the trial. Secondly, proof of certification from the authorized body can be categorized as documentary evidence, because it was made by and or an authorized official. Other types of evidence can be in the form of electronic evidence. As long as both of this evidence are issued/made by the authorities in a computer network system and a computer network system can be trusted, then the letter has the same evidentiary power as the documentary evidence.

4. Others evidence (Article 184 (1) letter d and Article 188 of the Criminal Procedure Code)

The Criminal Procedure Code sets limits in terms of the source of instructions, namely that instructions can only be obtained from witness statements, letters, and statements of the accused. To be used as a source of guidance, all three pieces of evidence must be valid, and therefore, the instructions produced will also be valid.

In cybercrime, physical evidence collection is difficult to fulfill. The easiest way to gather evidence is to look for clues that indicate the existence of an evil intention in the form of unauthorized access. For example, by seeing and listening to witness testimony in court, or electronic mail or print out of data, or also from the defendant's statement in court.

5. Defendant's statement (Article 184 letter e and Article 189 of the Criminal Procedure Code)

The defendant's statement is what the defendant stated in court about the actions that he did or which he knew or experienced himself. For the defendant's statement to be declared valid, the formal requirements that are stated at the hearing and the material requirements of the information about the actions the defendant did or knew or experienced him must be fulfilled.

The provisions of Article 5 paragraphs (1) and (2) of Act Number 19 of 2016 describe that all electronic transactions are valid evidence. The provision in Article 44 states: "Evidence for investigation, prosecution and examination in court according to the provisions of this law are as follows:[6]

- a. all the objects of evidence in this law;
- b. form of evidence as regulated in Article 1 number 1 and number 4 as well as Article 5 paragraph (1), paragraph (2), and paragraph (3).

Electronic Information can be used as valid evidence according to the law on Information Technology and Electronic Transactions, although it is difficult to be classified as valid evidence as referred to in Article 184 paragraph (1) of the Indonesian Criminal Procedure Code. Electronic Information and/or Electronic Documents are declared valid if using Electronic Systems under the provisions stipulated in Act Number 19 of 2016.

Post Constitutional Court Decision Number 20/PUU-XIV/2016 related to Article about Article 5 of Act Number 19 of 2016 it is necessary to reorganize the position of electronic evidence and its acquisition procedures in the Indonesian criminal justice system. The Constitutional Court has stated the phrase "electronic information and/or electronic documents" in the above provisions contrary to the 1945 Constitution. The Constitutional Court then changes the phrase to "Specifically Electronic Information and/or electronic documents as evidence carried out in the context of law enforcement at the request of the police, prosecutors and / or other law enforcement institutions determined under the law as determined in Article 31 paragraph (3) Act Number 19 of 2016 concerning Amendment to Act Number 11 of 2008 concerning Information and Electronic Transactions [7]"

Provisions of Article 44 of Act Number 19 Year 2016 states evidence based on this Law is "other evidence in the form of Information Specifically Electronic and/or electronic documents as evidence are carried out in the context of law enforcement at the request of the police, prosecutors and/or other law enforcement institutions determined based on the law as determined in Article 31 paragraph (3) of Act Number 11 of 2008 concerning information and Electronic Transactions referred to in Article 1 number 1 and number 4 and Article 5 paragraph (1), paragraph (2) and paragraph (3)."

The Law Products of the Constitutional Court change status of electronic information and electronic documents in criminal law enforcement which consequently makes all electronic information / electronic documents that can become evidence must be obtained based on procedures in accordance with article 31 paragraph (3) of Act Number 19 the of 2016 concerning Amendments to Act Number 11 of 2008 concerning Information and Electronic Transactions, beyond that electronic information / electronic documents are not allowed as evidence.

4.2 Law Enforcement Policy against Cybercrime

1. Penal Approach

Judging from the criminal policy (crime prevention policy), criminal law is not a primary/strategic policy tool. A fundamental/strategic policy is to prevent and eliminate the causes or conditions that cause crime. Seen from the perspective of criminal policy, efforts to tackle crime (including combating cybercrime) certainly cannot be done partially with criminal law (a means of punishment), but must also be taken with an integral/systemic approach. As one form of high-tech crime, it is natural that cybercrime prevention efforts must also be pursued with technology (techno prevention). Besides that, a cultural/cultural, moral/educational, and even global (international cooperation) approach is needed because cybercrime can transcend national boundaries (transnational/trans-border nature).[8]

In an effort or policy to tackle cybercrime with criminal law, a workshop on "computer-related crimes" held at the UN Congress X in 2000 stated that member states should try to harmonize the provisions relating to criminalization, verification, and procedure. So the problem is not only how to make criminal law policies (criminalization policies, formulations, and legislation) in the field of dealing with cybercrime, but how there is harmonization of criminal policies in various countries. This means that the criminalization policy on the problem of cybercrime is not only a matter of national policy (Indonesia) but also related to regional and international policies.

Criminal politics is the policy of determining an event that is not a criminal act (not convicted) to become a criminal act (a punishable act). So, in essence, criminal politics is part of a criminal policy using penal law, therefore, it is part of a "criminal law policy".

2. Non-Penal Approach

The non-penal approach according to Hoe angels is the crime prevention approach without the use of punishment without prevention, which includes community planning mental health, national mental health, social worker and child welfare, and the use of civil and administrative law. The "non-penal" crime prevention policy is more a precautionary measure before the crime. The main orientation is to overcome various things that are conducive to the occurrence of a crime and focus on legal and social phenomena that can significantly cause or increase crime. studied from the aspect of crime prevention policy, non-criminal politics in a strategic situation and the main role that must be maximized.

Mayan Tara crime (cybercrime) requires global action in its response, considering that these crimes are often transnational in nature. Various policies and efforts in overcoming these crimes include:

- a. Modernization of material criminal law and formal criminal law, which is elaborated with international regulations related to special crimes in the telecommunications sector.
- b. National satellite security protection by referring to the provisions of applicable international standards.
- c. Professionalism of expertise of law enforcement officers regarding the process of handling cases in the internet sector.
- d. Increase public legal awareness.
- e. Increasing cooperation between countries, be it bilateral, regional, and multilateral in the field of cybercrime.

- f. Harmonization of the issue of jurisdiction to uphold state sovereignty which applies because it is transnational.[9]

5. Conclusion

1. The legal aspects of proving cybercrime have been firmly regulated in several laws and regulations in positive law in Indonesia, namely: Indonesian Criminal Procedure Code, Act Number 19 of 2016, Decision of the Constitutional Court Number 20/PUU-XIV/2016 and so on. Provisions regarding cybercrime are also regulated in international regulations namely the 2001 Convention on Cybercrime initiated by the European Union. The European Council Convention in overcoming cybercrime, without reducing the opportunity for each individual to continue to develop their creativity in developing information technology.
2. Law enforcement policies against cybercrime are carried out with a penal and non-penal approach. Penal can be in the form of criminalization to streamline positive laws related to cybercrime. Non-Penal, in the form of an approach to prevent the occurrence of *Mayan Tara* (cybercrime) crimes, such as increasing the knowledge of law enforcement officers about technology and information, increasing facilities and infrastructures in proving efforts, and increasing international cooperation.

References

- [1] D. M. A. Mansur and E. Gultom, *Cyber Law - Legal Aspects of Information Technology*. Bandung: Refika Aditama, 2005.
- [2] Widodo, *Mayantara Crime Law Aspects*. Yogyakarta: Aswaja Pressindo, 2013.
- [3] T. R. R. Nitibaskara, *Perpetuation and Crime Trap*. Jakarta: YPKIK, 2009.
- [4] S. Suseno, *Cyber Crime Jurisdiction*. Bandung: Refika Aditama, 2012.
- [5] B. Suhariyanto, *Information Technology Crime (Cybercrime)*, vol. 74. Jakarta: Raja Grafindo, 2012.
- [6] A. Wahid and M. Labib, *Crimes of Mayantara*. Bandung: Refika Aditama, 2005.
- [7] M. Lagazio, N. Sherif, and M. Cushman, "A multi-level approach to understanding the impact of cyber crime on the financial sector," *Comput. Secur.*, vol. 45, pp. 58–74, 2014.
- [8] B. Nawawi Arief, *Mayantara Crime: Development of Cyber Crime in Indonesia*, vol. 62. Jakarta: Raja Grafindo, 2006.
- [9] M. Mulyadi, *Criminal Policy, Integral Approach to Penal Policy and Non-Penal Policy in Combating Violent Crimes*, vol. 47. Medan: Pustaka Bangsa Press, 2008.

Agrarian Reforms in Indonesia: A Pleasure

FX Sumarja¹, Ade Arif Firmansyah², Pradipta Wijonugroho³
 {franciscus.sumarja@fh.unila.ac.id¹, ade.firmansyah@fh.unila.ac.id², diptawijo@hotmail.com³}

Law Faculty of Universitas Lampung, Lampung, Indonesia¹, Law Faculty of Universitas Lampung,
 Lampung, Indonesia², Law Faculty of Universitas Lampung, Lampung, Indonesia³

Abstract. Basically the land belongs to the Indonesian people. The state as the incarnation of the people only has the right to regulate its use in order to pursue common prosperity. Reorganization of land ownership and control as well as legal relations related to land exploitation in realizing equal distribution of prosperity and justice, is not balanced in implementation and only focuses on land redistribution / legalization of landless farmers (landless farmers), without any supporting policies another. It should be followed by other policies that follow, such as policies for opening new agricultural lands, efforts to increase productivity, policies on prices for agricultural products that benefit farmers, providing light credit, policies on low input prices, guidance and training for farmers, and marketing efforts for agricultural products.

Keywords: Farmers, Redistribution, Prosperity, Co-Policy

1 Introduction

The highest and most basic national land law politics as stated in the 4th paragraph of the Preamble of the 1945 Constitution has emphasized that the formation of the Indonesian State Government is to protect the entire Indonesian nation and all Indonesian bloodsheds and to advance the general welfare. The realization of such legal politics gave birth to the provisions of Article 33 paragraph (3) of the 1945 Constitution, that the land and water and natural resources contained therein are controlled by the State and used for the greatest prosperity of the people. Furthermore, this law politics is elaborated in various development policies and laws and regulations related to control, ownership and use of land.

Mohammad Hatta expressed his thoughts on the prosperity/welfare of the people, at the time of the drafting of the 1945 Constitution, including:

- 1) Indonesians live helping each other.
- 2) Every Indonesian person has the right to work and get a decent living for humans. The government bears the minimum basic life for a person.
- 3) The economy is structured as a joint venture, on a collective basis.
- 4) The production branch which controls the lives of many people, is controlled by the government.
- 5) Land belongs to the community, an individual has the right to use as much land as is necessary for him and his family.
- 6) One person's property must not be another's means of oppression.
- 7) The poor and poor are looked after by the Government.[1]

Moh. Hatta enriched the content of the provisions of Article 33 (3) of the 1945 Constitution of the Republic of Indonesia, and was manifested in Law No. 5 of 1960 concerning Basic Agrarian Principles (UUPA). The UUPA not only contains provisions regarding reform of Agrarian Law, but also contains other problems and their solutions. The

solution to other problems in the formation of UUPA, is Indonesian Agrarian Reform. The birth of UUPA and Agrarian Reform Indonesia is aimed at creating a just and prosperous society based on Pancasila. Agrarian Reform Indonesia includes five programs, namely:

- 1) Agrarian law reform,
- 2) The abolition of foreign rights and colonial concessions to land,
- 3) A gradual end to feudal exploitation,
- 4) Reform of land ownership and control, as well as legal relations, and
- 5) Planning of supplies, allotment of the earth, water and natural resources contained and their planned use in accordance with their carrying capacity and capacity.[2]

The fourth of the five programs became known as the land reform program.

Long before the birth of the UUPA, Moh. Hatta[3] reminded in a speech in 1946, that in principle, land should be seen as a means or factor of production for common prosperity, not for the benefit of individuals, which in the end could lead to the accumulation of land tenure in a handful/community group. Accumulated land tenure can oppress other groups of people. Hatta said that no one should use the land as a tool to oppress other groups of society, because this is against the basis of a just economy as aspired by the Indonesian people.

Further said by Moh. Hatta, that basically land belongs to the Indonesian people. The state which is the incarnation of the people only has the right to regulate its use in order to pursue common prosperity. The UUPA put more emphasis on agricultural land for the peasant people, so that September 24 was commemorated as “farmer's day” for 10 years, starting from 1963 to 1972, through Presidential Decree No. 169/1963 dated 26 August 1963.

In connection with Moh. Hatta said, the government should not be passive but must actively carry out efforts to build the welfare of its people by regulating economic and social life,[4] including implementing agrarian reform.

2 Method

This research paper is wrote on a normative legal research corridor. with an approach in the form of a statutory and conceptual approach.[9] The research data used in this study relies on secondary data. the analysis was done qualitatively and described descriptively.

3 Literature Review

In line with what Moh. Hatta, that a prosperous agrarian country is a country that implements an equitable distribution of land tenure. The UUPA confirms it in the provisions of Article 7 and Article 17, that land ownership and control that exceeds boundaries is prohibited. So that the government issued a land reform policy as stipulated in Law no. 5 of 1960 concerning the Determination of Agricultural Land Areas. Unfortunately, however, at the practical level it is still far from being expected. The spirit of collectivity, mutual cooperation and concern for the weak who do not have access to the natural resources built by the founders of the nation seem to have disappeared.

The community of the weak and marginalized (peasants and agricultural laborers) after all they are part of this nation that does not deserve to be amputated just to fulfill the interests of development. In fact, it seems that the Indonesian people are still reluctant to learn from other nations. Agrarian reform in several socialist and capitalist countries that have actually

implemented the concept of Agrarian Reform (RA) has consistently and shown its success, such as Russia (809 million ha), Canada (310 million ha), Brazil (478 million ha) and Congo (134 million ha). They run and implementing RA based on the spirit of justice, discipline and openness and eradicate poverty and build economic independence for local communities.[10]

Implementing RA can be understood as a revision and prevention of permanent land accumulation, or in more popular meaning is to distributing and redistributing land in particular.[5] The purpose of this agrarian reform is to achieve justice in the agrarian structure.[6] And also, the agrarian reform could increase social economic status of the receivers.[7] For example, with a significant land area of the reform occurring in forests, the changes are supposed to improve the livelihoods of forest dependent communities, protect forests, and mitigate climate change.[8]

Indonesia, which is one of the countries with the largest tropical forest area in the world along with Brazil and Congo, has since the beginning had a strong commitment to implementing the concept of agrarian reform. However, in its journey, due to the influence of deideologization, depoliticization and political deconstruction of land resource management by various interest groups who are symbiotic with various state actors, it has resulted in inconsistency in the government in implementing agrarian reform as a whole, pseudo agrarian reform. So that what emerges is not welfare, but the spread of land tenure conflicts both outside and inside state forest areas.

Agrarian politics changed completely during the New Order era, by replacing the equity paradigm with the growth paradigm. This means that during the Old Order era, agrarian development focused on equal access to land for the Indonesian people, while in the New Order it focused on economic growth without being followed by equal access to land.[11] The land reform program launched by President Soekarno in 1961, failed not only because of the political changes in 1965, but also due to the emphasis on land redistribution and distribution, without being followed by access to reforms. This means that Indonesia's five *agrarian reform programs*[2] that have been established by the UUPA, especially in reforming land ownership and control as well as legal relations related to land exploitation in realizing equitable prosperity and justice, are not balanced in implementation and only focus on granting land to smallholders. (peasants without land ownership), without any other supporting policies.

The granting of land to farmers should be followed by other policies, such as policies for opening new agricultural lands, efforts to increase productivity, policies on prices for agricultural products that benefit farmers, providing light credit, policies on low input prices, guidance and training for farmers, and marketing efforts for agricultural products, without all of these it is impossible for land reform to be successful.

In fact, during the New Order era, the land reform program also still existed.[2] It's just that the implementation is far more resonant / powerful to provide land for big companies than for farmers. It is like the land reform program for farmers is implemented using the pedicab mode of transportation, while the programs provided for the benefit of large companies, both in the fields of plantation, agriculture, industry, and forest management use airplane transportation modes.

In such a context, it is clear from the carrying capacity and speed that it is certainly the company that benefits, compared to farmers / tenants. Till farmers have still not been able to get their agricultural land. Not only that, what is even more concerning is that more and more farmers are losing their agricultural land because they are forced to give it up for development.

4 Results and Discussion

The number of smallholders (farmers who control less than 0.5 ha of land per family) is increasing. If in 1993 the number of smallholder farmers nationally was 10.9 million, in SP 2003, that figure rose to 13.7 million families, an increase of 3.8 million families in 10 years. On the island of Java, out of every four farmers, three are small farmers.[12] In addition, data from the Central Statistics Agency (BPS) shows that, in 2010, the area of rice farming in Indonesia was only 12.870 million ha, shrinking 0.1% from 12.883 million ha in the previous year. Overall, the area of agricultural land, including non-rice, in 2010 was estimated at 19.814 million ha, a 13% decrease compared to 2009 which reached 19.853 million ha. This condition continues to worsen the life of farmers.[13]

In addition to the increasing number of smallholders, the number of farmer households is decreasing. It is evident from the results of the 2013 agricultural census (SP), showing that from year to year the number of farmer households decreases by an average of 1.75% each year. In 2003, there were 31,170,100 farmer households to 26,126,200 in 2013, so that over the last 10 years the number of farmer households decreased by 4,043,900.[14] On the other hand, the number of agricultural companies with legal status has increased, if in 2003 it amounted to 4,011 to 5,486 in 2013.

The Reformation Era, which has reached 17 years when marked by a change in the government system from the New Order era, still has many questions. The democratization of farmers and agriculture through various pro-capitalist food and land import policies and the *reproduction of the cultural junk food habit* is what BudimanSudjatmiko termed as an alienated development. This understanding shows that the perspective or mental attitude of a nation towards farmers and agriculture will determine whether the nation's civilization or culture will develop or not.

Likewise South Korea or Taiwan. Taiwan is far behind Indonesia's pre-World War II position, while South Korea is roughly the same as Indonesia. The perspective or mental attitude of the two countries towards agriculture and its farmers is quite extraordinary. The two countries interpreted land reform as sharia or the behavior of eliminating colonial symbols. The symbol of colonialism is injustice. In the situation of agrarian society which was still prevailing at that time, injustice must have existed in the distribution of land. Even worse, this injustice was compounded with feudalism. Therefore, the two nations completed the first Shari'a, namely land reform, before entering into a more profound and widespread behavior.[10]

Apart from land reform, Japan, South Korea and Taiwan are very visible in their siding with agriculture. The fruit is that they become developed countries. The result is that the per capita income of Taiwan, Japan, South Korea and Indonesia in 2012 according to the IMF in terms of *Purchasing Power Parity* (PPP) is US \$ 38,749, US \$ 36,266, US \$ 32,272, and US \$ 4,977, respectively. As it turns out, Taiwan's income is 7.78 times Indonesia's. It seems that a positive change in the mental attitude or perspective of the Indonesian people towards farmers and agriculture is not yet like the three countries.

Even after the UUPA was 57 years old, there was still tremendous imbalance in control of agrarian resources. Joyo Winoto, when he was Head of the National Land Agency (BPN), said that 56 percent of our national assets are controlled by only 0.2 percent of the population. Of the national assets under control, 87 percent is in the form of land. RusmanHeriawan, Deputy Minister of Agriculture, once said that 40 million farmer families control an average of 0.3 hectares of land. The next question is, are we going to let the gaps that hurt the conscience of

the peasants and the poor get sharper? Is this nation powerless to overhaul it? Who should remodel it, when and how to remodel it?

The number of poor people in Lampung based on the results of the National Socio-Economic Survey (Susenas) September 2016 reached 1.14 million people (13.86 percent). This number is less than that of March 2016 which reached 1.17 million people (14.29 percent).[15] In general, the poor are a group of landless farmer families who try to get their livelihoods from farming.[16]

The nine priority programs or NawaCita formulated by the Jokowi-JK pair, there are several things related to agrarian, namely point number 5 about improving the quality of life of the people through the Indonesia work program and prosperous Indonesia by encouraging land reform and land ownership programs covering 9 million hectares. As a fulfillment of its promise, the Government has prepared a land area of 9.1 million hectares for the targeted asset redistribution and agrarian reform program for the people. The land covering an area of about 9.1 million hectares, spread across Sumatra, Kalimantan, Sulawesi and Papua, is to be used as agricultural land, plantations and housing. "From an area of approximately 9.1 million hectares, currently only 4.5 million hectares have begun to be processed for the agrarian reform program,"[17]

According to Rachman, some of the root problems that must be resolved to carry out agrarian reform are: (1) There is no policy to provide tenure security for access to lands / natural resources / areas managed by communities, including access in state forest areas, 2) Domination and expansion of giant business entities in the extractive industry, plantation and forestry production, and conservation, 3) Instrumentation of government agencies as "land acquisition agencies" through rights/permit/ license granting regimes over land and resources land, 4) UUPA which was originally placed as an umbrella, in practice it was narrowed down to only managing non-forest areas (around 33.3% of the Republic of Indonesia's land area), and its principles were ignored. Legislations concerning land/forestry/ other natural resources are overlapping and contradicting one another, 5) Customary laws that apply among the people are ignored or their enforcement is nullified by agrarian, forestry and mining laws, and 6) Increasingly, institutional sectoralism, systems, mechanisms and administration regulating land/forestry/other natural resources.[10]

However, according to the author's opinion, it does not mean that agrarian reform is waiting for the solution to the root of the problem. Agrarian reform can still be carried out, while at the same time trying to solve the root of the problem.

Steps taken by the government to be able to allocate land for the poor, namely land originating from conversion forests, and other land which according to land law can be designated for the benefit of the people. Land originating from conversion forest is clear, that it depends on the Ministry of Forestry and the Environment whether to release it or not. If the Ministry wants to release, it means that the land is there and ready to be redistributed. Then which land is meant by "other land". Of course, when talking about land reform, the land that can be redistributed is state land. State land that can be used as the object of land reform is absentee land, maximum excess land, former self-governing land, and land directly controlled by the state which will be affirmed by the Minister of Agrarian Affairs (now the Ministry of Agrarian Affairs and Spatial Planning / Ka.BPN-RI). The final definition of land includes land that has been voluntarily handed over by the owner to the state, land rights revoked by the state, land that no longer has a right holder, abandoned land, embossed land,[18] and state land based on the provisions of Article 21 paragraph (3) and Article 26 paragraph (2) UUPA.

With the issuance of Perpres 86/2018 concerning Agrarian Reform, the government's commitment to providing justice and access to land for the poor is even stronger. It is said

firmlly, because: a) This Presidential Regulation is an operational implementation of the operational; b) become an overarching regulation for various sectoral regulations; c) realizing an equal distribution of land tenure, ownership, use and utilization structures; d) its implementation involves all Ministries / Agencies to work synergistically; and e) open space for direct community involvement/participation in the entire process of implementing agrarian reform.

Agrarian Reform is implemented through the stages of structuring assets and structuring access. Arrangement of assets is the basis for structuring access. Asset management is carried out by means of land redistribution and asset legalization or land registration. Access arrangement is implemented in order to increase economies of scale, added value, and encourage entrepreneurial innovation on the subject of agrarian reform. Land redistribution can be carried out if the object of reform is clear. Therefore, planning to determine object & subject becomes an important issue going forward, especially ensuring the implementation of agrarian reform is right on target. The Agrarian Reform Consortium and other civil society organizations have recommended priority areas for Agrarian Reform (LPRA) covering an area of 655,343 hectares, in 446 locations, in 20 provinces in Indonesia. The suggestions from below are an attempt to prevent misdirection.

There are 11 types of Land for Agrarian Reform Objects (TORA) according to Presidential Decree 86 of 2018, namely:

- 1) TORA from HGU and HGB that have been used up must be ascertained in priority for the subject of agrarian reform, not companies or those previously controlling;
- 2) Allocation of 20% of HGU which is converted into HGB due to changes in spatial planning designation;
- 3) Allocation of 20% of HGU from the area of State Land granted to HGU holders in the process of granting, renewing or renewing their rights;
- 4) TORA from the release of forest areas, it must be ensured that there is a joint process with the local community to review the boundaries of forest area designations and land controlled by the community.
- 5) State land which is formerly abandoned land which is utilized for the benefit of the community and the state through Agrarian Reform;
- 6) Land resulting from the settlement of Agrarian Disputes and Conflicts;
- 7) Ex-mining land that is outside the forest area;
- 8) Raised land;
- 9) Maximum excess land, absentee land, and swapraja/ex swapraja land that are still available;
- 10) Land that meets the requirements for strengthening people's rights to land;
- 11) Land ex-erpacht rights, ex-private land and ex-*eigendom* land with an area of more than 10 (ten) bauw which are still available.

In addition to the aforementioned lands, there are actually still potential objects that can be used as objects of TORA, namely: First, lands whose rights holders do not meet the requirements as the subject of rights, and they have not transferred their rights to the subject of rights who have the right in due time, or they has not made changes to rights in accordance with the provisions, such as the provisions of Article 21 UUPA. Second, private land which is transferred to foreigners in disguise, for example by means of a guise/nominee/trustee, which is regulated in Article 26 paragraph (2) UUPA. It seems that land like this has not yet become the attention of the Government or the Ministry of Agrarian and Spatial Planning/Head of the National Land Development Agency-RI.[19]

After determining the object of agrarian reform, the next stage is to determine the subject so that it is right on target. The subjects of agrarian reform based on priority are local residents, agricultural laborers, smallholders, farmers, the poor, and other subjects. This has been regulated in Article 12 of Perpres 86/2018, which includes the subjects of agrarian reform: individuals, groups and legal entities, especially cooperatives. Individual subjects are at least 18 years old and must be synergized with Presidential Instruction 2/2018 on PTSL by ensuring the maximum area of each recipient or subject of reform. Meanwhile, the group subject must be synergized with Permen ATR / BPN Number 10 of 2016 concerning Communal Rights by ensuring that all tenure relations, especially indigenous people, can be accommodated.

Legal entities must be prioritized for cooperatives and BUMDes, in line with Law 6/2014 on Villages. The cooperative must be ensured that it is established and owned by a peasant organization, not owned by a few people. Moreover, in determining the subject of agrarian reform, we must adhere to the principle of priority. The principle of subject priority is attachment to the land, the "closer" it is, it gets top priority. Subject priorities can refer to PP 224/1961 and PP 41/1964.

The implementation of agrarian reform based on Perpres 86/2018 will encounter several challenges, including:

- 1) There are attempts to refuse HGU holders.
- 2) Public expectations are very high, while GTRA has experienced a lot of pressure.
- 3) Domination and expansion of giant business entities in extractive industries, plantation and forestry production, and conservation.
- 4) Instrumentation of government agencies as "land acquisition agencies" through rights / permits / license granting regimes over land and land resources.
- 5) There are still laws and regulations regarding land / forestry / other SDA which are overlapping and contradictory to one another.
- 6) The customary laws that apply in the community are neglected or their enforcement is nullified by the agrarian, forestry and mining laws.
- 7) Institutional sectoralism, systems, mechanisms and administration regulating land / forestry / other natural resources which are still difficult to eliminate.

5. Conclusion

- 1) Given the imbalance in land ownership and control is still occurring and increasingly sharp, agrarian reform is appropriate, urgent and absolute to be implemented, until the development goals are achieved, namely a just and prosperous society.
- 2) Realizing a just and prosperous society, requiring partiality and a change in the attitude of the Indonesian nation and state towards farmers and agriculture, they are no longer a lower class. They must be elevated in rank according to their capacity as foodstuff providers for mankind.
- 3) The Ministry of Agrarian Affairs and Spatial Planning / BPN RI cannot work alone in carrying out agrarian reform, there needs to be a joint commitment in implementing Presidential Regulation 86/2018.

References

- [1] R. A. Kusuma, *Lahirnya Undang-Undang Dasar 1945*. Jakarta: FHUI, 2009.
- [2] B. Harsono, *Hukum Agraria Indonesia: Sejarah Pembentukan Undang-Undang Pokok Agraria, Isi dan Pelaksanaannya*. Jakarta: Djambatan, 2008.
- [3] E. Suhendar and I. Kasim, *Tanah sebagai komoditas, kajian kritis atas kebijakan pertanahan orde baru*. Jakarta: Lembaga Studi Advokasi Masyarakat (ELSAM), 1996.
- [4] M. M. MD, *Demokrasi dan Konstitusi di Indonesia- Studi Tentang Interaksi Politik dan Kehidupan Ketatanegaraan*. Jakarta: Rineka Cipta, 2003.
- [5] S. M. P. Tjondronegoro, "A Brief Quarter Century Overview of Indonesia's Agrarian Policies." http://pse.litbang.pertanian.go.id/ind/pdf/PROS_ESCAP_PSEKP_TJONDRO.pdf (accessed Oct. 01, 2020).
- [6] S. Widodo, "A critical review of indonesia's agrarian reform policy," *J. Reg. City Plan.*, vol. 28, no. 3, pp. 204–218, 2017, doi: 10.5614/jrcp.2017.28.3.4.
- [7] M. Sadyohutomo, "The benefits of an agrarian reform model in Indonesia," *IOP Conf. Ser. Earth Environ. Sci.*, vol. 202, no. 1, 2018, doi: 10.1088/1755-1315/202/1/012030.
- [8] I. A. P. Resosudarmo *et al.*, "Indonesia's land reform: Implications for local livelihoods and climate change," *For. Policy Econ.*, vol. 108, no. August 2018, p. 101903, 2019, doi: 10.1016/j.forpol.2019.04.007.
- [9] P. M. Marzuki, *Penelitian Hukum*. Jakarta: Kencana Prenada Media Group, 2011.
- [10] I. Hakim and L. R. Wibowo, *Hutan Untuk Rakyat, Jalan Terjal Reforma Agraria Di Sektor Kehutanan*. Yogyakarta: LkiS, 2014.
- [11] Ismail Nurhasan, "Arah Politik Hukum Pertanahan Dan Perlindungan Kepemilikan Tanah Masyarakat," *J. Rechts Vinding Media Pemb. Huk. Nas.*, 2012.
- [12] "Sensus Pertanian 2013," 2013. <http://hargajateng.org/sensus-pertanian-2013.html> (accessed Jul. 27, 2013).
- [13] F. Sumarja, *Hak Atas Tanah Bagi Orang Asing, Suatu Tinjauan Politik Hukum dan Perlindungan Warga Negara Indonesia*. Yogyakarta: STPN Press, 2015.
- [14] "Laporan Bulanan Data Sosial Ekonomi Edisi Ke-40," 2013.
- [15] B. P. Statistik, "Angka Kemiskinan Lampung, September 2016," 2017. <https://lampung.bps.go.id/Brs/view/id/487> (accessed Aug. 23, 2017).
- [16] F. Sumarja, "Chaos of Forest Resource Access Regulation: Study on Moro-Moro Farmers at Register 45 Lampung," 2017.
- [17] N. (Secretary G. of the M. of A. A. and S. P. L. A. Marzuki, "Kembali ke Khittah Reforma Agraria," 2017. lampungpro.com (accessed Sep. 22, 2017).
- [18] M. Shohibuddin and M. N. Salim, *Pembentukan Kebijakan Reforma Agraria 2006-2007, Bunga Rampai Perdebatan*. Yogyakarta: STPN Press, 2013.
- [19] F. Sumarja, "Politik Hukum Larangan Kepemilikan tanah Hak Milik Oleh Orang Asing untuk Melindungi Warga Negara Indonesia," Universitas Diponegoro, 2015.

Constitutionalization of the Political Party: Impressions of Indonesia

Jamaludin Ghafur¹
{jamaludin.ghafur@uii.ac.id¹}

Doctoral Candidate at Faculty of Law, Universitas Indonesia, Depok, West Java, Indonesia, and Lecturer
at Faculty of Law, Universitas Islam Indonesia, Yogyakarta, Indonesia¹

Abstract. This article aims to analyze the background that leads to the constitutionalization of political parties in Indonesia. As known, when Indonesia became an independent country in 1945, soon after the independence, political parties have appeared. However, the existence of these political parties has not been regulated in the 1945 Constitution of the Republic of Indonesia. The new situation came when there was a change in authoritarian government regime which was marked by the collapse of new order power to the democratic government regime in 1998. The Indonesian government made an amendment to the 1945 Constitution, one of which is that the new thing regulated in it was about political parties. This policy marks a shift in the assessment of political parties where previously it was more positioned as a private institution, now political parties are considered public institutions. There are at least two main objectives for the inclusion of regulations on political parties, that is to ensure that all activities of political parties do not conflict with the principles of Indonesia as a democratic state based on law, and in order to prevent negative state intervention on political parties which can violate the rights of citizens to associate, gather and express opinions.

Keyword: Political Parties, Constitution and Democracy

1. Introduction

Abraham Lincoln once said that, ‘Government of the people, by the people and for the people shall not perish from the earth’ [1]. Lincoln's opinion is certainly not a mere figment, because in fact, one of the main trends of the post-Cold War era is the increasing number of democratic governments in various countries of the world [2]. In the last century democracy has dominated the political discourse of the world society. Democracy is the concept most widely discussed and practiced by almost all countries in the world. Specifically, democracy has become a historical trend in the third millennium [3].

According to a research review, in the last century, the number of countries that are sufficient to be called democratic has increased tenfold to 100 countries. Considering this research that took place in 1996, it can be estimated that today only a handful of countries remain with a totalitarian system [4]. Today, throughout the world, democracy has become a kind of political paradigm, a view that is recognized together as a dominant view [5]. Corcoran said, Democracy has become "the world's new universal religion [6]. This happens because of the belief of people that democracy has good basic values that are universal [7].

The facts above show that for the majority of the world society today, democracy is believed to be the only source of political legitimacy so that democracy may in fact have defeated and undermined the legitimacy of power-centralistic monarchy, hereditary aristocracy,

oligarchs based on limited and narrow suffrage - and non-democratic power that once dominated the world political system.

In the Indonesian context, the 1945 Constitution prior to the amendment did not find any regulation on political parties. The inclusion of provisions regarding political parties in the Indonesian constitution only occurred when the 1945 Constitution underwent amendments that lasted from 1999 to 2002. There are at least a number of articles in the post-amendment 1945 Constitution that explicitly regulate political parties, they are: First, Article 6A paragraph (2) that reads, Each pair for President and Vice President shall be proposed prior to general elections by a political party or by a coalition of political parties contesting the general elections; Second, Article 8 paragraph (3) that reads, If during their term both the President and Vice President simultaneously pass away, resign, are impeached, or are unable to carry out their duties, the office of the presidency shall be taken up collectively by the Minister of Foreign Affairs, the Minister of Internal Affairs, the Minister of Defense. After thirty days at the latest, the People's Consultative Assembly of The Republic of Indonesia (MPR) shall convene to elect for the remainder of the term a President and a Vice President among the two pairs for Presidential and Vice Presidential candidates who were proposed by a political party or by a coalition of political parties and who came in first and second as pairs of candidates for President and Vice President in the last general election; Third, Article 22E paragraph (3) that reads, The participants in the general elections to elect the members of the Legislative Councils (DPR) and of the Regional Legislative Councils (DPRD) are political parties; and Fourth, Article 24C paragraph (1) that reads, The Constitutional Court shall have the authority to make final decisions in cases of first and last instance handling the review of laws against the Constitution, to decide on authority arguments among state institutions whose competence is enshrined in the Constitution, to decide on the dissolution of political parties, and to decide on disputes regarding general election results.

2. Research Methodology

This study tries to analyze and identify the factors that underlie or encourage the Indonesian Government to include the regulation of political parties in its constitution (the 1945 Constitution of the Republic of Indonesia) after the amendment. This study utilized the normative research methodology with statutory and conceptual approach related with the constitutionalism of the political party.

3. Literature Review

Along with the widespread political system of democracy adopted by many countries in the world, there is another phenomenon that emerges and goes along with it, that is, the growing popularity of the word political parties. The reason is that political parties are considered as the main support for the establishment of a democratic political system. Previously, political parties were considered as something trivial. But now, it is almost impossible to build a democratic country without the presence of political parties. In contemporary democracy, political parties have been regarded as vital political institutions for a modern democratic government organization, that is, as an effective media of political participation. Political parties have been seen as something that is needed and procedurally needed for the effective functioning of

democracy. Quoting some expert opinions, Russell J. Dalton and Steven A. Weldon explicitly wrote in their article entitled "Public Images of Political Parties: A Necessary Evil?" Published in the *West European Politics Journal*, as follows:

Perhaps no institution is so closely identified with the process of representative democracy as are political parties. The renowned political scientist E.E. Schattschneider penned the oft-cited conclusion that 'modern democracy is unthinkable save in terms of political parties'. Similarly, James Bryce stated 'parties are inevitable. No one has shown how representative government could be worked without them'. More recently, Giovanni Sartori wrote, 'citizens in Western democracies are represented through and by parties. This is inevitable' [8].

Even though political parties today have been considered as important organizations in the system of representative democracy, the fact is that new political parties are recognized in the constitutions of various countries precisely after the World War II. At the time before, political parties were seen as insignificant and even stigmatized as enemies of democracy itself. This, according to Ingrid Van Biezen, is caused by the belief that political parties are regarded incompatible with the normative conception of democracy in which democracy is actually a form of political participation and direct decision making by the people. Therefore, mobilization of partisan interests (by political parties) is seen as a threat to public neutrality and the common good [9].

In Europe, the earliest case of party constitutionalization occurred in Iceland in 1944, when it was formally an independent country from the Danish government. The Iceland move was then followed by Austria in 1945, Italy in 1947, and the Federal Republic of Germany in 1949 [10]. Today, the most or majority (87.5 percent) of post-war European democracies have recognized political parties in their constitution [9]. Even on the Africa continent, the constitutionalization of political parties took place. When reintroducing multiparty politics in the 1990s, most African countries decided to organize political parties in their constitutions [11].

Beside Europe and Africa, the constitutionalization of political parties also occurs in the Asian region, although information about this has not been as well documented in Europe. By examining the constitutions in 7 (seven) democracies in Southeast and East Asia, Erik Mobrand concluded that Indonesia, Mongolia, the Philippines, South Korea, Taiwan, and Timor Leste were countries that constituted political parties, while for Japan is not known [12].

4. Results and Discussion

The constitutions of western liberal democracies have traditionally paid little attention to the role of intermediary organizations such as political parties [13]. This is due to the belief that political parties are deemed incompatible with the normative conception of democracy where democracy is actually a form of political participation and direct decision making by the people. Therefore, partisan mobilization of interests is seen as a threat to public neutrality and the common good [9]. In addition, the absence of regulation of political parties in the state constitution can be explained by various factors, including the historical order in which the constitution of various countries generally precedes the emergence of political parties. The results of Richard Pildes' research concluded that newer constitutions tend to regulate political parties, whereas older constitutions do not regulate them. Therefore, less than 10% of the

constitutions in force in 1875 governed political parties, while more than 80% of the constitutions in force in 2006 governed political parties [9]. Likewise, before 1950, the right to form political parties was almost not existed. After that, the right to establish political parties became a more general phenomenon, where 60% of the constitution in force in 2000 guaranteed the right to establish political parties [10]. This constitutional codification of political parties gives an indication of the importance of the party's position in the institutional architecture of the current democratic government, as well as their relations with their citizens.

Ingrid van Biezen argued that the regulation of political parties in the constitution and other laws and regulations could be interpreted in two ways. On the one hand, political parties have been considered as important institutions in democracy, so the regulation of political parties in the constitution means that political parties have strengthened their material and ideational positions in the political system. The party's constitutional position effectively gives the party official status as part of the state. By giving them (parties) constitutional status, political parties are given explicit recognition regarding the importance of democratic institutions [14].

On the other hand, although political parties are important institutions in representative democracy, the faces and behavior of political parties in general do not reflect what they are supposed to do that is to strengthen democratic values. Most parties in various countries, no exception in Indonesia is seen negatively by most people because of corrupt behavior and abuse of authority that they often do. Parties by the majority of the public are increasingly seen as institutions that only think about their own interests and material benefits. In addition, political parties today are regarded by the public as the institutions most vulnerable to corruption, and perhaps as a consequence, they are one of the most untrusted democratic institutions. As a result, the view that is more widely accepted is that a higher level of external control and monitoring of party activities and behavior is needed to ensure that they carry out the functions and roles they carry more effectively.

Therefore, society demands the state to intervene in party management, activities and behavior. Consequently, the state has now taken a sizeable, and more legitimate, in dealing with internal and external roles of party. In general, the increase of this state intervention is divided into two categories. On the one hand, there is a significant increase in state support for political parties in the form of direct public subsidies. On the other hand, the state has substantially increased its control over party affairs through public law in order to increase the transparency of party activities and increase party accountability more generally [15]. Thus, the second meaning of regulating political parties in the constitution and various state laws and regulations is as a means of control from the government so that the party does not deviate from the function that is supposed to support the creation of a better democratic process.

The constitutionalisation of political parties that occurred in Indonesia does not seem to be much different from what happened in other countries, which is motivated by two things. First, to ensure that all activities of political parties are in accordance with democratic norms and the parties do not take actions that actually endanger the building of a democratic Indonesia based on law. Concern that political parties will carry out activities that are contrary to legal norms and democracy is certainly not making it up. The history of the party in Indonesia shows that during the old order under the leadership of former president Soekarno, there were two political parties, they are the Indonesian Social Party (PSI) and the Masyumi Party which was dissolved by the government because they were considered to be involved in a rebellion.

Therefore, to prevent the repetition of irregularities in the behavior of political parties that can threaten the integrity of the nation, Law of the Republic of Indonesia Number 2 of 2008 as amended by Law of the Republic of Indonesia Number 2 of 2011 concerning Political Parties then contains a number of provisions concerning prohibitions that must not be done by political

parties. Some of the prohibitions include: (a) political parties are prohibited from carrying out activities that are contrary to the 1945 Constitution of the Republic of Indonesia and the laws and regulations; (b) political parties are prohibited from carrying out activities that endanger the integrity and safety of the Unitary State of the Republic of Indonesia, (c) political parties are prohibited from adhering to and developing and spreading the teachings or understandings of communism / Marxism-Leninism.

Political parties violating points a and b above will be subjected to administrative sanctions in the form of a temporary suspension of the political party concerned by the district court for a maximum of 1 (one) year. If after obtaining the sanction of freezing it turns out that the political party repeats its violation, it will be subjected to sanction of dispersion. As for political parties that violate point c, the sanction is dispersion.

Second, the willing to protect political parties from government policies that seek to limit and even eliminate the right of citizens to associate and gather through the organization of political parties. In the early days of Indonesian independence, between 1945 and 1959, it was a phase in which the people were given the widest possible freedom to establish political parties. The government believed that political parties would become instruments to strengthen the unity and integrity of the nation and develop democratic values. Therefore, it was not surprising that dozens of political parties emerged and made Indonesia a country that adopted a multi-party party system at the time.

However, this condition immediately began to change when former Indonesian President Soekarno issued a Presidential Decree July 5, 1959. Since then, the government began to trim down the number of political parties on the reasons that the number of political parties has given rise to endless conflicts among political parties. The number of political parties that are too many is considered to be a source of state instability so that the government adopts a policy of simplifying the party system by limiting the number of political parties, even some political parties which are deemed to be often in defiance of state policies, are subject to dispersion sanctions.

The policy of simplifying the divorce system continued in the next government regime in the New Order era under the leadership of former President Soeharto. Even at this time, only 3 political parties were permitted to stand, all of which are Golongan Karya, Partai Persatuan Pembangunan, and Partai Demokrasi Indonesia. The state appears so dominant to its citizens that there is almost no guarantee of adequate human rights including the right to establish political parties. So strong was state intervention on the life of political parties at that time, not only in terms of the number of parties limited to 3 parties, but the principle of the party was uniformed where parties were only allowed to adhere to the principle of Pancasila as the only principle. Aside from Pancasila, even religious values may not be used as party principles.

Reflecting on past experience in which government intervention against parties is so strong that it causes the rights of citizens to establish parties to be very restricted and even curbed, then in this reform era, the Indonesian government has made very strong legal policies to prevent state intervention on political parties so that political parties as an important instrument of democracy can be optimally protected. The intended policy is to include provisions on political parties in the constitution. Under this new legal policy, the government can no longer arbitrarily dissolve political parties because the dispersion of a party must go through a judicial institution that is the Constitutional Court.

5. Conclusion

As a new democratic state, Indonesia realizes that maintaining and developing democratic values is not an easy thing. One of the efforts made by the Indonesian government to strengthen its democratic system is to include the regulation of political parties in its constitution and to update and improve the laws and regulations in the field of political parties. The aim is to provide clear guidelines for political parties on what is and is not allowed to be done so that this will prevent the activities and behavior of political parties that are not in line with democratic principles. In addition, the regulation of political parties in the Indonesian constitution is also intended to prevent negative interventions from the state that can violate citizens' freedom and constitutional rights, especially the right to associate, gather, and express opinions.

6. Acknowledgements

Acknowledgements. The researcher would thank Universitas Islam Indonesia for the support until completion of this study.

References

- [1] P. Emerson, *Defining Democracy: Voting Procedures in Decision-Making, Elections and Governance*, New York: Springer, 2012.
- [2] S. Mujani, *Muslim Demokrat: Islam, Budaya Demokrasi, dan Partisipasi Politik di Indonesia Pasca Orde Baru*, Jakarta: PT Gramedia Pustaka Utama, 2007.
- [3] S. Sindhunata, *Sakitnya Melahirkan Demokrasi*, Yogyakarta: Kanisius, 2000.
- [4] B. Danujaya, *Demokrasi Disensus: Politik dalam Paradoks*, Jakarta: PT. Gramedia Pustaka Utama, 2012.
- [5] R. A. Wattimena, *Demokrasi: Dasar Filosofis dan Tantangannya*, Yogyakarta: Kanisius, 2016.
- [6] M. Kurki, "Democracy and Conceptual Contestability: Reconsidering Conceptions of Democracy in Democracy Promotion," *International Studies Review*, vol. 12, no. 3, pp. 362-386, 2010.
- [7] R. Harrison, *Democracy*, London: Routledge, 1993.
- [8] R. J. Dalton and S. A. Weldon, "Public Images of Political Parties: A Necessary Evil?," *West European Politics*, vol. 28, no. 5, pp. 931-951, 2005.
- [9] I. V. Biezen, "Constitutionalizing Party Democracy: The Constitutive Codification of Political Parties in Post-war Europe," *British Journal of Political Science*, vol. 42, no. 1, pp. 187-212, 2012.
- [10] I. v. Biezen and G. Borz, "Models of Party Democracy: Patterns of Party Regulation in Post-War European Constitutions," *European Political Science Review*, vol. 4, no. 3, pp. 327-359, 2012.
- [11] A. Moroff, "Comparing Ethnic Party Regulation in East Africa," *Democratization*, vol. 17, no. 4, pp. 750-768, 2010.
- [12] E. Mobrand, "Constitutionalization of Political Parties in East and Southeast Asian Democracies," 1 January 2015. [Online]. Available: <https://law.nus.edu.sg/cals/pdfs/wps/CALS-WPS-1805.pdf>. [Accessed 1 April 2019].
- [13] S. C. Stokes, "Political Parties and Democracy," *Annual Review of Political Science*, vol. 2, no. 1, pp. 243-267, 1999.

- [14] I. v. Biezen, "The End of Party Democracy as We Know It? A Tribute to Peter Mair," *Irish Political Studies*, vol. 29, no. 2, pp. 177-193, 2014.
- [15] I. V. Biezen, "State Intervention in Party Politics: The Public Funding and Regulation of Political Parties," *European Review*, vol. 16, no. 3, p. 337–353, 2008.
- [16] R. Pildes, "Political Parties and Constitutionalism," 11 February 2010. [Online]. Available: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1550905. [Accessed 3 February 2019].

The Role of Islamic Law to Humanitarian Law

Muhammad Taufan Badollahi¹, Nasaruddin Mera², Muhammad Amin Hanafi³
 {muhtaufanb6@gmail.com¹, nas2015prudential@gmail.com², aminhanafi76@gmail.com³}

Shariah Faculty of IAIN Palu, Palu, Indonesia¹, Shariah Faculty of IAIN Palu, Palu, Indonesia², Law
 Faculty of Khairun University, Ternate Selatan, Indonesia³

Abstract. The purpose of this inquiry is to trace the blueprint of Islamic law and humanitarian law. The method used is library research using a heuristic approach, which is to trace and compile the principles and provisions of Islamic law in conjunction with humanitarian principles and provisions and then be analyzed by looking at the presence and links between the two legal systems. It is found that there are, at least, 228 provisions containing rules in humanitarian law. Of the 228 provisions, 198 provisions are -strongly presumed- influenced by Islamic law. Thus, quantitatively the percentage of the influence of Islamic law on humanitarian law can be determined by the formula: $f/n \times 100\%$. F is the frequency and n is the number of humanitarian law provisions containing rules. By this, Islamic law might play the role both as a formal source for humanitarian law and material one as well.

Keywords: Role, Islamic Law, International Law, Humanitarian Law.

1 Introduction

Hardly a legal expert examines the role of Islamic law to humanitarian law. Almost all international law writers think that the development of international law began in the 16th century towards the 17th century in Western Europe. It was also stated that this development was the product of Western cultures, as if in this world, at that time, there were no other nations that had a culture. Long before that time, Islam had dominated part of Europe [1].

The provisions of Islamic humanitarian law, which originate in the Qur'an and the Hadith, are not limited to Muslims but also to people outside the community regardless of religion, race, nation, and language. It applies universally across national borders. For this reason, it should be called international law. The rejection of the western world against the original owner of the Islamic world over humanitarian law, because, before the Western world, humanitarian principles were still limited to their religious enemies and cultural environment, so that it cannot be said to be a generally accepted principle that crosses all nations, religious and cultural boundaries, is not appropriate. Therefore, based on this reasoning, Western signals that humanitarian law is their work are, historically, doubtful.

Western writers attribute the collection of international legal rules to Christianity by first mentioning specifically the Greek era and then jumping right into the modern age with the assumption that the obscurity of the Middle Ages was the general state of the world as a whole.[2] However, the objectivity of history shows that the basis of the Mediterranean sea civilization for seven centuries in the Middle Ages was an Islamic one [3]. Nevertheless, in international law descriptions, contributions of the Islamic world are rarely mentioned. It was the Islamic world who reassembled and commented on classic works by commenting on the superiority of these works before submitting them to the West [3].

A historical fact also shows that some Islamic thinkers, including Ibn Rushd (Averroes) and Ibn Sina (Avicenna), are masters of several generations of Europeans. Jewish philosophy has been saved by the influence of Islamic civilization from the influence of Talmud which destroyed it for a long time. Musa bin Maimun (Maimonides), the twelfth-century Jewish philosopher who had a great influence on the souls of Jews and the West, lived in the Islamic State of Spain [3].

2 Methods

By the object of this study, this research is a qualitative.[4] This type of research is of library research [5]. The study was run, firstly, by recording all findings regarding the blueprint of Islamic law to international law in each research discussion obtained in the literature and sources, and or the latest findings of it. After noting, secondly, combining all findings, both theories and new findings on the relation between them. Thirdly, analyzing all findings from various readings, relating to the shortcomings of each source, strengths, or their respective relationships about the discourse discussed in it. The last is criticizing, providing critical ideas in the results of research on previous discourses by presenting new findings in collaborating different thoughts, about the role of Islamic law to humanitarian law.

This research is descriptive with historical characteristics [6]. It is said historically because it has historical dimensions. Like library research in general, this research includes criticism to thought, certain works, or certain texts.[6] That's why library research faces data sources in the form of books which are so numerous that they require adequate methods [5]. For that, in library research, collecting books must be gradual, because it would be difficult if it were not so. To get all the needs mentioned above, it can be produced through libraries, bookstores, research centers, and internet networks by accessing discourse and info on the role of Islamic law to humanitarian law. By using data from various references, both primary and secondary. The data is collected by documentation techniques, namely by reading (text reading), studying, and recording literature that has to do with the problems discussed in this study.

3. Result and Discussion

3.1 The Blueprint of Islamic law to Humanitarian Law

As far as I know, no writer has done any research related to the role of Islamic law to humanitarian law. The only work that can be mentioned here, which talks little about Islamic law and international law is Mashood A. Baderin's book on international law, human rights, and Islamic law [7]. However, the work did not mention the relationship between Islamic law and humanitarian law, let alone mention the contribution of Islamic law to humanitarian law.

According to Haryomataram, if it is said that the law of war originates from customs of war, it means that the custom of war in the Western world. Haryomataram continued that even in the Eastern world there were also customs of war, but at the time of drafting the laws of war, the source was only Western customs [8]. The main question from this statement is, where did the Western world transfer the custom? In other words, what is the source of war customs (laws of war) in the Western world?

From the perspective of knowledge, the law is a historical phenomenon; it has a legal history [9]. As a historical phenomenon, it means that it is subject to continuous growth. The notion of "growth" has two meanings: the element of change and the element of stability. The law that grows is stable, even if it changes [10].

Laws grow especially means that there is a close and continuous relationship or an unbroken relationship between the law in a period with the law in the previous period; between law in the present and law in the past. The law exists today and the law of the past is unity. Besides, "Laws grow" can also mean that laws change. Law as a symptom of society does not stand alone, but one related to the other. The growth, change, and disappearance of legal institutions are determined by various factors that exist in society, economic, political, church, religious, and moral factors [10].

In this context, historical facts show that Islamic law was born long before the birth of Western civilization which is referred to as the source of the preparation of humanitarian law. As is known, Islam was born and its teachings have been completed between 611 and 634 A.D., namely the broadcasting of religion carried out by the great prophet Muhammad PBUH, from the time he was sent as an apostle until the end of his life. By the end of the first century of the Islamic year, the religion of Islam had spread throughout the entire world at that time. As is well known, the revival of Europe (renaissance) which became the foundation of European civilization, was born approximately nine centuries later. Thus, it is not too difficult to conclude that the West is

imitating Islam, and it is not possible to reverse. This is recognized by the majority of historians, even Western historians themselves.

Henry Lucas acknowledged that Arabs (Islam) played a very important role in Byzantine civilization during the time because they were the propagators of Greco-Roman cultural traditions. More than that, they also make creations of the original Greco-Roman tradition. During the Arab leadership, European civilization was indebted to Muslims who had many higher cultural facets. Lucas acknowledged that his revival represented Islamic civilization [11].

In line with Lucas's view, Philip K. Hitti asserted that the Arabs (Islam) created not only a kingdom but also culture. They are heirs of the old culture that flourished on the banks of the Tigris and Euphrates rivers, in the Nile valley, and on the coast of the Mediterranean. Then the main properties of Greco-Roman culture were studied and developed. Therefore, it is they who spread much of the influence of this culture into the European continent, awakening from sleep and growing towards renaissance [12].

In the middle Ages, no nation had a greater contribution to the process of human progress than the Arabs; Arab students were preoccupied with studying Aristotle when the Great Curry and its dignitaries were still preoccupied with scratching to learn to write their names. Scholars in the city of Cordova, a city that has 17 libraries and one of them contains more than 40,000 volumes of books, likes to bathe in beautiful baths, while at the same time people at Oxford colleges consider bath as a dangerous habit [12].

Then with the translation of the books of science and philosophy written by Islamic scholars and philosophers into European languages in the eleventh century, Europe began to recognize Greek philosophy and science. Previously, Europe no longer knew Greek philosophy and science. It was from Islam that Europe learned the things above, it is not surprising that Le Bon said: "(it was the Arabs) that caused us to have civilization because they were our priests for 6 centuries"[13].

The progress of the legal world in Islamic civilization can be concluded from Hitti's statement that in Baghdad lawyers get the most important position.[14] The faculty of law is almost always present in famous universities such as the universities of Cordova and Granada which are favored by European students. Interestingly, the legal sciences are united with the divine sciences in one faculty [14].

Based on the description above, it is clear that the linking point between Islamic law and humanitarian law lies in two paths at once, namely the cultural path (in this case customs/habits) and the path of science.

Anthropological Perspective. From the point of civilization development (Anthropology), there is not a single civilization in the world that does not imitate previous civilizations and also does not give to civilizations afterward [15]. From this standpoint, it is clear that war can be an effective channel in the spread of civilization. In this discussion, the war that became the "golden bridge" of the transition of Islamic civilization to Europe was Crusade that lasted for two centuries (1096-1229 A.D) [16].

Culturally, the crusaders in the East encountered some interesting aspects of Islamic life. When the troops return to their original place, they try to imitate them[16]. One of the various aspects, of course, are matters relating to the way the Muslims carried out the war. The series of crusades is direct and long-standing contiguity. Throughout the war, the kings and people of Europe learned the basics (rules) held by Muslims in times of peace and wartime. Through this contact, they learned that war in Islam must be limited to certain battle areas and only involve combatants. Civilians must get protection [17].

It was through the crusades, most likely, that Europeans learned that Islam did not permit destruction and persecution and was not allowed to kill prisoners. Islam respects security agreements; respect all religions, do not allow betrayal and breach of promises; do not allow girls, children, and laborers to be killed; it is not permitted to remove trees and plants (sources of production). Islam treats its enemies for equal treatment (reciprocity).

In addition, as studying and enjoying the knighthood qualities, European Christians also witnessed the humanity and the greatness of the soul that adorned the agility and courage of the heroes of Islam, for this, Ahmad Syafiq stated that European arrogance was a cliché of virtue Arab

[17]. Furthermore, Sedillo added that the Arabs far exceeded Christians in the areas of morals and etiquette such as generous (karam), affection (rahmah), honesty, keeping the feelings of women, fulfilling promises, and tolerance, and the good example that officers (knights) should have.

Many other things that the Crusaders could learn from their meetings with Muslims, including the establishment of hospitals, the establishment of public baths, and the most important is the strategy of war [14]. Several translations from Arabic to Latin were carried out in the territories where the Crusades took place [18].

For Europe, the Crusades had a very positive and influential meaning. On the contrary, the Islamic world did not see any significance in the incident. For Muslims, the crusades were nothing more than a series of border incidents [18].

With the two perspectives above, it is clear that the overall spread of Islamic material and intellectual culture in Europe occurred because of the arrival of Muslims to Spain and Sicily and the occurrence of the Crusades. Thus, this also means that the three regions (Spain, Sicily, and the Crusades) were the links between Islamic law and humanitarian law. Therefore, as is well known, the law is one aspect of culture. So, talking about Islamic culture, should not ignore the legal discourse that is in it.

3.2 The Provisions of Islamic Law Relating To Humanitarian Law

International law, which in Islamic terminology is known as "al-Siyar", creates rights and obligations and international law becomes an independent field of study in Islamic law. Islamic International Law (al-Siyar) does not recognize discrimination against foreigners who treat non-Muslim countries around the world.[19]

Muslim jurists argue that the term al-Siyar with the meaning of international law was first used by Imam Abu Hanifah (d.150 H.), founder of the Hanafi school of thought when giving lectures on the theme of international law. The lectures were compiled and edited by his student Imam Muhammad al-Syaibani (d.188 H.) in the book of al-Siyar al-Saghir and the Book of al-Siyar al-Kabir. These two al-Siyar books, among others, discuss the behavior of Muslims in dealing with non-muslims such as Ahl-Zimmi, foreign residents, apostates, rebellion, and so forth.[20]

The great influence of al-Siyar (Islamic international law) on public international law can be ascertained from the fact that the writers of the first European international law such as Pierre Bellow, Ayala, Vitoria, Gentili, and others came from Spain or its neighbors, Italy. They accepted much of the influence of Islam and Muslims during the Renaissance period as a result of the influence of Islam on the Christian world.

Regarding this, Baron Michel de Tubb, professor of international law at the State Academy of Sciences in The Hague, Netherlands, who had been a minister in 1936, had proven that Vitoria and Suarez were regarded as the first person to think about the basics of international law, actually imitates and follows the principles of international law as contained in Islamic law. Then Grotius who has the title "The Father of International Law" quoted from Vitoria and Suarez. After that, all modern international jurists took material from the 'Father'.[21] The influence of Islamic international law on Grotius' thoughts was very clear with his findings which stated that postliminium originated from Islamic law.

Michel De Tubb underlined that many of the principles that have been pioneered by Islam, especially those related to the law of war. In this case he gave the message of Abu Bakr to the commander of the first Islamic army he sent to Syria after the death of the Prophet.

In this study, I explore which Islamic law provisions are, allegedly, transferred by humanitarian law. The cases I mean here are as described below.

Declaration of War (*I'lan al-Harb*). According to Starke, the first legal scholar who argued for the need for a declaration of war was Grotius in the 17th century.[22] To me, what was stated by Strake was indeed true, because as was stated earlier that Grotius' thoughts were mostly taken from Islamic law. Along with that, the rules of a declaration of war had long been adhered to in Islamic law long before Grotius spawned his idea.

Michel De Tubb flatly rejects the perception that the declaration of war provisions are the work of the participants of the Hague Conference. The reason for his refusal is because, according to him, it is one of the principles of heroism (knighthood) that was unknown to Europe in the Middle Ages (European Middle Ages), but its roots have long since plummeted in the Islamic world. De Tubb claimed to have found the text of the declaration of war in the book Abu al-Hasan al-Mawardi al-Bagdadi. He stated that what happened in Europe in the Middle Ages was the worst of the century. Feudalism is rampant and the only creation is trying to implement "God's peace" (Truce of God). Likewise, what happened in eastern Rome (Byzantium), Tubb showed Basil II, who bowed the Balkans and gouged the eyes of 15,000 of his captives. He said in the Middle Ages, humanity in Europe was destitute and needed a lot of attention.[23]

Protection for Civilians and Their Social and Environmental Facilities. In Islamic law, the provisions regarding the protection of civilians along with their social institutions and the environment contained in the wills of the Prophet. As stated above, the wills are always repeated on various occasions. The wills are then summarized in a message of Abu Bakr al-Shiddiq, the Caliph of the Messenger of Allah. Some regulations in Islamic law concerning humanitarian are ignored by humanitarian law (not specifically regulated) but are regulated in Islamic law special protection for old men (*shuyukh*) and employees and laborers (*'usafa'*).

Specifically, regarding the protection of women and children, the Prophet had given his attention from an early age. One time the Prophet passed in the middle of the corpses of those who were victims of war and saw the corpses of women, then he said: "ماكانت هذه لتقاتل" (not suppose he was fought).[24]

Protection to War Victims. It should be emphasized here that the background of international relations in Islam is human honor (karamah Insaniyah), because of this human glory, God commands angels to bow to the Prophet Adam, the Father of all humans.[25]

Human honor and glory are widely expressed in the verses of the Holy Qur'an, among which are explicitly mentioned in Al-Isra '(17): 70. The honor given to humans, as stated in various verses and the hadith, is not limited to only one race and not to a certain nation, but all humans have the same rights and position in that honor. Then the glory of man is determined by the Qur'an and the Sunnah of the Prophet for all people who are pervaded by the meaning of humanity.

Islamic law is very concerned about human honor even when the war is raging. Prophet Muhammad SAW prohibited chopping and slashing of war victims and obliged to bury it, and not let it be left as food for birds and animals. The Prophet also ordered to gather the victims of Badr war in a dry well (as a sacrifice). More than that the Prophet forbade showing the sword the opponent so as not to blemish his face unless it cannot be avoided again.[26] What governed by humanitarian law in principle is not much different from that of governed by Islamic law. The provisions of international law regarding victims of war are regulated in the Geneva convention of 1949; conventions I and II.

Prisoner of War (*al-Usra*). The treatment of prisoners of war before the advent of Islam was very bad. Even in Judaism, as stated in their holy book the Talmud, captives must be killed including all women, children, and animals in the conquered territories.[27]

In Roman and Greek times, various views had developed somewhat by making prisoners of war a slave, instead of murderous rules to use them. Then, the prisoner became the property.[27] They were given heavy work that was almost impossible to do and was given poor food and clothing. If a slave-produced something from his work, the result belonged to his master and if he rejected a job or stole his master's property, he would be killed.

Islam came to completely overhaul these bad habits. The Prophet Said: "إتستصوا بالأساري خيرا" (you accept my will to do good to the captives). Besides, God views the feeding of the captives as the best qualities of the believers [28]. Elsewhere, the treatment of prisoners of war is regulated in QS. Muhammad (47) [28].

Armistice/Intiha' al-Harb. Sometimes wars have to be stopped temporarily (truce) for example to lift the injuries, to bury them and so on. In this case, the local commander can agree with the opposing commander in a restricted area. According to paragraphs 32 and 35 of the Hague convention, this limited measure does not require the agreement of the two warring countries. The agreement of two commanders in war is sufficient. Such a Cessation of war is contained in Islamic law based on the word of God [28].

In Islamic law, peace is the foundation and the main objective of international relations based on the adagio "The basic norm of relations (between nations) is peace" (الأصل في العلاقة هو (السلام) [29]. Furthermore, it is worth mentioning here, the issue at the end of a war in the literature of Islamic law is discussed more detailed and varied than that of in the humanitarian law [30].

Neutrality/Hiad. The most important obligation of the warring parties to the neutral state is that of the warring parties not to use the territory of the neutral state for military operations. Besides, the warring parties also have an obligation not to interfere in the neutral state's affairs in legal relations with other warring parties. Warring parties are also prohibited from confiscating neutral state goods transported by enemy ships unless they are *contraband* (contraband items that are important for military operations). Islamic law requires Muslims to respect neutrality, as stated in the Holy Qur'an (4): 90 [31].

The above verse, clearly shows that whoever wants the middle (neutral) position will be given or fulfilled his wish. This attitude is in accordance with the principles of Islamic law, namely the basic foundation in conducting relations (among nations) is peace, while war is an event that comes later (incidental). So, whoever wants peace will be given the condition that he truly does not want a war and intends to do so.

Thus, if inventorying the descriptions above again, it can be put that the main provisions contained in humanitarian law, have long been determined in Islamic law. If it is said that these equations are mere coincidences, then this cannot be logically accepted, for two reasons.

First, an equation can only happen accidentally on a matter of a general nature with a low frequency, and it is not possible to accidentally occur on things that are detailed with a high frequency. Second, pure equality by chance only happens to things that have never met each other before or have no links. Furthermore, it appears that there are several provisions regulated in detail in Islamic law, but not regulated in detail in humanitarian law. Thus, it is increasingly clear, that Islamic humanitarian law is more advanced than humanitarian law.

It is found that there are, at least 228 provisions containing rules in humanitarian law. Of the 228 provisions, 198 provisions are influenced by Islamic law. Thus, quantitatively the percentage of the influence of Islamic law on humanitarian law can be determined by the formula: $f/n \times 100\%$. F is the frequency and n, is the number of humanitarian law provisions containing rules. A description of the number of humanitarian law provisions influenced by Islamic law can be seen in the figure below.

Table 1.
Number of Humanitarian Law Provisions strongly presumed got Influence by Islamic law

Description	F	Percentage
Influenced	198	86. 8
Not Influenced	30	13. 2
Total	228	100

Source: Library Research, 2019.

5. Conclusion

Historically-anthropologically, Islamic law has a very dominant role in humanitarian law. From this angle too, it is evident that these two legal systems have a very close and undeniable sea point wherein their relationship, it is Islamic law that influences humanitarian law and cannot be otherwise. This happens, because Islamic law was born and universally enforced by Muslim rulers long before the emergence of humanitarian law, even international law which is the mother of humanitarian law. This also dismissed the notion that humanitarian law is entirely the work of Western-Christian civilization.

Juridical-formally, based on article 38 of the Charter of the International Court of Justice, Islamic law can be categorized as a source of formal law for humanitarian law in particular and international law in general, both as proven international practice in general practice and accepted as law (international custom as evidence of general practice accepted as law); as general legal principles recognized by civilized nations (the general principles of nation recognized law); as well as the teachings of prominent scholars from various countries as an additional source for establishing the rules of law (the teachings of the most highly qualified publicists of the various nations).

On the other hand, Islamic law can also be categorized as a material source for humanitarian law when viewed from the perspective of the place (from which) legal material is taken and concerning moral sources which are one of the foundations of the development of humanitarian law.

References

- [1] Gary D. Solis, *Hukum Konflik Bersenjata: Hukum Humaniter Internasional dalam Perang*. 2016.
- [2] G. Jean, *Le Defficile Progress du Regne de la Justice et de la Paix Internationales par le Droit, des Origines a la Societe des Nations*. Paris: Pedone, 1977.
- [3] Boizard, *Histoire de la législation des sucres*. Paris: Chambre des Députés.
- [4] Sudaryono, *Metodologi Penelitian Kuantitatif, Kualitatif, dan Mix Method*, 2nd ed. Depok: PT Raja Grafindo Persada, 2019.
- [5] A. Hamzah, *Metode Penelitian Kepustakaan*. Sampang: Literasi Nusantara, 2020.
- [6] Kaelan, *Metode Penelitian Agama Kualitatif Interdisipliner*. Yogyakarta: Paradigma, 2010.
- [7] A. B. Mashood, *International Humans Rights and Islamic (customary) law*, Translate by Musa Kazhim and Edwin Arifin. Jakarta: Komnas HAM, 2010.
- [8] Haryomataram, *Hukum Humaniter*. Jakarta: Rajawali Press, 1984.
- [9] Sunarmi, *Sejarah Hukum*. Jakarta: Kencana, 2016.
- [10] A. Van, *Inleiding Tot de Studie van Het Nederlandse Recht*, Translated by Oetarid Soedino, *Pengantar Ilmu Hukum*. Jakarta: Pradnya Paramita, 1982.
- [11] H. Lucas, *A short History of Civilization*, translate by Sugihardjo Sumobroto and Budiman, *Judul Sejarah Peradaban Barat Abad Pertengahan*. Yogyakarta: PT. Tiara Wacana, 1993.
- [12] P. K. Hitti, *History of The Arabs*. New York: PT. Serambi Ilmu semesta, 2006.
- [13] G. Le Bon, *hadharat al-Arab*. Jakarta: UI Press, 1985.
- [14] Hitti, *The Arabs*. .
- [15] Koentjaraningrat, *Sejarah Teori Antropologi*. Jakarta: UI Press, 1987.
- [16] N. Muhajir, *Metodologi Penelitian Kualitatif*. Jakarta: Rake Sarasin, 1996.
- [17] A. A. Manshor, *al-Syari'ah al-Islamiyyah*. Qahirah: Lajnah al-Kubra, 1971.
- [18] M. Watt, *The Influence of Islam on Medieval Europe*, translate by Hendro Prasetyo, *Islam dan peradaban Dunia*. Jakarta: PT. Gramedia Pustaka Utama, 1997.
- [19] M. Hamidullah, *The Muslim Conduct of State*. Kuwait: Academy Atr & Printing Sevice, 2012.
- [20] Al-Sarakhsi, *Al-Mabsut*. .
- [21] A. A. Manshour, *al-Syari'ah al-Islamiyah wa al-Qanun al-Dauliy*, translate by Muhammad Zein Hasan, *Syari'at Islam dan Hukum Internasional*. Jakarta: Bulan Bintang, 1973.
- [22] J. . Strake, *Introduction to International Law*. Jakarta: Aksara Persada Indonesia, 1989.
- [23] A. A. Manshor, *al-Syari'ah al-Islamiyyah wa al-Qanun al-Dawliyyah*. Qahirah: Lajnah al-Kubra, 1971.
- [24] A. I. Hanbal, *Musnab Ahmad ibn Hanbal*. Beirut: al-maktabah al-Islamy.
- [25] *Al-Baqarah*. .

- [26] A. Zahrah, *al-'Alaqah al-Dauliyah fi al-Islamiyyah*. Dar al-Fikr al-Arabiy.
- [27] A. A. Manshour, *al-Syari'ah al-Islamiyyah*. Qahirah: Lajnah al-Kubra, 1971.
- [28] Kementerian Republik Indonesia, *al-Qur'an al-Karim*. Jakarta: Almahira, 2010.
- [29] T. M. H. Ash-Shiddiqy, *Hukum Antar Golongan dalam Fiqhi Islam*. Jakarta: Bulan Bintang, 1971.
- [30] A. Zahrah, *Al-Alaqah al-Dauliyah fi al-Islam*. Dar al-Fikr al-Arabiy.
- [31] Kementerian Republik Indonesia, *Al-Qur'an al-Karim*. Jakarta: Almahira, 2010.

Developing Criminal Policy on Illegal Fishing Counter-measures under the New Normal Order in Indonesia: A Non-penal Perspective

Maya Shafira¹, Sunarto², Mashuril Anwar³

{maya.shafira@fh.unila.ac.id¹, sunarto.54@fh.unila.ac.id², mashurilanwar97@gmail.com³}

Criminal Law Department, University of Lampung, Lampung, Indonesia¹, Criminal Law Department, University of Lampung, Lampung, Indonesia², Criminal Law Department, University of Lampung, Lampung, Indonesia³

Abstract. This article has the purpose of studying the ideal model for illegal fishing countermeasures in the ‘new normal’ order. Based on the findings of this research, in the ‘new normal’ order the current penal-oriented criminal policy on illegal fishing countermeasures can potentially raise various issues, both at the level of application as well as execution. It is therefore concluded that for optimal law enforcement against perpetrators of illegal fishing in the current era of ‘new normal’ order, criminal policy on illegal fishing counter-measures needs to emphasize non-penal measures by enhancing information technology-based control, strengthening deliberative democracy, and providing environment-oriented guidance.

Keywords: new normal, criminal policy, illegal fishing.

1. Introduction

Ever since the first case in Wuhan on December 8, 2019, the Corona Virus Disease or COVID-19 has been receiving attention in the Indonesian as well as the global community [1]. Google search related to COVID-19 increased exponentially in the month of March 2020 [2]. It has been triggered by the negative impact of COVID-19 on activities in various sectors, including the fisheries sector. The COVID-19 pandemic has caused a decline in fishery commodities and fishermen’s income [3]. In fact, the percentage of Gross Domestic Product in the fisheries sector has declined by 3.62% [4]. Since the COVID-19 pandemic is still far from over, the Government has been making various endeavors in order to maintain productivity and security in Indonesia’s fisheries sector while continuing to adhere to health protocols. However, despite the COVID-19 pandemic, illegal fishing practices continue to occur unabated. Amidst the COVID-19 pandemic, perpetrators of illegal fishing have been using it as an opportunity to undertake their actions. It is evident from the increased number of fish theft cases during the COVID-19 pandemic. Based on records of the Ministry of Marine and Fishery Affairs of the Republic of Indonesia, in the period from January through April 2020 there were 37 cases and 44 foreign flag carriers were arrested during the COVID-19 pandemic. In the period January-February 2020 or before COVID-19 was declared as a pandemic, there had been 7 cases of illegal fishing. Subsequently, there were 15 cases of illegal fishing in March 2020, while in April the number increased further to 22 cases [5].

Accordingly, the number of illegal fishing cases in Indonesia increased by 428.5% during the COVID-19 pandemic.

The Indonesian government has demonstrated its commitment to take firm measures against illegal fishing practices during the COVID-19 pandemic. Various in-line ministries and institutions have adopted a range of legal policies in order to ensure continuous law enforcement during the COVID-19 pandemic. In the context of judicial process, the Chief Justice of the Republic of Indonesia has issued Supreme Court Circular Letter Number 1 Year 2020 serving as a legal basis for criminal law enforcement during the COVID-19 pandemic. Related to prisoners, on March 24, 2020 the Ministry of Law and Human Rights issued letter Number M.HH.PK.01.01.01-04 concerning the Temporary Suspension of Prisoners' Transfer to Prisons/Correction Centers. Furthermore, the Attorney General's Office of the Republic of Indonesia issued Attorney General's Instruction Number 5 Year 2020 concerning Policy on the Implementation of Functions and Case Handling During the COVID-19 Pandemic within the Public Prosecutors' Office of the Republic of Indonesia.

The adoption of the above specified various policies indicates the Indonesian government's commitment to implementing the *salus populi suprema lex esto* principle, namely that the people's safety is the law of the highest ranking. However, the legal culture of law enforcement in Indonesia at the present time tends to be positivistic, and as such it tends to disregard the law living and developing in society [6]. Due to positivist-oriented law enforcement, many cases are resolved through the criminal justice system (through penal means) [7]. However, law enforcement in Indonesia does not always rely on the penal approach in dealing with crime [8]. At the present time, Indonesia has entered the era of a new order in facing COVID-19, referred to as 'new normal'. In the era of 'new normal' members of society are allowed to conduct their regular activities, however, by adhering to certain health protocols. Similarly, in the era of 'new normal' activities in the fisheries sector need to be conducted as usual. The increase in illegal fishing practices amidst the COVID-19 pandemic poses potential threat on the sustainability of Indonesia's fishery resources. Criminal policy on illegal fishing counter-measures provided for in Law Number 45 Year 2009 *juncto* Law Number 31 Year 2004 concerning Fisheries (hereinafter referred to as the Fisheries Law), primarily uses penal provisions to deal with illegal fishing. Criminal sanctions are provided for in Article 84 to Article 101 setting out the criminal punishment of imprisonment for a maximum of 10 years and a fine of up to IDR20 billion. In the new normal order, such criminal policy needs to be adjusted bearing in mind the limited mobility of law enforcement which has to follow certain health protocols. Accordingly, there is a need for research capable of responding to the challenges of illegal fishing counter-measures in the 'new normal' order. The purpose of this article is to examine the ideal model for criminal policy concerning illegal fishing counter-measures under the 'new normal' order in Indonesia.

2. Methods

The descriptive qualitative research method with juridical-normative approach has been applied in this research. The juridical-normative approach is used to identify and describe the relevant concepts and theories related to the issue under research [9]. Data used in this research includes secondary data obtained from literature research [10] such as articles, books, laws and regulations issued during the COVID-19 pandemic [11] supported by other authentic literature. The data thus obtained is further subjected to qualitative analysis.

3. Results and Discussion

3.1 The Urgency of Adjusting Criminal Policy on Illegal Fishing Counter-measures In the ‘New Normal’ Order

Criminal policy is essential an integral part of endeavors for social defense and endeavors to materialize social welfare. It can be stated, therefore, that the ultimate goal of criminal policy is social defense for the purpose of achieving social welfare [12].

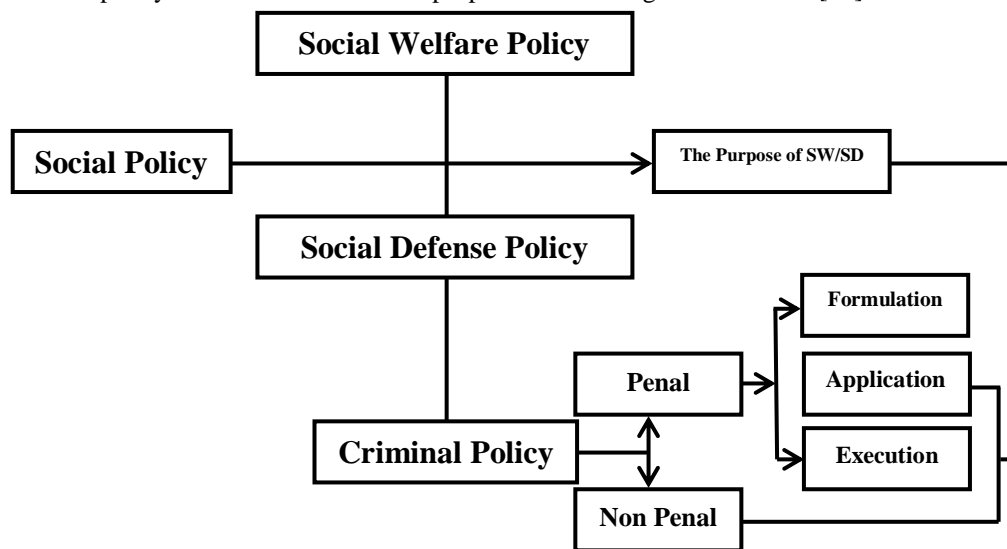


Figure 1. Scheme of criminal policy

Based on the above scheme of criminal policy, criminal counter-measures should be oriented towards achieving the goal of social defense and social welfare. Criminal counter-measures need to take an integral approach, namely striving to strike a balance between penal and non-penal measures. Criminal counter-measures take the penal approach are penal law enforcement policy the implementation of which involves formulation, application and execution [13]. Penal counter-measures put an emphasis on repressive action, while non-penal counter-measures tend to lean towards preventive measures by addressing various causing-factors of criminal acts [14].

Based on several cases of illegal fishing in Indonesia, causes of illegal fishing generally include increased fish consumption, depleted fishery resources, weak supervision, and weak law enforcement [15]. As is the case with crime in general, criminal acts of illegal fishing bring a negative impact on the environment and the state. Illegal fishing is harmful to fish preservation, to the national economy, it damages the environment and marine ecosystem, and it encroaches on Indonesia’s sovereignty [16].

The COVID-19 pandemic has created serious conditions causing grave concern in Indonesia. Its negative impact has not been limited to activities in the social and economic sector; it has also affected the justice system, including the process of handling illegal fishing cases. Policy related to judicial process issued during the COVID-19 pandemic has brought an impact on investigation, prosecution and hearing of illegal fishing criminal cases in the court of law. The current criminal policy on illegal fishing counter-measures certainly requires law

enforcers to interact with illegal fishing suspects. Fisheries Civil Servant Investigators in particular are facing certain challenges in conducting investigation. During the COVID-19 pandemic, the challenges faced by Fisheries Civil Servant Investigators include having to interact with the crew of foreign flag carriers involved in illegal fishing, limited time frame for investigation, limited time frame for detaining suspects, inadequate capacity of temporary detention centers used to accommodate perpetrators of the criminal act of illegal fishing to comply with health protocol for preventing COVID-19 transmission [5]. The Directorate General of Marine and Fishery Resources Supervision has several temporary detention centers for perpetrators of the criminal act of illegal fishing distributed among several Technical Implementation Units. The maximum capacity of temporary detention centers is up to 100 persons. Under the current COVID-19 pandemic conditions, gathering of crowds is prohibited and beds must be placed at a distance of 1.5-2 meters from one another in temporary detention centers. Such conditions result in decreased capacity, thus leading to over-loading at temporary detention centers [5]. Such overloaded conditions at temporary detention centers are contradictory to the government's policy on physical distancing [17], thus leading to a higher potential risk of COVID-19 transmission [18].

Furthermore, in order to break the COVID-19 transmission cycle, and to avoid the gathering of a larger crowd, the hearing process of illegal fishing cases is conducted virtually, which is referred to as *e-court*. Such e-court hearings have some advantages in summoning the parties, the distribution of the plaintiff's and the defendant's respective responses to arguments [19]. However, since the adoption of Government Regulation Number 21 Year 2020 concerning Large-scale Social Distancing and Presidential Decree Number 11 Year 2020 concerning the Stipulation of Public Health Emergency Situation, the process of virtual hearings has not been optimal. It has been hampered by various impediments, such as human resources, funding, infrastructure and facilities, and the extremely limited skills among people at large in operating media used in virtual hearings [20]. In addition to the above, in the context of the state's responsibility to guarantee the health of people involved in the criminal judicial process, the physical distancing policy is yet to be effective [21].

3.2 The Ideal Model of Criminal Policy on Illegal Fishing Counter-measures in the 'New Normal' Order

Based on the foregoing, penal policy on illegal fishing counter-measures during the COVID-19 pandemic raises several issues, as a result of which the handling of illegal fishing cases is yet to be optimal. When the penal policy fails to bring satisfactory results, the combatting of illegal fishing cases through non-penal policy can become an alternative [22]. In view of the various shortcomings of penal policy on illegal fishing counter-measures during the COVID-19 pandemic, in the current 'new normal' era several non-penal criminal policy models are offered for dealing with criminal acts of illegal fishing, which can be described as follows:

3.3 Optimized Information Technology-based Supervision

The Fisheries Law provides for fisheries supervision as set out in Article 66 up to and including Article 70. Supervision of the fisheries sector is conducted by fishery controllers, namely civil servants appointed by the minister of an authorized official. By virtue of Article 66B of the Fisheries Law, the working area of fishery controllers includes the fisheries administrative area of the state of the Republic of Indonesia, fishing vessels, fishing ports, and/or other designated ports, fish-drying ports, fishery activity centers, fish hatchery areas, fish cultivation areas, fish processing units, and waterways conservation zones.

At the present time, the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia has been applying technology for the prevention of various violations in the exploitation of fish resources amidst the COVID-19 pandemic. It has been done in the context of supporting supervision in Indonesia's entire maritime territory. In the center of the said supervision activities has been the fisheries management territory of the State of the Republic of Indonesia (*WPP NRI*) 711 which includes North Natuna Sea, Natuna Regency, the Province of Riau Isles [38]. The purpose of using information technology in supervision is to ensure that local as well as foreign fishermen do not engage in *illegal fishing* practices in Indonesia during the COVID-19 pandemic. In conducting supervision in the North Natuna Sea, the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia has deployed five vessels, namely KP Hiu Macan 1, KP Hiu 11, KP Orca 2, KP Orca 3, and KP Hiu Macan Tutul 2. All of the above mentioned five patrol vessels are equipped with satellite-based surveillance technology, namely vessel monitoring system (VMS), automatic identification system (AIS), and satellite radars [23].

It is evident from the foregoing that the scope of the fisheries supervision are is still quite limited. Supervision can only be conducted in *WPP NRI* 711, whereas Indonesia possesses as many as eleven *WPP NRI*. It leaves 10 *WPPNRI* unsupervised during the current COVID-19 pandemic, namely *WPPNRI* 571 covering the waters of the Moluccas Strait and the Andaman Sea; *WPPNRI* 572 including the waters of the Indian Ocean on the West Sumatra and Sunda Straits side; *WPPNRI* 573 which includes the waters of the Indian Ocean on the south of Java up to the Southern part of Nusa Tenggara, the Sawu Sea and the Western part of the Timor Sea; *WPPNRI* 712 which includes the waters of the Java sea; *WPPNRI* 713 covering the waters of the Makassar Strait, Bone Gulf, the Flores Sea, and the Bali Sea; *WPPNRI* 714 which includes the waters of the Tolo Gulf and the Banda Sea; *WPPNRI* 715 which covers the waters of the Tomini Gulf, the Molucca Sea, the Halmahera Sea, the Seram Sea, and the Berau Gulf; *WPPNRI* 716 which includes the waters of the Sulawesi Sea and in the Northern part of the Halmahera Island; *WPPNRI* 717 which includes the waters of the Cendrawasih Gulf and the Pacific Ocean; *WPPNRI* 718 which covers the waters of the Aru Sea, the Arafuru Sea and the Eastern part of the Timor Sea.

For the purpose of preventing illegal fishing practices, the Indonesian government has had ample opportunity to learn from the experience gained in about four months of the COVID-19 pandemic affecting Indonesia for a more optimal surveillance of sea territories. The limited use of information technology in supervising fishery resources poses a challenge to the Indonesian government to find innovative ways in order to continuously safeguard Indonesia's fishery resources against illegal fishing practices amidst the COVID-19 pandemic. In addition to the above, bearing in mind that the COVID-19 pandemic has been used as a momentum by perpetrators of illegal fishing to conduct their activities, resources have become exposed to illegal fishing practices in the 'new normal' order. There has been an increasingly urgent need for innovations in information technology-based surveillance technology, as the modus operandi of criminal acts of illegal fishing are becoming increasingly complex, among other things by switching off vessel position detectors [24]. Therefore, in the context of endeavors for optimizing fishery supervision in the 'new normal' order, information technology-based surveillance innovations have become an absolute necessity. Information technology-based surveillance innovations in the fisheries sector can be introduced at surveillance posts, fishery supervision communication instruments, as well as other surveillance facilities and equipment as required [25].

3.3.1 Strengthening Deliberative Democracy

The COVID-19 pandemic has changed many activities in life as a nation, including the combatting of illegal fishing. In the face of the ‘new normal’ order, the government needs to make adjustments in the endeavors against illegal fishing based on non-penal means, among other things by strengthening deliberative democracy. The concept of deliberative democracy has been introduced by Habermas in order to minimize Western rationalism in capitalist-rent society [26]. According to Habermas, when law products are delegated through certain social system networks, reproduction of the law is bound to fall under the authority of those in power [27]. Deliberative democracy is a view according to which places public deliberation by citizens of equal standing as the essence of legitimacy of decision making [28]. Such model of democracy is the opposite of classical-orthodox democracy which always defines democracy in the frame of the aggression of preferences [29]. At the same time, deliberative democracy emphasizes public participation in decision making [30], whereby public participation is the essence of deliberation-based democracy [31].

In the context of illegal fishing counter-measures in the ‘new normal’ order, deliberation-based democracy is the means of building a mechanism which enables public participation. The Fisheries Law has laid the basis for public participation in the fight against illegal fishing. As set out in the provisions of Article 6 paragraph (2) of the Fisheries Law, the management of fisheries for fishing and fish breeding purposes must take into account customary law and/or local traditional knowledge, as well as participation by the public. However, in the current ‘new normal’ order, there is a need for a special policy setting out the procedures for public participation in dealing with illegal fishing. A policy which would ensure that in implementing their function, community members continue to uphold health protocols. In the ‘new normal’ order, community-based illegal fishing counter-measures can be materialized based on the following strategy:

- a. Enhancing public awareness and knowledge about exploitation of fishery resources in an orderly and accountable manner;
- b. Imparting knowledge to local as well as foreign national fishermen about state jurisdiction in water territory;
- c. Optimizing the role of public in supporting supervision of fishery resources by forming supervising community-based groups (POKMASWAS);
- d. Develop knowledge about the use of fishery resources from an early age;
- e. Enhance active participation by the young generation in the fight against illegal fishing practices;
- f. Grant appreciation and reward to community members involved in the fight against illegal fishing.

To date, the Ministry of Maritime Affairs and Fisheries has had community-based programs for the dealing with illegal fishing, namely by forming POKMASWAS. The said activity involves community members through their active involvement in combatting illegal fishing, particularly in conducting supervision. This in view of the fact that the role of the public is an absolute necessity for achieving sustainable and beneficial management of fishery resources [32]. However, in the current ‘new normal’ order the government needs to strengthen the role of POKMASWAS. In order to ensure that it can maximally fulfill its function in the fight against illegal fishing during this era the POSKAMASWAS needs to be equipped with adequate infrastructure and facilities. In addition to the foregoing, in order to prevent the transmission of COVID-19, POKMASWAS needs to be provided with mitigation and comprehensive education in order to be able to face up to this ‘new normal’ order.

3.4 Environment-oriented Guidance

For the materialization of public welfare, criminal policy needs to be oriented towards protection of the public. In the current ‘new normal’ order, criminal policy on illegal fishing counter-measures with penal approach is facing various hurdles. Therefore, criminal policy on illegal fishing counter-measures currently provided for under the Fisheries Law needs to be shifted to non-penal measures. Non-penal measures against illegal fishing should entail environment-oriented guidance to perpetrators of illegal fishing, as well as to the criminal justice system. Such guidance can prevent perpetrators of illegal fishing from becoming subject to criminal sanctions. On the other hand, environment-oriented guidance tends to lean towards conservation of the environment due to its being focused on restoring environmental damages caused by illegal fishing. On the other hand, environment-oriented guidance can relieve the criminal justice system from case backlogs occurring due to the legal process which is limited by health protocols.

By providing environment-oriented guidance, non-penal based criminal policy can be implemented with *in-situ* as well as *ex-situ* strategy [33]. *In-situ* strategy consists of fishery resources management and development, securing fishery management zones, development of fish habitat and ecosystem, as well as the development of adequate infrastructure and facilities. At the same time, environment-oriented guidance *ex-situ* consists of guidance and control of illegal fishing, enhancing awareness among perpetrators of *illegal fishing* about the significance of fishery resources, guidance to perpetrators of illegal fishing to become fishery conservation cadres.

Non-penal policy in the form of environment-oriented guidance is a form of prevention and control of illegal acts of *illegal fishing* in the ‘new normal’ order in Indonesia. Accordingly, the government should not limit its efforts to providing guidance merely by dissemination. [34]. Rather than that, such efforts need to be increasingly focused on intensive guidance through cooperation at the regional, national and international level. In addition to the foregoing, there is a need to induce changes in public perception about activities for the exploitation of fishery resources, whereby the government needs to provide ample space and opportunity to perpetrators of *illegal fishing* to become part of business partnership programs. Such partnership programs can be conducted by involving perpetrators of illegal fishing and companies holding fishery permits. By doing so, former perpetrators of *illegal fishing* conducting their activities in the concession area of the fishery companies concerned become subordinates in fishery business activities. It would create a mutually beneficial relationship to both parties (*win-win solution*), to perpetrators of *illegal fishing* as well as fishery companies.

4. Conclusion

Based on the foregoing discussion of the issue at hand it can be concluded that combatting illegal fishing cases through penal measures during the COVID-19 pandemic is facing various hurdles due to limitations posed by health protocols. In view of various shortcomings experienced by penal policy in combatting illegal fishing during the pandemic, under the ‘new normal’ order several non-penal policy models are being offered, namely optimizing information technology-based supervision, strengthening deliberation-based democracy, and environment-oriented guidance. Non-penal based criminal policy measures are expected to be able to provide protection and welfare, particularly to fishermen as well as

legal certainty in dealing with various hurdles in the combatting of *illegal fishing* in the ‘new normal’ order in Indonesia.

References

- [1] Taufik and Hardi Warsono: Birokrasi Baru Untuk New Normal: Tinjauan Model Perubahan Birokrasi Dalam Pelayanan Publik Di Era Covid-19. Vol. 2, pp. 1-18. Dialogue J. Ilmu Administrasi Publik, (2020)
- [2] Mukhtar, Saparuddin, K. Y. S. Putri, Maulina Larasati Putri, Marisa Puspita Sary, Vera Wijayanti Sutjipto, S Bakti Istiyanto, and Assyifa Amelia Azzahra: Digital Social Media: Creative Economy Quarantine during the Coronavirus Pandemic. Vol. 2, pp. 416-430. Int. J. Innov. Creat. Change. (2020).
- [3] Mardhia, Dwi, Neri Kautsari, Lalu Ilham Syaputra, Wahyu Ramdhani, Chandra, and Okta Rasiardhi: Penerapan Protokol Kesehatan Dan Dampak Covid-19 Terhadap Harga Komoditas Perikanan Dan Aktivitas Penangkapan. Vol. 1, pp. 80-87. Indonesian Journal of Applied Science and Technology. (2020).
- [4] Sari, Deanita: Fenomena Ekonomi Dan Perdagangan Indonesia Di Masa Pandemi Corona Virus Disease-19 (Covid-19). Vol. 4, pp. 81-93. AKTIVA Jurnal Akuntansi Dan Investasi. (2020).
- [5] Maronie, Sherief and Rangga Dwi Wahyuputra: Penanganan Tindak Pidana Perikanan Oleh PPNS Perikanan Di Masa Pandemi Covid-19. <https://kkp.go.id/djpsdkp/artikel/19429-penanganan-tindak-pidana-perikanan-oleh-ppns-perikanan-di-masa-pandemi-covid-19>.
- [6] Rosidah, Nikmah, Amnawaty, and Rifandy Ritonga: Does the Juvenile Justice System protect Youth Supply chain? Progressive Juvenile Court Judges: Reform of the Juvenile Criminal Justice System in Indonesia through a Socio-Legal Approach supported by PLS-Structural Equation Modeling. Vol. 6, pp. 216-235. International Journal of Innovation, Creativity and Change. (2019).
- [7] Sahabuddin, S: Reorientasi Kebijakan Kriminal Dalam Menyelesaikan Kasus Ringan (Dari Due Process Model Ke Reintegrative Model). Vol. 14, pp. 162-175. Jurnal Dinamika Hukum. (2014).
- [8] Anggaraeni, Leni, and Hilal Ramdhani: Pencegahan Money Politik dalam Pemilihan Umum Melalui Penguatan Kebijakan Penal. Vol. 4, pp. 59-68. Jurnal Komunikasi Hukum. (2018).
- [9] Rosidah, Nikmah, Amnawaty, and Rifandy Ritonga: Progressive Juvenile Court Judges: Reform of the Juvenile Criminal Justice System in Indonesia through a Socio-Legal Approach. Vol. 5, pp. 753-768. International Journal of Innovation, Creativity and Change. (2019).
- [10] Maroni, Sopian Sitepu, and Nenny Dwi Ariani: Humanistic Law Enforcement As The Application Of The Value Of Justice, Expediency And Legal Certainty Based On Pancasila. Vol. 22, pp. 1-6. Journal of Legal, Ethical and Regulatory Issues. (2019).
- [11] Sartika Saimima, Ika Dewi and Noviansyah: Model Persuasif Edukatif Bagi Masyarakat Untuk Mendukung Program Asimilasi Dan Integrasi Bagi Narapidana Anak Pada Masa Pandemi Covid-19. Vol. 3, pp. 51-56. RES JUDICATA. (2020).
- [12] Suharto: Analisis Kebijakan Publik Panduan Praktis Mengkaji Masalah dan Kebijakan Sosial. Bandung: Alfabeta. (2005).
- [13] Sitepu, Sudirman: Penanggulangan Kejahatan Melalui Kebijakan Kriminal. Vol. 8, pp.

- 325-335. Syiar Hukum. (2006).
- [14] Mulyadi, Mahmud: Criminal Policy: Pendekatan Integral Penal Policy dan Non-Penal Policy dalam Penanggulangan Kejahatan Kekerasan. Medan: Pustaka Bangsa Press. (2008).
- [15] Jaelani, Abdul Qodir and Udiyo Basuki: Illegal Unreported and Unregulated (IUU) Fishing: Upaya Mencegah dan Memberantas Illegal Fishing dalam Membangun Poros Maritim Indonesia. Vol. 3, pp. 176–180. Supremasi Hukum. (2014).
- [16] Damanik, Riza, and Budiati Prasetyamartati: Menjala Ikan Terakhir (Sebuah Fakta Krisis di Laut Indonesia). Jakarta: WALHI. (2008).
- [17] Indriaswari Susanto, Adelia Rachma, Antonius Havik Indradi, Aqshal Muhammad Arsyah, Cora Kristin Mulyani, Kevin Daffa Athilla, Muhammad Hamzah Al Faruq, Muhammad Rayhan, Natalische Ramanda R.A, and Shafira Dinda: Kajian Politik Hukum Pemerintah dalam Penanganan Pandemi Covid-19. Dewan mahasiswa Justicia Fakultas Hukum UGM. (2020).
- [18] Hidayat, Risyah Hardiyanto : Langkah – Langkah Strategis Untuk Mencegah Pandemi Covid-19 Di Lembaga Pemasarkatan Indonesia. Vol. 9, pp. 43-55. Jurnal Pendidikan Kesehatan. (2020).
- [19] Anggraeni, R. D: Wabah Pandemi Covid-19, Urgensi Pelaksanaan Sidang Secara Elektronik. Vol. 4, pp. 7-12. 'ADALAH. (2020).
- [20] Lumbanraja, Anggita Doramia: Perkembangan Regulasi Dan Pelaksanaan Persidangan Online Di Indonesia Dan Amerika Serikat Selama Pandemi Covid-19. Vol. 2, pp. 46-58. Jurnal Crepido. (2020).
- [21] Ristyawati, Aprista: Efektifitas Kebijakan Pembatasan Sosial Berskala Besar Dalam Masa Pandemi Corona Virus 2019 oleh Pemerintah Sesuai Amanat UUD NRI Tahun 1945. Vol. 3, pp. 240-249. Administrative Law & Governance Journal. (2020).
- [22] Firmansyah, Arif, and Euis D. Suhardiman: Build Politics Criminal in the Coal Mining to Welfare of Public through Means of Non-Penal. Vol. 9, pp. 293-309. Fiat Justisia. (2015).
- [23] Ambari, M: Perlindungan Laut Indonesia di Tengah Wabah COVID-19. <https://www.mongabay.co.id/2020/04/29/perlindungan-laut-indonesia-di-tengah-wabah-covid-19/>. (2020).
- [24] Azkia, Arifah: Illegal Fishing Kembali Beraksi di Tengah Pandemi. <https://fokusberita.id/illegal-fishing-kembali-beraksi-di-tengah-pandemi-opini-arifah-azkia/>. (2020).
- [25] Naim, Armain: Pengawasan Sumberdaya Perikanan Dalam Penanganan Illegal Fishing Di perairan Provinsi Maluku Utara. Vol. 3, pp. 1-14. Jurnal Ilmiah Agribisnis Dan Perikanan. (2010).
- [26] Fatkhurohman: Mengukur Kesamaan Paham Demokrasi Deliberatif, Demokrasi Pancasila Dan Demokrasi Konstitusional. Vol. 4, pp. 37-58. *Jurnal Konstitusi*. (2011).
- [27] Haliim, Wimmy: Demokrasi Deliberatif Indonesia: Konsep Partisipasi Masyarakat Dalam Membentuk Demokrasi Dan Hukum Yang Responsif. Vol. 42, pp. 19-30. Masyarakat Indonesia. (2016).
- [28] Muzaqqi, Fahrul: Diskursus Demokrasi Deliberatif Di Indonesia. Vol. 3, pp. 123-139. Jurnal Review Politik. (2013).
- [29] Prasetyo, Antonius Galih: Menuju Demokrasi Rasional: Melacak Pemikiran Jürgen Habermas tentang Ruang Publik. Vol. 16, pp. 95-186. Jurnal Ilmu Sosial Dan Ilmu Politik. (2012).
- [30] Dryzek, John S: Deliberative Democracy and Beyond: Liberals, Critics, Contestations. new york: Oxford University Press. (2000).

- [31] Faedlulloh, Dodi, Retnayu Prasetyanti, and Indrawati: Initiating Deliberative Democracy-Based Public Space: A Study on Dynamic Management of Child-Friendly Integrated Public Space (RPTRA) in North Jakarta. Vol. 12, pp. 43-60. Spirit Publik. (2017).
- [32] Anwar, Mashuril and Maya Shafira: Harmonisasi Kebijakan Pengelolaan Lingkungan Pesisir Lampung dalam Rezim Pengelolaan Berbasis Masyarakat. Vol. 6, pp. 266-287. Jurnal Hukum Lingkungan Indonesia. (2020).
- [33] Saifullah: Kebijakan Kriminal Di Bidang Konservasi Keanekaragaman Hayati. Vol. 4, pp. 95-120. Ulul Albab. (2002).
- [34] Sudarmin: Optimalisasi Penanggulangan Kegiatan Penambangan Emas Illegal Secara Penal Dan Non Penal Guna Meminimalisir Konflik Sosial Di Kabupaten Bengkayang Kalimantan Barat. Vol. 3, pp. 1-22. Jurnal Nestor Magister Hukum. (2016).

Strict Liability for Environmental Offenses

Al Halim¹, Mahrus Ali²
 {halim_not@yahoo.co.id¹, mahrus_ali@uii.ac.id²}

Doctorate Program Student in Law Diponegoro University, Semarang, Indonesia¹ Universitas Islam
 Indonesia, Yogyakarta, Indonesia²

Abstract. This study aims to analyze the rationality and application of strict liability for environmental offenses in the Environmental Protection and Management Act of Indonesia. The strict liability set out in this law expressly applies only to civil cases and covers the possibility that it may be used in criminal matters. Normative legal research complemented by a statutory and conceptual approach was used. The results showed that it generally applies to regulatory offenses aimed at protecting the public interest. This doctrine is necessary to improve the long-term and prevents harm to people or the environment. The absence of mental element proof should be limited to offenses that are characterized by the administrative dependence of criminal law, which is reflected in the abstract and concrete endangerment models. The offense is formulated as formal offense by eliminating the element of the perpetrator's culpability, and it is therefore not necessary to prove it.

Keywords: Strict liability; Regulatory offenses; Administrative dependent of criminal law; Environmental harm.

1. Introduction

Generally, a crime consists of both physical and mental elements. The first is characterized by active (commission) or passive actions (omission), the way they are performed, the consequences that cause damage, and the circumstances associated with the execution of prohibited actions [1]. The second refers to culpability of the actors that take various forms in an offense formula such as intentionally, with intent, knowingly, willfully, recklessly, or with criminal negligence [2]. This mental element can only be directed towards actions and their consequences which is obtained in most Modern Criminal Code. In its development, mental elements are not required in imposing criminal sanctions. In certain cases based on the concept of strict liability, the defendant can even be held liable and convicted of an act committed without the need of proving guilty [3].

Furthermore, it is often associated with public welfare offense (regulatory offenses) which eliminates the element of perpetrators' fault to protect the public from avoiding danger. However, this concept is characterized by mild criminal threats, low community stigma, and generally includes arrangements related to industry activities [4]. Precisely, there are eight types of criminal activities including regulatory offenses, such as a) illegal sales of intoxicating liquor, b) sales of impure or adulterated food or drugs c) sales of misbranded articles, d) violations of anti-narcotics acts, e) criminal nuisances (consisting of annoyances or injuries to public health, safety, repose or comfort, obstructions of highways), f) violations of traffic regulations, g) violations of motor-vehicle laws, and h) violations of general police

regulations, passed for the safety, health, or well-being of the community [5]. This study analyzes the application of strict liability in environmental crime. This is important because its provision in Law Number 32 Year 2009 concerning Environmental Protection and Management Act (EPMA) only applies to civil cases as formulated in Article 88. Meanwhile, most of the offenses against this law are essentially an administrative violation which in the formulation does not include a mental element of crime [6].

The first part of this study explores the theoretical concept of strict liability in criminal law. However, not all experts agree to apply it but can still be used for certain criminal acts. The second part explains the reasons for its application in environmental offenses, which requires intertwining between administrative and criminal law [7]. Most of them are also related to administrative violations such as permits.

The last part analyzes the application of strict liability to environmental offenses. The research argues that the concept of *res ipsa loquitur* (the thing speaks for its self) is inadequate to serve as a basis for applying it to environmental offenses. However, the EPMA includes an intentional element that was formulated materially. Therefore, the study offers a strict liability implementation in the context of the criminalization models based on environmental harms, especially abstract and concrete endangerment. In both models, violations threatened by criminal sanctions are generally related to administrative violation since it does not require damages.

2. Methods

This study is a normative legal study that focuses on the application of strict liability for environmental offenses in EPMA. The offense formulation in the Act is reviewed and selected following its regulatory character since the mental element has the potential not to be proven. This study is complemented by the use of a statutory and conceptual approach, of which the first shows legal norms that contain the offense formulation. However, to know which offenses do not require proof of perpetrators, the strict liability doctrine and criminalization-based environmental loss models should be examined, especially abstract and concrete endangerment. Furthermore, legal issues in studies are analyzed qualitatively through data reduction, presentation, and conclusions used simultaneously.

3. Result and Discussion

3.1 The Nature of Strict Liability

Strict liability does not need to prove the perpetrator's culpability against one or more of the *actus reus* [8] since it is no longer considered as partial or total crimes. However, the fact that a commission or an omission offense has been committed needs to be proven. Within the criminal law, it is used for crimes that do not require the perpetrator's fault or a mental element following its occurrence [9].

L.B. Curzon argues that there are several reasons why this element should not be proven since ensuring respect for the rules guiding the good of the community is important. Therefore, proving the existence of criminal action (*mens rea*) will be difficult for violations related to social welfare due to the high level of danger posed by the act in question [10].

There are many factors of the legislators which determine the use of strict liability in criminal law, because of, (1) characteristics of a crime, (2) threatened punishment, (3) the absence of social sanctions (*obloquy*) (4) certain damage caused, (5) scope of activities performed, and (6) the formulation of certain verses and their context in law [11]. These six factors demonstrate the importance of public concern in behaviors that need to be avoided by applying strict liability to public safety, the environment, and economic interests, including consumer protection [12].

Strict liability is most often used for public welfare offenses where criminal sanctions are generally mild such as fines and short imprisonment [13]. It is applied when the court concludes that the evidence of the action element leads to a definitive conclusion of finding it hard to prove the perpetrator's culpability. However, in cases related to violations of public welfare or regulatory offenses, the difficulty in proving is the basis for justifying the application of strict liability, in addition to the fact that the violated act is under public rules that have serious threats to health and safety [14].

The doctrine of the public welfare offense was formed during the industrial revolution to impose tougher obligations on industry, commerce, property, or other activities that have an impact on public health, safety, and welfare. Strict liability requires two driving factors to improve the implementation of regulatory offenses. First, individual fault-proof requirements will weaken the burden of the criminal justice system. Second, in many violations of regulatory offenses, the fault-proof is quite difficult. Since the existence of some new types of criminal acts is not intentionally required, legislators begin to criminalize regulatory offenses although limited to certain areas [15].

Strict liability is based on three objectives. First, social objectives such as healthy and clean food and drinks, surviving fires, workplace safety as well as in traffic orientation. Second, they can be better achieved through the types of criminal acts that do not require to prove the perpetrator's culpability to maximize social prevention. Third, strict liability is assumed only based on utilitarianism, when the criminal threat for a corresponding crime is low [16].

One of the goals of criminal law is to prevent loss in society. The criminal justice system seeks to convict perpetrators that socially violate the 'normal' behavior [17]. In this context, strict liability is primarily based on the utilitarianism argument of promoting effective regulation of activities in various public and important places [13]. Furthermore, it causes people to be more careful in their behavior to prevent the effect of (one's) actions in the future. It also creates a high standard of public behavior in the hope that the public will show increased responsibility and behave more cautiously in certain areas. Therefore, it can prevent harm to others or property [13].

Not all experts agree that strict liability is used in criminal cases with the reason that they do not require the perpetrators' mistakes proof since they cause controversy [18]. In addition, it violates the fundamental principles of criminal law, where the imposition of its sanctions is only valid when the defendant's mistake has been proven [2]. Therefore, even though strict liability will be applied in criminal cases, it should be limited only to offenses in the *malum prohibitum* category, because the evil nature of an act is not inherent, solely because the law prohibits [19].

3.2 Rationale for Strict Liability

Strict liability is regularly used in the environmental offense, and this is justified by several reasons. This offense can lead to long term dangers and they are difficult to repair directly or indirectly. This danger shifts the focus from protecting individual to public

interests. However, the use of strict liability in this context only transfer full responsibility of the hazard to people that can prevent the loss [20].

Hazardous and toxic waste (B3) discharged into the environment without authorization can potentially have uncontrolled effects with B3 migration below the surface. It harms human health and the environment. The application of strict liability is justified because unauthorized storage and disposal of B3 waste, regardless of the precautions taken, can lead to enormous environmental losses in the form of water pollution [21]. The absolute responsibility to think and have knowledge of these actions can potentially harm others or the environment, such as damage and degradation of ecosystems, species extinction, climate change, and global warming, environmental pollution, as well as the increased mortality rate in animals [22]. B3 waste discharged into the environment through safety procedures and processes also increases the incidence of respiratory illnesses and reduces the overall quality of the earth's atmosphere. The impact can be felt long after the perpetrators dispose these materials [23].

Strict liability on environmental offenses is also based on the argument that the legal interests to be protected are not only humans and the environment but also future generations. The current generation does have full control over all the natural resources on earth. However, the right of future generations to have equal rights and access to healthy environmental quality should not be compromised. [21] Meanwhile, the environment is also considered as an independent legal interest since it is a victim of crime, therefore, humans need to obey nature (the environment) [24].

The offenses in the EPMA are mostly related to violations of administrative obligations such as authorization. Therefore, it depends on fulfilling the conditions set by or the provisions contained in administrative regulations set out in Articles 100, 101, 102, 103, 104, 109, 110, 111, and 114. The offenses are categorized as administrative dependent crimes for three reasons. First, it is a formal offense that focuses on the prohibited acts, and not the consequences. Second, the prohibited actions are not shameful, but because they are prohibited by law (legally wrong). Third, the essence of offense in this study relates to violation permits for authorization. Therefore, the administrative nuance is thicker since some requirements need to be fulfilled prior to performing certain actions. Violations of these requirements are categorized as criminal offenses [25].

Mental/mistakes elements were not explicitly stated in the offenses formulation, and they are considered to be proven by the prohibited acts. Therefore, there is no obligation for the public prosecutor to prove the mental element. Its absence in the strict liability context requires everyone including corporations to be more careful in performing actions that can endanger the environment [20].

3.3 Applying Strict Liability for Environmental Offenses

Environmental offenses stipulated in the EPMA consist of formal and material delict. Formal offenses are regulated from Articles 100 to 111 and from Articles 113 to 115, and they are mostly administrative-dependent. On the contrary, material offenses are regulated in Articles 98, 99, and 112. The criminal law in the first two articles has been separated from the administrative independence of environmental criminal law. When the perpetrator's actions have caused environmental damage or pollution, criminal sanctions can be imposed immediately even though they are not against the law.

Strict liability can be applied to formal offenses with substance in the form of administrative's violation requirements such as a permit/license. However, its implementation in material offenses will cause some problems. In many cases, environmental damage or pollution only occurs long after the prohibited acts have been committed. It is very difficult to

prove the causal relationship (causality) in environmental cases because they are varied, chained, and complex as well as involving many variables especially in pollution [26]. The criminal threat in material offenses at the EPMA is also very severe in the form of imprisonment years of at least 5 and at most 15 as well as fines of at least 5 billion and a maximum of 15 billion. The severity of this criminal threat contradicts the strict liability character that mostly related to regulatory offenses.

According to the study, its implementation needs to pay attention to the criminalization models-based on environmental harm, especially the abstract and concrete endangerment models since they do not require to prove culpability of the actors. The prohibited actions on both models are all formulated as formal offenses, while the substance is in the form of administrative requirements' violation. The first model criminalizes offenses towards administrative obligations [27]. The criminal law is enforced immediately after violating an administrative law sequel to the occurrence of a real loss or threat of violation. This model restricts criminal acts without involving direct contact between contaminated material and the environment [26].

Environmental offenses of the first model include 'conducting business activities (UKL-UPL) without having an environmental permit in Article 109', 'preparing EIA without having a competency certificate of its compiler in Article 110', and 'issuing an environmental permit without being equipped with UKL-UPL (Environmental Management Efforts (UKL) and Environmental Monitoring Efforts (UPL)) or issuing a business authorization without being equipped with an environmental permit in Article 111 '. However, the offenses without involving direct contact between contaminated material and the environment do not require proof of loss threat.

The second model does not require proof of actual loss, but sufficient in proving the threat of loss and actions performed unlawfully [28]. Criminalization in this model is performed to prevent the loss of both humans and the environment [29]. Therefore, this model emphasizes that emissions or pollution can cause damage and need to be proven since they are performed unlawfully. As long as the administrative regulations are followed, the law is not considered a criminal offense when it is legally enforced. In contrast, it is qualified as a crime when committed illegally [30]. Furthermore, it directly protects ecological values, but its existence depends on administrative regulations [30]

The offenses in the second model criteria include 'releasing and distributing genetic engineering products to environmental media that contradict the permit in Article 101', 'violating the wastewater and emission-quality standard in Article 100', 'conducts B3 waste management without permission in Article 102', 'produces B3 waste and does not conduct management in Article 103', and dumps waste material into the environmental media without permission in Article 104'. These offenses relate to direct contact between the contaminated material and the environment. Furthermore, there is evidence that actions are performed against the law and threaten environmental damage/pollution.

Strict liability can be applied to these offenses considering that they have been formulated as formal offense that do not require the causation. The absence of a criminal offense also depends on administrative requirements. Therefore, the administrative nuance is very thick with regulatory offenses, and it does not include mental elements such as intention or negligence. In addition, the defendant can be convicted when proven guilty of prohibited acts without authorization. The method of formulating prohibited acts also shows that the intentions of the perpetrators already exist when they commit them. Although, it does not need to be proven, such as managing B3 waste, and dumping it to environmental media without

permission. These actions are generally performed by corporations since they have the potential to harm both humans and the environment.

4. Conclusion

Strict liability is often used in offenses aimed at protecting public interests which endanger human safety/health and the environment. The use of this doctrine on environmental offenses correlates with its position as an independent legal interest that prioritizes the prevention of hazards. Also, the implementation of strict liability needs to be limited in the EPMA only to offenses dependent on the criminal law as in the abstract and concrete endangerment models. Their offenses are generally related to waste/emissions discharged into the environmental media without permission. They are also formulated as formal offenses, where the perpetrators' mental element is not included in the formula. Therefore, it does not need to be proven.

References

- [1] R. Sanders, "The Knowledge Element in Drug Cases: Some Final thoughts on Shelton and Adkins," *Florida bar Journal*, vol. 88, p. 42, 2014.
- [2] M. Bohan, "Complicity Strict Liability: A Logical Inconsistency?," *University of Colorado Law Review*, vol. 86, pp. 634-635, 2015.
- [3] G. Luzon, "Challenges Shared by Restorative Justice and Strict Liability in the Absence of Mens Rea," *New Criminal Law Review*, vol. 19, p. 583, 2016.
- [4] G. S. Moohr, "Moohr, Geraldine Szott: Playing with the Rules: An Effort to Strengthen the Mens Rea Standards of Federal Criminal Laws," *Journal of Law, Economics & Policy*, vol. 7, pp. 696-697, 2011.
- [5] R. Libman, "Is Presuming Guilt for Regulatory Offences still Constitutional but Wrong? R v Wholesale Travel Group Inc and Section 1 of the Charter of Rights and Freedoms 20 Years After," *Ottawa Law Review*, vol. 43, p. 459, 2012-2013.
- [6] H. A. a. M. Ali, *Theory of Criminal Liability Its Development and Application*, Jakarta: Rajawali Press, 2015.
- [7] M. G. F. e. all, "Faure, Michael G. et all: Imposing Criminal Liability on Government Officials under Environmental Law: A Legal and Economic Analysis," *Loyola of Los Angeles International and Comparative Law Journal*, vol. 18, p. 558, 1996.
- [8] R. Heaton, *Criminal Law Textbook*, London: Oxford University Press, 2006.
- [9] W. R. Thomas, "On Strict Liability Crimes: Preserving a Moral Framework for Criminal Intent in an Intent-Free Moral World," *Michigan Law Review*, vol. 110, p. 650, 2012.
- [10] L. Curzon, *Criminal Law*, London: Mac Donald & Evans Limited, 1973.
- [11] Y. Shofie, *Corporate Criminal Liability in Indonesia Consumer Protection Law*, Bandung: Citra Aditya Bakti, 2011.
- [12] Y. Shofie, *Corporate Criminal Liability in Indonesia Consumer Protection Law*, Citra Aditya Bakti: Bandung, 2011.
- [13] G. Luzon, "Challenges Shared by Restorative Justice and Strict Liability in the Absence of Mens Rea," *New Criminal Law Review*, vol. 19, p. 604, 2016.

- [14] D. K. Brown, "Strict Liability in the Shadow of Juries," *SMU Law Review*, vol. 67, pp. 535-536, 2014.
- [15] R. A. Lyons, "Florida's Disregard of Due Process Rights for Nearly a Decade: Treating Drug Possession as a Strict Liability Crime," *Saint Thomas Law Review*, vol. 24, pp. 359-360, 2012.
- [16] M. S. Moore, "The Strictness of Strict Liability," *Criminal Law and Philosophy*, vol. 12, p. 521, 2018.
- [17] B. Kimberly, "Shot through the Heart: The FDA Give all Health Care Company Executives a Bad Name under the Controversial Strict Liability Misdemeanor Provision of the Federal Food, Drug, and Cosmetic Act," *Brooklyn Journal of Corporate, Financial & Commercial Law*, vol. 6, p. 602, 2012.
- [18] J. Fershee, "Choosing a Better Path: The Misguided Appeal of Increased Criminal Liability after Deepwater Horizon," *William and Mary Environmental Law and Policy Review*, vol. 36, p. 5, 2011.
- [19] V. Bergelson, "A Fair Punishment for Humbert: Strict Liability and Affirmative Defenses," *New Criminal Law Review*, vol. 14, pp. 60-61, 2011.
- [20] K. Robbins, "Paved with Good Intentions: The Fate of Strict Liability under the Migratory Bird Treaty Act," *Environmental Law*, vol. 42, p. 594, 2012.
- [21] J. R. MacAyeal, "The Comprehensive Environmental Response, Compensation, and Liability Act: The Correct Paradigm of Strict Liability and the Problem of Individual Causation," *UCLA Journal of Environmental Law & Policy*, vol. 18, p. 243, 2000/2001.
- [22] J. G. Laitos, "Standing and Environmental Harm: The Double Paradox," *Virginia Environmental Law Journal*, vol. 31, pp. 67-71, 2013.
- [23] N. S. a. A. S. Routhe, "Environmental Crime," *Crime and Justice*, vol. 32, pp. 323-324, 2005.
- [24] M. C. Wood, *Nature's Trust Environmental Law for a New Ecological Age*, New York: Cambridge University Press, 2014.
- [25] F. Picinali, "The Denial of Procedural Safeguards in Trials for Regulatory Offences: A Justification," *Criminal Law and Philosophy*, vol. 11, p. 685, 2017.
- [26] S. F. M. a. M. G. Faure, "Mandiberg, Susan F. & Faure, Michael G: A Graduated Punishment Approach to Environmental Crimes: Beyond Vindication of Administrative Authority in the United States and Europe," *Columbia Journal of Environmental Law*, vol. 34, p. 478, 2009.
- [27] M. F. a. M. Nisser, "Faure, M. & Nisser, M: How to Punish Environmental Pollution- Some Reflections on the Various Models of Criminalization of Environmental Harm," *European Journal of Crime, Criminal Law and Criminal Justice*, vol. 3, p. 319, 1995.
- [28] M. Faure, "Towards a New Model of Criminalization of Environmental Pollution: The Case of Indonesia. In Faure, Michael & Niessen, Nicola (Editor)," in *Environmental Law in Development Lesson from the Indonesia Experience*, United Kingdom, Edward Elgar Publishing Limited, 2006, p. 197.
- [29] Z. Hoskins, "Hoskins, Zachary: Criminalization and the Collateral Consequences of Conviction," *Criminal Law and Philosophy*, vol. 12, p. 634, 2018.
- [30] M. Faure, "The Revolution in Environmental Criminal Law in Europe," *Virginia Environmental Law Journal*, vol. 35, p. 335, 2017.
- [31] B.-S. Cho, "Cho, Byung-Sun: Emergence of an International Environmental Criminal Law?," *UCLA Journal of Environmental Law and Policy*, vol. 19, pp. 22-23, 2000/2001.
- [32] R. Sanders, "The Knowledge Element in Drug Cases: Some Final thoughts on Shelton and Adkins.," *Florida bar Journal*, vol. 88, p. 42, 2014.
- [33] M. Faure, "The Revolution in Environmental Criminal Law in Europe," *Virginia Environmental Law Journal*, vol. 35, p. 335, 2017.

Legal Protection as a Form of State Responsibility for Victims of Cyber Crime in Indonesia

Mujiono Hafidh Prasetyo¹
{mujionohafidhprasetyo@lecturer.undip.ac.id¹}

Faculty of Law, University of Diponegoro, Semarang, Indonesia¹

Abstract. The development of information technology does not always have a positive impact, but it can also have a negative impact on people who judge a crime known as cybercrime. It is a legal obligation for the state government to protect every citizen from actions that can harm the rights of its citizens, one of the cyber crimes in order to provide a sense of security for those who use information technology in their activities in cyberspace. The purpose of this article is to look at forms of cybercrime crime, analyze cybercrime crime victims and forms of legal protection by the State against victims of cybercrime crime. This research uses doctrinal legal research. Sources of legal information use primary legal materials (regulations and relevant documents) for further qualitative analysis. What is used are statutory, conceptual, analytical approaches and comparisons in helping to deal with problem formulations. The results of the study stated that victims of telematics crimes were the trigger for crimes due to their negligence. In positive law, legal protection for victims of cybercrime crimes is the same as legal protection for victims of conventional crimes, namely protection in the form of compensation, restitution and compensation.

Keywords: legal protection, victims, cybercrime

1 Introduction

Technological developments from time to time will be more sophisticated and continue to develop every year. The use of information technology, media, and communication has changed the behavior of society and human civilization globally. The development of this technology is used by humans to meet their needs such as the use of gadgets for long-distance communication and as entertainment. The internet is useful for knowing outside information and various knowledge and so on. Information and Communication Technology as part of science and technology in general are all technologies related to information retrieval, collection, processing, storage, dissemination and presentation [1].

Entering the 21st century, there are many changes, especially in the fields of technology and information. Almost everyone in the world uses technology, not apart from the state of Indonesia. With technology that is growing rapidly, of course there are also many gaps in crimes that are often committed. Moreover, these crimes are not visible to the naked eye which sometimes we are also not aware of. Crimes like this are often of special interest to irresponsible people, especially when law enforcers don't understand technology.[1] So that the protection system is very weak from various kinds of products that enter Indonesia. Especially if the crime in the cyber world is in the form of a corporation, it will be more dangerous and it is very difficult to prove it. Currently, a new legal regime has been born, known as cyber law or telematics law. Cyber law, or cyber law, is internationally used for legal terms related to the use of information and communication technology. Likewise, telematics law is the embodiment of the convergence of telecommunications law, media law and informatics law. Other terms that are also used are law of information technology and virtual world law.

Based on data from the Cyber Police until August 2020 the number of police reports made by the public with a total of 20,033 reports details of the reports are as follows: 8,541 Online Fraud, 7,460 Spread of Provocative Content, 1,308 Pornography, 1,056 Illegal Access, 168 gambling. 244 Extortion, 386 Data / Identity Theft, 244 Electronic System Hacking, 64 Illegal Interception, 92 Change of Status Display, 139 System Interference, and 331 Data Manipulation [2].

Looking at the data above, a specific set of rules is needed to regulate cyber crime and legal protection for the use of information, media and communication technology in order to develop optimally. In order to overcome the various problems above, the government on April 21, 2008 has enacted Law Number 11 of 2008 concerning Information and Electronic Transactions (IET Law). In general, Law Number 11 of 2008 concerning Information and Electronic Transactions (IET Law) can be divided into two major parts, namely regulating electronic transactions and regulating prohibited acts (cybercrimes).

The state considers it necessary to support the development of information technology through legal infrastructure and its regulation so that the use of information technology is carried out widely to prevent its misuse by taking into account the religious and socio-cultural values of the Indonesian people.[3] As a rule of law, it is the state's obligation to protect every citizen from any actions that can damage or harm society. One of them is the legal protection provided by the state for technology users. Legal protection for victims of abuse of digital technology is of course very necessary, this is because when a criminal event occurs, the rule of law often focuses on punishing the perpetrators of crime, while victims are often ignored. The victim also deserves attention because basically the victim is the party who is sufficiently harmed in a criminal act. The impact of crime causes casualties and losses. The losses incurred can be suffered by the victim himself or by other parties indirectly. The nature of the crime should be seen as something that is detrimental to the victim, therefore the punishment imposed on the offender must also take into account the interests of the victim in the form of restoration of the losses suffered [4]. The losses that must be recovered are not only physical losses but also non-physical losses.

Efforts to protect victims are actually very important. Because in addition to reducing the suffering of the victim for the crime they have experienced, it can also prevent the occurrence of continued victims, so that this can reduce the crime rate. For this reason, the author wants to see further how legal protection for victims is the responsibility of the State for victims of cybercrime in Indonesia.

2. Methods

This research uses doctrinal legal research. Sources of legal information use primary legal materials (regulations and relevant documents) for further qualitative analysis. The approach used is statutory, conceptual and analysis in helping solve the problem formulation. The data source of this research consists of primary legal materials, secondary legal materials to be continued by analyzing as a whole, the laws and regulations, literature, data, and several related documents, as well as tertiary legal materials to explain and assist in analyzing primary legal materials. or secondary [5]

3. Result and Discussion

3.1 Forms of Cybercrime Crime

As a rule of law it is an obligation of the state to protect every citizen from any actions that can damage or harm society, one of which is the legal protection provided by the state to people who use technology, law and technology are two different words but affect each other and also can affect the life of the community itself. The regulation of cybercrime in Indonesia can be seen in two senses, namely in a broad sense and in a narrow sense. Broadly speaking, cyber criminal acts are all criminal acts using means or with the help of electronic systems, this means that all conventional criminal acts in the Criminal Code (KUHP) as long as using assistance or means such as terrorism, human trafficking, can include in the category of cyber crime in a broad sense the same is true of banking and money laundering crimes. However, in a narrow sense, the regulation of cyber crime is regulated in Law Number 11 of 2008 concerning Information and Electronic Transactions (IET Law).

Crimes that are closely related to the use of computer-based technology and telecommunications networks in some literature and practice are grouped into several forms, including:[6]

- a. Unauthorized acces to computer system and service, namely crimes committed into a computer network system illegally, without permission or without the knowledge of the owner of the computer network system that is entered. Usually the criminals (hakcer) do so with the intention of sabotage by stealing important and confidential information. However, there are also those who do it just because they feel challenged to try their skills to penetrate a system that has a high level of protection. This crime is increasingly prevalent with the development of internet technology.
- b. Illegal Contens, namely crimes by entering data or information on the internet about something that is untrue, unethical, and can be considered to violate the law or disrupt public order. For example, the loading of fake news or slander that will destroy the dignity or self-respect of other parties, things related to pornography or the loading of information that is state secret, agitation and propaganda against the legitimate government and so on.
- c. Data Forgery, namely crimes by falsifying data on important documents stored as scripless documents via the internet. This crime is usually aimed at e-commerce documents by making as if a "typo" occurred which in turn will benefit the perpetrator because the victim will enter personal data and credit card numbers which can be misused.

- d. Cyber Espionage, which is a crime that utilizes the internet network to spy on other parties by entering the target party's computer network system. These crimes are usually directed against business rivals whose important documents or data (data base) are stored in a system connected to a computer network.
- e. Cyber Sabotage and Extortion, which is a crime committed by disturbing, destroying or destroying data, computer programs or computer network systems connected to the internet. Usually this crime is committed by inserting a logicbomb, computer virus or a certain program, so that data, computer programs or computer network systems cannot be used, do not run properly, or run as the perpetrator wants.
- f. Offense Against Intellectual Property, namely crimes aimed against intellectual property rights owned by other parties on the internet. For example, illegally imitating the appearance of someone else's website, broadcasting information on the internet turns out to be someone else's trade secret, and so on.
- g. Infringements of Privacy, namely crimes that are usually directed against a person's personal information stored on a Computerized form of personal data, which, if known by other people, can harm the victim materially or materially, such as credit card numbers, ATM PIN numbers, disabilities or hidden disease and so on.[6]
In the IET Law several criminal acts that fall into the cybercrime category are classified, namely:[7]
- a. Criminal acts related to illegal activities, namely:
 - 1. Distribution or dissemination, transmission, accessibility of illegal content, which consists of:
 - a) Decency (Article 27 paragraph (1) of the IET Law); "Anyone who knowingly and without rights distributes and/or transmits and/or makes accessible to Electronic Information and/or Electronic Documents that have content that violates decency".
 - b) Gambling (Article 27 paragraph (2) of the IET Law); "Anyone knowingly and without right distributes and/or transmits and/or makes electronic information and/or electronic documents that have gambling content accessible".
 - c) Insult and defamation (Article 27 paragraph (3) of the IET Law); "Anyone knowingly and without right distributes and/or transmits and/or causes to be accessible Electronic Information and/or Electronic Documents that have content of defamation and/or defamation".
 - d) Extortion or threats (Article 27 paragraph (4) of the IET Law);
"Anyone knowingly and without right distributes and/or transmits and/or causes to be accessible Electronic Information and/or Electronic Documents that have contents of extortion and/or threats"
 - e) Fake news that is misleading and detrimental to consumers (Article 28 paragraph (1) of the IET Law); "Everyone knowingly and without right spreads false and misleading news that results in consumer losses in electronic transactions"
 - f) Generating a sense of hatred based on ethnicity, religion, race and inter-group (Article 28 paragraph (2) of the IET Law); "Anyone who knowingly and without rights disseminates information aimed at creating hatred or enmity for individuals and/or certain groups of people based on ethnicity, religion, race and inter-group"

- g) Sending information that contains threats of violence or fright that is aimed personally (Article 29 of the IET Law); "Every person knowingly and without authority sends Electronic Information and/or Electronic Documents that contain threats of violence or scare aimed personally"
- 2. In any way by doing illegal access (Article 30 of the IET Law):
 - a) Everyone who knowingly and without rights and unlawfully accesses computers and/or Electronic Systems belonging to other people in any way.
 - b) Anyone who knowingly and without right or unlawfully accesses computers and/or electronic systems in any way for the purpose of obtaining Electronic Information and/or Electronic Documents.
 - c) Everyone who knowingly and without or against the law accesses computers and/or electronic systems in any way by violating, by passing, by passing, or breaking into security systems.
- 3. Illegal interception of information or electronic documents and electronic systems (Article 31 of the IET Law)

"Anyone who knowingly and without right or against the law intercepts or wiretaps Electronic Information and/or Electronic Documents in certain computers and/or Electronic Systems belonging to other people."
- 4. Criminal acts related to interference (interference)
 - a) Interference with Electronic Information or Documents (data interference to Article 32 of the IET Law) "Everyone knowingly and without rights or against the law in any way changes, adds, reduces, transmits, destroys, removes, removes, hides an Electronic information. And/or Electronic Documents belonging to other people or the public."
 - b) Interference with Electronic Systems (system interference Article 33 of the IET Law) "Every person intentionally and without rights or against the law takes any action that results in disruption of the Electronic System and/or causes the Electronic System to not work properly"
- 5. Criminal acts facilitate prohibited acts (Article 34 of the IET Law)
 - a) Anyone who knowingly and without right or unlawfully produces, sells, copies for use, imports, distributes, supplies, or owns:
 - 1) Computer hardware or software that is designed or specifically developed to facilitate the actions referred to in Article 27 to Article 33;
 - 2) Computer passwords, Access Codes or similar things that are intended to make Electronic Systems accessible for the purpose of facilitating acts as referred to in Article 27 to Article 33.
- 6. Criminal act of falsification of information or electronic documents (Article 35 of the IET Law) "Every person intentionally and without rights or against the law manipulates, creates, changes, removes, destroys Electronic Information and/or Electronic Documents with the aim of making Electronic Information and/or The Electronic Document is considered as if the data is authentic".[7]

3.2 Overview of Cybercrime Crime Victims

3.2.1 Definition of Victims of Crime

Perpetrator and victim are like two sides of a coin. Generally, people cannot think of a crime without its victims. Although there are also victimless crimes, in the sense that the perpetrator is also the victim. The existence of victims in almost every crime is also evident from the formulation of laws against acts that are declared as crimes [8].

The victims of a crime are not always individuals or individuals, but can also be groups of people, communities, or legal entities. Even in certain crimes, the victims can also come from other life forms such as plants, animals, or ecosystems. Various definitions of victims have been put forward both by experts and originating from international conventions that discuss crime victims.[9] According to Muladi, victims are people who have either individually or collectively suffered losses, including physical or mental, emotional, economic losses, substantial disturbances to fundamental rights, through actions or omissions that violate criminal law in each country, including abuse of power [9].

Meanwhile, according to Arif Gosita, victims are those who suffer both physically and spiritually as a result of the actions of other people seeking the fulfillment of their own or other people's interests that are contrary to harmful human rights interests.[1] A crime victim is defined as someone who has suffered losses as a result of a crime and or whose sense of justice has been directly impaired as a result of his experience as a target (target) of crime [10].

3.2.2 The Causes of Victims of Cybercrime Crime

As for the reasons for the misuse of the convenience of digital technology, among others:[11]

- 1) Unlimited internet access, now the internet is not rare anymore, because everyone has taken advantage of internet facilities. By using the internet we are given the convenience of easy access to everything without any restrictions. With that comfort, it is the main factor for some people to easily commit cybercrime crimes.
- 2) Computer user negligence. This is one of the main causes of computer crime. As we know, people using internet facilities always enter all important data into the internet. So that it makes it easy for some people to commit crimes.
- 3) Easy to do for little safety reasons and no super modern equipment is required. This is the driving factor for crime in cyberspace. Because like us, the internet is a tool that we can easily use without requiring special tools to use it. However, the main driver of crime on the internet is the difficulty of tracking down people who abuse the facilities of the internet.
- 4) The perpetrators are generally intelligent people, have great curiosity and are fanatical about computer technology. Computer criminals' knowledge of how a computer works is far above that of computer operators.
- 5) Weak network security system. As we know that people in using internet facilities are mostly concerned with their design by underestimating the level of security. So that the weak network security system becomes a gap for most people to commit crimes.
- 6) Lack of public attention and law enforcement. In fact, computer criminals still continue to commit crimes. This is due to the low level of knowledge about the use of the internet which is deeper in the community.

3.3 Legal Protection by the State Against Cybercrime Crime Victims

Conceptually, victim protection is an effort to protect a person / legal entity, who has suffered physical, mental, emotional damage, loss of property or destruction of their rights through actions or omissions that have been regulated in the criminal law due to an unlawful act. can be allowed to take place in the midst of society, which rapes the scale of social values and feelings of law that live in society caused by the perpetrators of the crime [12].

Victims in this case are those who have been harmed both materially and non-materially as a result of cybercrime crime. In the legal protection of cybercrime victims, there are basically two models, namely the procedural rights model and the service model:[11]

a. The Procedural Rights Model

In the procedural rights model, victims of cybercrime crimes are given the right to make criminal charges or assist prosecutors, or the right to be presented at every level of justice where information is needed, implicitly in this model victims are given the opportunity to "retaliate" the perpetrators of crimes who have harmed them. In this procedural model, victims are also asked to be more active in assisting law enforcement officials in handling their cases, especially those related to modern crimes of cybercrime. The existence of procedural rights can also revive the confidence of the victim after he has been harmed by those who are not responsible (the defendant), besides that this can also be a consideration for the prosecutor in the event that the prosecutor makes the charges too light.

b. The Service Model

This service model focuses on the need to create standard standards for coaching victims of cybercrime crime. This model sees the victim as a figure that must be served by the Police and other law enforcement officials, services for cybercrime victims by law enforcement officials if done properly will have a positive impact on law enforcement, especially cybercrime, thus victims of this technological development will have more trust in the institution. law enforcers by providing services to victims, thus victims will feel their rights are protected and their interests are guaranteed. In the trial process, especially with regard to proving cybercrime, many cases that occur as a result of the development of information technology require law enforcement officers to prepare human resources who are reliable and understand and understand technology, given that cybercrime crime is a modern crime that must be received serious attention from the government, because crimes in cyberspace will have an impact on the real world. With the existence of the IET Law, it is hoped that it can help law enforcement officials in protecting people who use technology.

A person who has been a victim of Information Technology crime in the IET Law has been guaranteed by the state, where the state guarantees security and protects all citizens who are active in the world of technology. In the IET Law in Article 27 it explains, namely: (1) everyone knowingly and without right distributes and/or transmits and/or makes electronic information and/or electronic documents that have contents violating decency accessible. (2) Any person who knowingly and without rights distributes and/or transmits and/or makes electronic information and/or electronic documents that contain gambling content accessible. (3) Any person who knowingly and without rights distributes and/or transmits and/or causes to be accessible Electronic Information and/or Electronic Documents that contain defamatory and/or defamation. (4) Any person who knowingly and without rights distributes and/or transmits and/or causes to be accessible Electronic Information and/or Electronic Documents that have the contents of extortion and/or threats [13].

In this regard, the law must be able to provide protection to consumers who have good intentions. In this case, the protection provided to consumers is those who buy and sell in the real world.[8] That way the protection for victims of electronic crimes contained in article 28 paragraphs 1 of the IET Law is:

a. Compensation

The purpose of compensation is none other than to develop justice and the welfare of victims as members of society. And the measure of its implementation is by giving the opportunity to victims to develop their rights and obligations as humans. On that basis, the program for providing compensation to victims should be a combination of efforts from various approaches, both approaches in the field of social welfare, humanitarian approaches and approaches to the criminal justice system.

b. Restitution

Restitution is more directed at the perpetrator's responsibility for the consequences caused by the crime so that the main target is overcoming all losses suffered by the victim. The benchmarks used in determining the amount of restitution given are not easy to formulate. This depends on the social status of the perpetrator and the victim. In the case of a victim with a lower social status than the perpetrator, it will prioritize material compensation, and vice versa if the victim's status is higher than the perpetrator, then the restoration of dignity and good name will take precedence.

c. Compensation

Compensation is a form of compensation that can be seen from a humanitarian and human rights perspective. The idea of realizing social welfare in society based on a commitment to social contracts and social solidarity makes society and the State morally responsible and obliged to protect its citizens, especially those who experience disaster as victims of crime. Compensation as a form of compensation that does not depend at all on the proceedings of the judicial process and the decisions that are passed, even the source of funds for this is obtained from the government or public funds [14].

It is determined that the person who provides compensation and restitution is the perpetrator of the crime to the victim who is the victim, provided there is a binding court decision, that the perpetrator of the crime is proven to have committed a mistake as reported.

4. Conclusion

The position of the victim in criminal law is very important in order to make it easier for law enforcement officials to find and find clarity about the criminal act committed by the perpetrator of the crime. Regarding the protection of victims of telematic crimes in Article 28 paragraph 1 of the IET Law the same as the protection of other victims, namely the provision of compensation, restitution and compensation. In the legal protection of cybercrime victims, there are basically two approaches that can be used, namely: 1) a procedural rights model, in which the victim plays a more active role and can assist prosecutors in prosecuting and the right to be present at every level of the judicial process and 2) a model service in this case sees the victim as a person who must be served by the police and other law enforcement officials, thus the victim will feel guaranteed his interests are guaranteed in a fair atmosphere. Providing assistance to victims of cybercrime as well

as in the real world must be carried out at all stages of examination, starting from investigation, trial and post-trial.

References

- [1] B. Suhariyanto, *Tindak Pidana Teknologi Informasi (Cybercrime)*. Jakarta: Rajawali Press, 2010.
- [2] Patrolisiber, "Polisi Siber, Jumlah laporan Polisi yang Dibuat Masyarakat," *Patrolisiber*.
- [3] D. A. ; S. Tanthawi, "Perlindungan Korban Tindak Pidana Cyber Crime Dalam Sistem Hukum Pidana Indonesia," *J. Ilmu Huk. Pasca Sarj. Univ. Syiah Kuala*, vol. 2, no. 1, p. 57, 2014.
- [4] S. N. Nur, *Tinjauan Viktimologis Tindak Pidana Penipuan Online Shop Melalui Situs Jejaring Sosial*. Makasar: Universitas Hasanuddin, 2014.
- [5] S. ; H. D. ; A. P. Kurniawan, "Urgensi Pencegahan Tindak Pidana Curang (Fraud) dalam Klaim Asuransi," *J. Halu Oleo Law Rev.*, vol. 4, no. 1, p. 65, 2020.
- [6] J. Sitompul, *Cyberspace, Cybercrime, Cyberlaw, Tinjauan Aspek Hukum Pidana*. Jakarta: Tatanusa, 2012.
- [7] A. ; M. L. Wahid, *Kejahatan Mayantara (Cyber Crime)*. Bandung: Refika Aditama, 2005.
- [8] S. R. Syahdeini, *Kejahatan dan Tindak Pidana Komputer*. Jakarta: Pustaka Utama Grafiti, 2009.
- [9] D. M. A. [et. al. Mansur, *Urgensi Perlindungan Korban Kejahatan*. Jakarta: Raja Grafindo Persada, 2008.
- [10] G. Widiartana, *Viktimologi Perspektif Korban Dalam Penanggulangan Kejahatan*. Yogyakarta: Universitas Atma Jaya Yogyakarta, 2009.
- [11] A. Dermawan, "Perlindungan Hukum Terhadap Korban Penyalahgunaan Kemudahan Teknologi Digital," *J. Manaj. Inform. dan Tek. Komput.*, vol. 2, no. 1, p. 123, 2015.
- [12] D. Wahyudi, "Perlindungan Hukum Terhadap Korban Kejahatan Cyber Crime Di Indonesia," *J. Ilmu Huk.*, vol. 2, no. 1, p. 105, 2016.
- [13] A. ; A. Dermawan, "Urgensi Perlindungan Hukum Bagi Korban Tindak Pidana Kejahatan Teknologi Informasi," *J. Sci. Soc. Res.*, vol. 2, no. 2, p. 44, 2019.
- [14] R. Yulia, *Viktimologi Perlindungan Hukum Terhadap Korban Kejahatan*. Yogyakarta: Graha Ilmu, 2010.

The Right of Prisoner During the Covid-19: Pro and Cons in Indonesia

Pulung Widhi Hari Hananto¹, Nanik Trihastuti², Daniel Rene Kandou³,
Ramadhan Catur Bismono⁴

{hananto.pulung@live.undip.ac.id¹, naniktrihastuti@gmail.com²,
danielrenekandou@students.undip.ac.id³, ramacaturb@students.undip.ac.id⁴}

Universitas Diponegoro, Semarang, Indonesia¹, Universitas Diponegoro, Semarang, Indonesia²,
Universitas Diponegoro, Semarang, Indonesia³, Universitas Diponegoro, Semarang, Indonesia⁴

Abstract. Covid-19 has brought significant changes to all segments of life in the international community. Almost all countries highly anticipate suppressing the spread of this pandemic. The places of detention have the potential to become a new epicenter and on the one hand, this will endanger the lives of the prisoners instead their human rights. in the matter to face these issues, Indonesia releases the policy that implemented the inmates' program that mimics the pros and cons in society. This article is using normative research method. Later on, this article will discuss the pros and cons in regard the release of prisoner program and juvenile inmates in Indonesia during this global pandemic outbreak. Furthermore, it will also examine with comprehensively the legality of prisoner right as impacted the Covid-19.

Keywords: Right of Prisoners, Covid-19, Indonesia.

1. Introduction

The saga of Covid-19 has always to be popular culture to be addressed. Per may 2020, The global pandemic has continued to take over all segment of international segments, from the health crisis to the domestic economy. As the impact, almost every international communities had impacted by this pandemic. Many countries had released the urgent policies to boldly anticipate the spreading of COVID 19 instead imposed the travel ban and also declared the lockdown [1]. As the impact, it considerably almost every international communities had impacted by this pandemic, include Indonesia.

As of April 13, 2020, President Joko Widodo has determined the COVID-19 pandemic to be a national disaster through Presidential Decree No.12 of 2020 concerning the Designation of Non-Natural Disasters of the Spread of Covid-19 as a National Disaster. This means that Indonesia has faced an emergency condition. The very fast spread of COVID-19 is inversely proportional to Indonesia's overcapacity prisons [2]. This condition of excess capacity encourages the state to release prisoners because after all the state must guarantee the right to life of each of its citizens in the midst of this COVID-19 pandemic. In line with the UN high commission for Human Rights regarding the release of prisoners with overcapacity conditions by establishing a better life outside prison. In contrast, the society would be uncertainty and possibly not open to accept the juvenile 'inmates' and release of the prisoner program in response to the Covid-19 outbreak.

2. Methods

The current research has the basis on the law related to the protection of prisoner right during the pandemic era. Specifically, the author utilizes Indonesian National law and other supported regulations (especially international instruments such as convention) to elaborates and understands the protection of prisoner's right. Besides, the author also uses the secondary sources data such as legal writings that have interpreted the primary sources, including books, scientific paper, working paper and journals accessible online.

3. Result and Discussion

3.1 The Legality and the Protection to the Life in Prison and/or Places of Detention

The human rights of prisoners under international law are clearly protected. The rights of prisoners are recognized by States from principal international human rights instruments to subsidiary international documents, constituting an authoritative guide to binding treaty standards and reaffirm the tenet that prisoners retain fundamental human rights.

a. Universal Declaration of Human Rights

The Universal Declaration of Human Rights (UDHR) is one of the most important documents in the development of human rights law, which was adopted by the United Nations General Assembly as Resolution 217 on 10 December 1948. The UDHR was the first step in the formulation of the International Human Rights treaties consisted the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), which came into force in 1976. Although the UDHR is not legally binding, the protection of the rights and freedoms set out in the declaration has been incorporated into many national constitutions and domestic legal frameworks. Some argue that it has become binding as a part of customary international law [3].

With regards to rights of prisoners, Article 3 of the UDHR provides that "Everyone has the right to life, liberty and security of person." Moreover, regarding their treatment, Article 5 the UDHR provides that "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment ..." The UDHR uses the phrase "No one" and the term "everyone" to emphasize the rights attained to people without making exclusion to some categories of people [4].

b. The International Covenant on Civil and Political Rights

The ICCPR is the most comprehensive and well-established UN treaty on civil and political rights. The ICCPR was adopted by the UN General Assembly in 1966 and came into force in 1976 once it had 35 ratifications. As of September 2019, the Covenant has 173 parties. As of its implementation, the ICCPR imposes duties upon States in the international plane to protect the rights therein at the municipal level [5].

The protection of prisoners includes the prisoner's right to life. Article 6 of the ICCPR explicitly states that "Every human being has the right to life. This right shall be protected by law. No one shall be arbitrarily deprived of his life." This right has been described by the

Human Rights Committee as a ‘supreme right’ (Based on UN Human Rights Committee (HRC), *General comment no. 31 [80], The nature of the general legal obligation imposed on States Parties to the Covenant*, 26 May 2004, CCPR/C/21/Rev.1/Add.13, para. 1). In its General Comment, State Parties also have a heightened duty to protect the lives of prisoners, since by arresting, detaining, imprisoning or otherwise depriving individuals of their liberty, the responsibility to the protection of their lives is assumed. The obligation to uphold the right to life of prisoners includes providing necessary medical care and appropriate regular monitoring of their health (Based on UN Human Rights Committee (HRC), *General comment no. 31 [80], the nature of the general legal obligation imposed on States Parties to the Covenant*, 26 May 2004, CCPR/C/21/Rev.1/Add.13, para. 25. *Lantsova v. Russian Federation* (CCPR/C/74/D/763/1997), para. 9.2).

In addition, Article 10 of the ICCPR mandates "all persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person." It also requires that "the reform and social rehabilitation of prisoners" be an "essential aim" of imprisonment (Based on UN General Assembly, *International Covenant on Civil and Political Rights*, 16 December 1966, United Nations, Treaty Series, vol. 999 (ICCPR), p. 171, Art. 10). The article also applies to persons in detention or correction facilities, prisons, hospitals, or any other facilities in which a person is deprived of their liberty. This provision therefore enforces article 7 of the ICCPR, which prohibits torture or other cruel, inhumane or degrading treatment (ICCPR, Art. 7), which are conducted by guaranteeing the person deprived of liberty with the same conditions for free person.

c. The International Covenant on Economic, Social and Cultural Rights

Along with the ICCPR, the International Covenant of Economic, Social and Cultural Rights is part of the International Bill of Human Rights and entered into force in 1976. Within the UN System, the Right to Health was firstly guaranteed in Article 12 ICESCR, which affirms “the right of everyone to the enjoyment of the highest attainable standard of physical and mental health” (Based on UN General Assembly, *International Covenant on Economic, Social and Cultural Rights*, 16 December 1966, United Nations, Treaty Series, vol. 993 (ICESCR), p. 3, Art. 12).

In its General Comment, States are under the specific legal obligation to respect the right to health by providing equal access to ‘preventive, curative and palliative health services’ for prisoners or detainees (Based on UN Committee on Economic, Social and Cultural Rights (CESCR), *General Comment No. 14: The Right to the Highest Attainable Standard of Health (Art. 12 of the Covenant)*, 11 August 2000, E/C.12/2000/4, para. 35).

d. Other International instruments

Other International instrument refers to international instruments codified in numerous international resolutions that serve as guidance and principles, and are rather “non-binding” soft law instruments.

- 1) The UN Standard Minimum Rules. The Standard Minimum Rules for the Treatment of Prisoners (adopted in 2015 as the Nelson Mandela Rules) is a standard adopted by the UN General Assembly as efforts in providing guidelines to State’s national legislation with respect to any person in any form custody. The standard also aids the reinforcement of States’ obligation to provide medical care and treatment for sick prisoners (Based on UN General Assembly, *United Nations Standard Minimum Rules*

for the Treatment of Prisoners (the Nelson Mandela Rules): resolution/adopted by the General Assembly, 8 January 2016, A/RES/70/175; Rule 24-27).

- 2) Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment. The Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment was adopted without vote by the UN General Assembly on December 9, 1988. This instrument consists of principles which govern the implementation of human rights towards detainees in any form of detention. These principles has been cited within international jurisprudence, and used as a basis for defining standards within international law [6].
- 3) Basic Principles for the Treatment of Prisoners. The Basic Principles for the Treatment of Prisoners on the hand was proclaimed and adopted by the UN General Assembly on December 14, 1990. This differs to the previous principles to the content that this governs the rights of prisoners. According to the principles, "Prisoners shall have access to the health services available in the country without discrimination on the grounds of their legal situation (Based on UN General Assembly, *Basic Principles for the Treatment of Prisoners: resolution/adopted by the General Assembly, 28 March 1991, A/RES/45/111, para. 9).*

3.2. The Rights of Prisoners in Indonesia

Under Article 1(7) of this Act, prisoners are convicts who have served a sentence of loss of freedom in prison. Meanwhile, the definition of a convicted person is someone who is convicted based on a court decision that is final and binding.

The rights of prisoners regulated in Article 14 paragraph (1) of the Correctional Law are as follows: i. perform worship according to their religion or belief; ii. Receive care, both spiritual and physical care; iii. Education and teaching; iv. Proper health services and food; v. submit a complaint; vi. Obtain reading material and other mass media broadcasts that are not prohibited; v. receive a wage for the work performed; vi. Receive visits from family, legal counsel, or certain other people; vii. reduced sentence (remission); viii. the opportunity to assimilate including leave to visit family; ix. parole; x. a leave before being released; and other rights in accordance with the prevailing laws and regulations.

More specifically, the rights of prisoners are further regulated in Government Regulation no. 32 of 1999 concerning Terms and Procedures for the Implementation of the Rights of Correctional Assistants ("PP 32/1999") as amended by Government Regulation No. 28 of 2006 ("PP 28/2006"), and amended a second time by Government Regulation No. 99 2012 ("PP 99/2012").

3.2 Covid-19 vs. The Rights of Prisoners

Based on Based on World Health Organization. Novel Coronavirus (2019-nCoV): situation report, 19. P.1. World Health Organization (2020). The global phenomenon of Covid-19 pandemic is at the center of the world attention since its outbreak in the early months of 2020. Although not the first in the history of mankind, it is the first pandemic to occur in the framework of the modern international society. Therefore, the phenomenon is unprecedented for many international institutions, organizations, and even within the states itself. Furthermore, the implementation of "new normal" policy indicates that the pandemic can no longer be considered as an emergency situation, and that adaptation to the environment is needed.

Based on United Nations, COVID-19 and Human Rights: We are all in this together. p.2. United Nations (2020) had reported that states are at risk of disrespecting human rights in its precaution measures to prevent the spread of pandemic. This risk is present in various measures such as lockdowns and restriction of movement to slow the spread of the virus, which in turn, may reduce the enjoyment of human rights for many people.

Further, the situation may result in inequalities, especially in places such as prisons, detention or correction facilities which are already lacking in hygiene and social services, and places where information and prevention measures such as testing, hand-washing, self-isolation and quarantine is difficult to be implemented (Based on United Nations. COVID-19 and Human Rights: We are all in this together. p.2. United Nations (2020); United Nations. A UN framework for the immediate socio-economic response to COVID-19. p.6. United Nations (2020). This situation affects the enjoyment of human rights and dignity of the prisoners.

The international legal order is structured around the principle of state sovereignty, i.e. on the independence of states. Internally, state authorities have 'the monopoly on the legitimate use of physical force' [7]. The state powers, nonetheless, are not without limits. International human rights conventions impose conditions under which a derogation to human rights can be justified [8]. Besides the requirement of notification, there are non-degradable rights such as the right to life (Based on ICCPR, Art.6), prohibition of torture and ill treatments (Based on ICCPR, Art.7), prohibition of slavery (Based on ICCPR, Art.8), and no punishment without law (Based on ICCPR, Art.15).

UN is calling on countries to adopt a more cooperative, global and human rights-based approach to the pandemic, including the treatment of prisoners (Based on UN General Assembly, *Global solidarity to fight the coronavirus disease 2019 (COVID-19)*, A/RES/74/270). States are obliged to take preventive measures in accordance with existing international human rights norms (Based on UN General Assembly, *Basic Principles for the Treatment of Prisoners*, A/RES/45/111 (14 December 1990): 1) Conduct an immediate, unconditional release of all prisoners whose incarceration is illegal or Arbitrary under international law; 2) Abandon or exclude detention as a sanction for persons found to be in breach of Covid-19 related measures; 3) Reduce overcrowding, through a review of the prison population and consideration of alternative sentencing to imprisonment for misdemeanor; 4) Considering an alternative to pre-trial detention such as bail, release under judicial control, or others; 5) Considering for immediate release persons detained for misdemeanor and low-level crime, with certain condition; 6) Consider for immediate release of all persons held in immigration detention centers and closed refugee camps with a view to reducing their populations to the lowest possible level; 7) Consider for immediate temporarily release on bail or otherwise all persons detained without charge or trial and held on various non-criminal grounds, such as persons held pending deportation or extradition; 8) Ensure that the conditions of detention of all those who remain in prison meet international human rights standards. Some States had taken measures to reduce overcrowding in prisons, detention or correctional facilities by conducting early release in attempt to protect the health of prisoners and staff.

These are important factor as the spread of Covid-19 is closely dependent on the human behavior and interactions. There are also documented outbreaks of respiratory disease in jails and prisons in many countries [9].

3.3 Pro and Contra

The total population of incarcerated persons in prisons are estimated at 11 million, with approximately 124 prisons worldwide are overcrowded. Philippines has imprisoned 215 000 people in facilities with maximum occupancy of 40 000. Myanmar has population of approximately 92 000 inmates across 100 prisons and labor camps, served by medical staff estimated to consist of 30 doctors and 80 nurses [10].

Based on the World Health Organization. Laboratory testing strategy recommendations for COVID-19: Interim guidance (2020). In many states, the prevention measures to stop the spread of Covid-19 have reduced individual rights. The public health crisis concern is the major justification for the implementation of the restriction. However, in the prison context, the legislation and the health regulation do not guarantee the fulfillment of its purpose, which is to interrupt the transmission of Covid-19. Globally, there are widespread concerns about large COVID-19 epidemics sweeping through the incarcerated populations in China, Brazil, India, Indonesia, and several African nations, leading to calls for parole or early release [11]. The synergistic combination of the high-transmissibility of Covid-19 and the high flow into and out of jails will continue to threaten those imprisoned the staff, and the larger community [12].

Based on World Health Organization, “WHO Indonesia Situation Report –21,” (2020). As of 19 August, the Government of Indonesia announced 144 945 confirmed cases of COVID-19, 6 346 deaths and 98 657 recovered cases from 484 districts across all 34 provinces. Most confirmed cases were in Java: DKI Jakarta followed by East Java, Central Java, and West Java. South Sulawesi is the only province outside Java that has one of the highest numbers of confirmed cases. Java contributed 58% of the total cases in Indonesia.

Besed on World Health Organization, “WHO Indonesia Situation Report – 20,” (2020). President Joko Widodo has ordered nationwide enforcement of COVID-19 protocols, such that violations are subject to legal sanctions. The rules established by the Presidential Instruction (*Instruksi Presiden*) No. 6/2020 seek to improve public compliance with health protocols to reduce the spread of COVID-19. All regional heads – governors, mayors and regents – are required to formulate and issue policies for the prevention of COVID-19 and to enforce sanctions for violations of policies. The sanctions may range from a written warning and community service to fines and temporary suspension of businesses and organizations.

3.4 The Effectively of Indonesia Government to handle this issue

President Joko Widodo has ordered nationwide enforcement of COVID-19 protocols, such that violations are subject to legal sanctions. The rules established by the Presidential Instruction (*Instruksi Presiden*) No. 6/2020 seek to improve public compliance with health protocols to reduce the spread of COVID-19.

All regional heads – governors, mayors and regents – are required to formulate and issue policies for the prevention of COVID-19 and to enforce sanctions for violations of policies. The sanctions may range from a written warning and community service to fines and temporary suspension of businesses and organizations (World Health Organization, “WHO Indonesia Situation Report – 20,” (2020).

As a member of WHO, Indonesia has its sets of obligation in accordance with IHR (2005). Furthermore, its obligation is not only limited to the cooperation in the precautionary measures to prevent Covid-19, but also to its human rights obligation (Based on World Health Organization. *COVID-19 Response*. A73/CONF./1 Rev.1, (2020). Various measures have been implemented to stop the spread of Covid-19. On 04 May, the President announced a new plan to manage the COVID19 pandemic, consisting of the following:[13] i) Thorough evaluation of the large-scale social restriction (PSBB) that has been in place in 12 districts and four provinces across the country; ii) Setting easily measurable targets in terms of PCR testing to be conducted, aggressive contact tracing and social isolation policies by provinces and districts that imposed PSBB; iii) Stricter monitoring of migrant workers who have recently returned from overseas, pilgrims who attended the Islamic gathering in South Sulawesi, factory workers, and people from urban centers who returned to their hometown ahead of Eid; iv) The social safety net programmed to reach low-income families; v) A new hotline to process complaints of citizens about public services.

The discourse on the release of prisoners due to corruption has generated a polemic in the community. Efforts to reduce penalties for corruptors were carried out by revising Government Regulation No. 99/2012 concerning Terms and Procedures for the Implementation of Community Development Rights. However, President Joko Widodo emphasized that there would be no release of corrupt convicts. The release of prisoners due to COVID-19 is due to general criminal reasons. The Minister of Law and Human Rights, Yasonna Laoly at least specified four criteria for prisoners who could be released through the revision of the PP. These criteria are prisoners in narcotics cases with the condition that they have a prison term of 5 to 10 years who have served two-thirds of their detention period, the proposed release applies to convicts of corruption cases aged 60 years and over and has served 2/3 of their detention period, and for a special criminal convict who is chronically ill and has served 2/3 of his prison term [14]. This prisoner program needs to be monitored closely and firmly in dealing with the impact that has occurred as a result of this policy because it turns out that several prisoners who were released have returned to be involved in committing criminal acts because the convict's crime has created a growing fear in the community.

4. Conclusion

The policy of the Minister of Justice and Human Rights to implement this inmates' policy can be said to be reaping the pros and cons of Indonesian society. The pro consideration withholding the inmates' program is because they see that prisons can have the possibility to become epicenter of the spread of corona. On the one hand, this is also a legal step to ensure the survival and human rights of prisoners. On the contra side, there was rejection due to unclear formulations of which prisoners could be returned to the community and very constrained by the disintegration between the Central Government and Local Governments in applying for this inmates' program.

5. Acknowledgment

Acknowledgment. The author would like to credit and thanks to Universitas Diponegoro, Semarang. Another thanks to The International Conference on Environmental and Technology

of Law Business and Education on Post Covid-19 in edition 2020, in order to review, advice and accept this paper. Next, we would like to thank the Minister of Justice and Human Right of who's giving the data was used by the author as reference material that serves to provide the supporting data for analysis of this article. As the result, this study is highly qualification and can be published for the advancement of social science, especially in Human Rights Covid-19 Studies and public policy.

Reference

- [1] P. Widhi and H. Hananto, "LEGAL OPINION: Does China Can Be Sued for The Global Pandemic?," vol. 3, no. 2, pp. 232–239, 2020.
- [2] C. Indonesia, "Jokowi Tetapkan Corona Sebagai Bencana Nasional," *CNN Indonesia*, 2020. [Online]. Available: <https://www.cnnindonesia.com/nasional/20200413180042-20-493149/jokowi-tetapkan-wabah-corona-sebagai-bencananasional> . [Accessed: 25-Aug-2020].
- [3] M. Nasir *et al.*, *Rencana Strategis 2016-2020 Badan Amil Zakat Nasional*. Jakarta: Badan Amil Zakat Nasional (BAZNAS), 2018.
- [4] I. Danjuma, B. State, U. Gadau, R. Nordin, and M. M. Muhamad, "Rights of Prisoners under International Law: Rights against Forced Labour; Ill Treatments or Punishments; and Right to Work and Receive Wages," no. August, 2017.
- [5] S. Joseph, *The International Covenant on Civil and Political Rights*. New York: Oxford University Press, 2013.
- [6] R. Lines, "The right to health of prisoners in international human rights law," *Int. J. Prison. Health*, vol. 4, no. 1, pp. 3–53, 2008.
- [7] M. Weber, *From Max Weber: Essays in Sociology*. London: Oxford University Press, 1946.
- [8] A. Lebre, "COVID-19 pandemic and derogation to human rights," *J. Law Biosci.*, vol. 7, no. 1, pp. 1–15, 2020.
- [9] S. A. Kinner *et al.*, "Prisons and custodial settings are part of a comprehensive response to COVID-19," *Lancet Public Heal.*, vol. 5, no. 4, pp. e188–e189, 2020.
- [10] T. Burki, "Prisons are 'in no way equipped' to deal with COVID-19," *Lancet*, vol. 395, no. 10234, pp. 1411–1412, 2020.
- [11] W. P. R. Programme, *COVID-19 in prisons: a major public health risk*. London: Birkbeck, 2020.
- [12] E. Barnert, C. Ahalt, and B. Williams, "Prisons: Amplifiers of the COVID-19 Pandemic Hiding in Plain Sight," *Am. J. Public Heal.*, pp. 964–966, 2020.
- [13] Jakarta Globe, "Jokowi's New Five-Point Plan Anticipates Second Wave of Pandemic," *Jakarta Globe*, 2020.
- [14] CNN Indonesia, "Jokowi: Pembebasan Napi Koruptor Tak Pernah Dibahas di Rapat," *CNN Indonesia*, 2020. [Online]. Available: <https://www.cnnindonesia.com/nasional/20200406095618-12-490649/jokowi-pembebasan-napi-koruptor-tak-never-dibahas-di-rapat>. [Accessed: 25-Aug-2020].

Islamic Radicalism Network in The City of Palu

Gani Jumat¹
{ gani.jumat@gmail.com¹ }

Institut Agama Islam Negeri Palu, Indonesia¹

Abstract. This article discusses Islamic radicalism in Palu City, networks and political alliances, as well as people's responses to their existence. This paper is limited to two main problems; first, how radical Islamic political activities and alliances in the city of Palu, second, how the community's response to the radical Islamic network. In network theory there are two important elements that can or can influence a change in society, namely first, culture, and secondly the process of socialization that internalizes norms and values into actors. Normatively, what unites people together is a group of shared ideas. So the position of religious leaders in one community in socio-religious life has never been rivaled, in uniting and building communities in the surrounding environment. In that context, religious issues, religious attitudes are also used as jargon to build practical political alliances.

Keywords: Islamic Radicalism, Networks, Political Alliances, Community Response of Palu City

1. Introduction

The emergence of radical religious movements is an important phenomenon that has contributed to the image of contemporary Indonesian Islam. The appearance of movement 212 in 2017 which was originally an issue that is driven by religion intention in protest against the blasphemy case then in 2018 switched to political issues as an attitude of "hidden support" in the name of religion for a particular Presidential Election's candidate in the 2019 Presidential Election, as well as the strong reaction shown by the Hizbut Tahrir group over the case of the "*tauhid* flag" burning is a phenomenon of radical Islamic political movements under religious cloak that are should not be ignored in Indonesia.

At the beginning of this article, the authors need to clarify term "radical Islam" here, in contrast to what is understood in the Western world as a political Islamic movement that are often significantly negative and terrorists. Islam "radical" in this case is used to indicate the movement that fought basing pattern of life based on Islamic Sharia. This may be more correct to borrow from Umi Sumbulah's term, "radical" Islam does not always have a strong connotation in physical terms, but hard in terms of thoughts or discourse.[1]

The term 'radical Islam' as an integral part of the complex social and religious phenomena of Muslim groups in Indonesia is perhaps more appropriate to use here as a *point of departure* rather than as a labelling for an established and unchanging mention of the phenomenon. However, this 'identifying' position must be taken considering that sometimes a definition is made, such as the terms of 'radical Islam', 'revivalist Islam', or 'fundamentalist Islam', which are often problematic and stigmatic.[2]

In history, radical Islam has also been referred to Salafi-Jihadism, which are not entirely new symptoms. Muhammad bin Abdul Wahab with his Wahabiyah community is usually said to be a movement of radicalism or Islamic fundamentalism which has a long and wide impact. The Wahabi movement emerged as a reaction to the internal conditions of the Muslims themselves,

not due to external factors such as Western penetration. Its emergence can be traced to the classic "Islamic political unrest" which ended in the *fitnah al-Kubra*. This incident gave rise to the *Khawarij* group who then opposed The Caliph Ali bin Abi Talib. They are the roots of the Islamic fundamentalist movement which takes the political path of opposition to the rightful rulers. The *Khawarij*, who were known to be radical and extreme, had aggravated the dispute between Caliph Ali bin Abi Talib and Mu'awiyah bin Abi Sofyan.

The question that arises then is what is the unique ideological colour of a 'radical Islam' movement? It should be noted that in some literature, the terms used to describe a contemporary phenomenon of fundamentalism in Islam are not uniform. Therefore, the term radical Islam is often used overlapping with the term fundamentalist Islam or revivalist Islam. John L Esposito, for example in his book *Islam: the Straight Path* (1988), Islam is a straight path. He prefers to use the term revivalist Islam to designate this contemporary Islamic movement. In general, borrowing Esposito's terminology[2], can be identified several ideological bases found in these movements, namely *first*, these groups argue that Islam is a comprehensive and total way of life. Thus, Islam cannot be separated from political life, law and society.

Second, they often think that the ideology of Western society which is secular and tends to be materialistic should be rejected. They also believe that Muslim societies have failed to build an ideal religious society because they have turned away from the straight path according to Islamic teachings by following this secular and materialistic Western perspective.

Third, they tend to invite their followers to return to Islam as an effort for social change. This change is only possible by fully adhering to authentic Islamic teachings such as the Qur'an and the Sunnah.

Fourth, because the ideology of Western society must be rejected, automatically social regulations that were born from Western traditions that have developed in Muslim societies as a legacy of colonialism must also be rejected. In return, the Muslim community must uphold Islamic law as the only accepted source of law.

Fifth, although many consider these groups to overly glorify the triumph of Islam in the past, which is reflected in the puritanical attitude of trying to implement a social and legal system appropriate to the time of the Prophet Muhammad, and clearly rejects modernization. At least they do not reject science and technology, insofar as these things do not contradict the standard religious orthodoxy they have taken to be established, and undermine what they consider to be final truth.

Sixth, they believe that Islamization efforts in Muslim societies will not succeed without emphasizing the aspect of organizing or forming a strong group. Although sometimes on a small scale, the groups that are built are usually ideologically strong in character, with rely partly on more educated and trained group members. In this way they can convince their followers to carry out sacred religious duties in order to uphold Islamic law or Sharia.

Looking at various more contemporary phenomena, that the movements sometimes go beyond some of the ideological grounds mentioned. There are at least some characteristics that we can identify why a group deserves to be called 'radical Islam'.

First, they still often display a 'Crusade' mentality. In the current context, the hegemony of the western world, especially the United States, against other nations is often seen as a form of 'new colonialism' (neo-colonialism). Meanwhile, the idea of a Western conspiracy, which includes the Jewish Zionism movement against Islam and the Islamic world, continues to develop in this group.

Second. The enforcement of Islamic law which Muslim 'revivalists' and 'fundamentalists' often strive for is no longer considered an alternative way but has become a 'must'. In other words, there is no longer a valid way to form a Muslim community that truly

submits to God, but instead makes Islam the basis for everything, including religious, social and political life.

Third, there is a tendency to fight against the government and its established systems but are not considered 'legitimate', especially because of the lack of attention to the problem of 'social disease' in society which they identify as 'immoral' and 'munkar'. Because of this, some of these groups no longer trust government legal institutions to deal with this. They believe that they are capable of coping with and fighting social ills itself and of course in their own ways regardless of the *public sphere* that becomes the context of Indonesia today. This is clearly seen in the Islamic Defenders Front (FPI) movement, Hizbut Tahrir Indonesia (HTI), and so on.

Fourth, the spirit to uphold religion as a symbol of the supremacy of the truth of God's teachings in the world by way of 'jihad' automatically gets a very respectable place. In fact, carrying out 'jihad' in all its aspects against evil and enemies who hate 'Islam' which they believe is a 'holy' religious duty. In fact, there is a very strong impression that 'jihad' is more interpreted as a physical effort to fight against the enemies of Islam.

Fifth, with the experience of witnessing the relationship between Islam and Judaism in disputes between Muslim and Jewish groups in the Palestinian region which is getting worse day by day, and the problem of conflict between Islam and Christianity that is still strong in several regions, including Indonesia, as well as the classic issue of Christianization. However, this relationship between Islam and Christianity significantly affects the perceptions of 'radical Islamic' groups. In this context, Jews and Christians no longer deserve to be considered as a group referred to in the Qur'an as 'people of the book' but have fallen as 'infidels' because the history of the two religions is identical to Western colonialism and Zionism. The two adherents of these religions are generally considered to have a united goal of conspiracy against Islam and the Islamic world.

It is important to note that some developments and even changes in the vision and orientation of this radical Islamic group also need to be examined more specifically. Oliver Roy in his work *The Failure of Political Islam* (1995), notes that there have been quite basic changes from similar movements in the Middle East. Realizing the failure of Muslim activists who wish to establish an Islamic State, Roy stated that today the issue of an 'Islamic state' no longer excites this group. As a replacement, they are now appearing to emphasize more on a more substantive aspect of 'holy' ideals, namely through the implementation of Islamic law in society.

However, in line with Lawrence, according to Roy it does not mean that their desire to create an Islamic State has simply disappeared. When the social and political system becomes more conducive to reconciling this idea, the idea of an Islamic State is a dream that must be realized. In this context, an explanation of why some Islamic groups have voiced their desire for the implementation of Islamic law in Indonesia can be seen as a *test case* for the possibility of the establishment of an Indonesian Islamic State in the future.

The process of ideologizing religion in the Muslim world has occurred in a very broad context. Islam, which was originally an open minded, inclusive progressive belief, has shifted to a fundamental exclusion, from the traditional theological realm in the sociological field that formulated Islam into the norms and values of the socio-political order. Due to its ideological nature, Islam is finally understood as a belief about legitimacy consisting of interpretations of religious texts to be used in the socio-political realm. This may be legitimate, because religion itself does have moral and moral interests in political struggles.[3]

The presence of Islam as a political ideology as played by radical fundamental groups in Palu City, which appeared since the Emergency Response period due to the tsunami earthquake and the liquefaction of Palu, Sigi and Donggala (PASIGALA), Central Sulawesi in 2018. To strengthen their ideology and membership mobility, they established several foundations and has

a number of schools such as SDIT (Integrated Islamic Primary School), SDIT Khalifah, TK and SD al-Qolam in Palupi and Tinggede Villages, Palu City. Apart from that they are also has a network of social mobility in raising funds for various purposes, including regarding earthquake tsunami and liquefaction Sigi Palu and Donggala (PASIGALA) through the One Care, Syam Organizer, Sahabat Sahlan, Qorratua'yun Foundation, and JKM

This article will explain the momentum of the emergence of networks of radical Islamic movements[4], political alliances, how to mobilize and show their existence and how the public response Palu against their existence.

2. Literature Review

According to the Major Indonesian Dictionary, the word radical contains three meanings; *first*, fundamentally (down to the principle): fundamental change, *second*, very loudly demanding change (law, government), and *thirdly* advancing in thinking or acting. Meanwhile, radicalism means; *first*, a radical ideology or flow in politics, *second*, an understanding or sect that wants social and political change or reform by means of violence or drastically, and *third*, an extreme attitude in the political stream.[5] Thus, radicalism is an attitude that crave a change in total and revolutionary with the overturning of values, the order of life, which is drastically through violence (*violence*) and extreme actions.

Bassam Tibi, explains the basic characteristics that stand out from radical Islamic circles or fundamentalists and may be considered as their characteristics or identity in general, namely:

First, fundamentalism has an aggressive agenda of politicizing religion and is carried out in order to achieve its goals. *Second*, fundamentalism, whether Islamic or otherwise, is a superficial form of terrorism or extremism.[6] An almost similar assessment was made by Richard T. Antoun. According to him, there are two main strategies of fundamentalists in order to develop their existence, namely; strategy of "exclusion and *hijrah* " (*takfir wa hijrah*) and their activity strategy which penetrated into confrontation strategies.[7] This first strategy presupposes a pattern of exclusion whether physical, social (in institutions, schools, churches, or political parties) or symbolic. Usually this tradition of symbolic separation is a strategy that is always applied. Here it seems Bassam Tibi identifies radical and fundamental meanings, especially in the symbolization and efforts of formalizing religion. This phenomenon can be shown in their dress code, behaviours, vocabulary (fundamentalist jargon; *Allahu Akbar*) or other rituals.

Meanwhile, strategies in the form of activism and totalism that penetrate toward confrontation can be demonstrated in the fundamentalist movement by establishing Islam as an alternative political ideology. One aspect of the totalistic confrontational strategy adopted by many fundamentalists is the pattern of using religion to become the ideology of the movement. Religion in this context acts as a means of legitimacy for confrontation and the achievement of the status quo.

It is important to note that, from a historical perspective, its emergence can be traced to the classic " Islamic political unrest " which culminated in the *fitnah al-Kubra*. Hence that, Mulyadhi Kartanegara, noted that there are at least 6 factors that may trigger the emergence of radicalism and terrorism, namely; thought, economics, politics, social, psychological, and education.[8] Kartanegara continued, is a fundamentalist, is religionists tend to the literal understanding of scripture against them. As for radicalists, namely groups/groups who like/want

fundamental (radical) changes in the socio-political order. Meanwhile, terrorists are grouping whose policies or actions create intense fear.[8]

In the pre-modern period, the Wahabi movement represented itself or was seen by the majority of Muslims as Islamic fundamentalism under the leadership of Muhammad bin 'Abdul Wahab. Hasan Hanafi in his analysis said: the emergence of Islamic fundamentalism as constructed by Muhammad bin Abd Wahab was allegedly an expression of victory in defeating other tribes in the name of religious reformism, namely Wahhabism.[9] He emerged and became popular after Sa'ud's regime came to power in the country of Saudi Arabia. This early Islamic fundamentalism movement was nothing more than the result of the failure of the various tribal ritualism that had developed before King Sa'ud ascended the throne. Wahhabism is considered to exist in this Arab land, apart from being a source of religious-political legitimacy for the Saudi oil kingdom, the Saudi Monarchy in terms of state administration can be said to be conservative. By standing on the basis of Islamic legitimacy, Saudi Arabia has its own system of regulating the State and its people.

Indeed, before having physical or military strength, Wahabi generally committed doctrinal, intellectual and psychological violence by attacking anyone as idolatrous, apostate and infidel. However, after they had physical or military strength, the accusations were followed by physical attacks such as beatings, amputations, and killing of Sunni ulama or those who were not of their ideology. Wahhabis call all of this as *da'wah*, *al-amr bi al-ma'ruf wa al-Nahy an al-Munkar* (inviting goodness and rejecting evil) and jihad, terms which actually do not have the connotation of violence in any form.

Similar phenomena have recently emerged in Indonesia, and it is difficult to deny the existence of a relationship or network between this phenomenon and Wahhabi ideology which has now become the official ideology of the Kingdom of Saudi Arabia and has been spread to the archipelago, including in Palu City and Central Sulawesi as a whole by agents or their collaborators with extraordinary financial support and systematic manner.

Among the relations between transnational fundamentalist movements (Salafi-Jihadism) operating in Nusantara-Indonesia are; *first*, the Muslim Brotherhood founded by Hasan al-Banna in Egypt was present in Indonesia initially through campus *da'wah* institutions which later became the *Tarbiyah* movement. This group later founded the Prosperous Justice Party (PKS); *second*, Hizbut Tahrir Indonesia (HTI) which carries the concept of Pan-Islamism and want to uphold the Islamic Caliphate throughout the world, and place the Indonesian Archipelago as a part of it; *third*, Wahabi who tried to do global wahabization. These three transnational movements work hand in hand in achieving their goals, namely the formalization of Islam in the form of a State and the application of sharia as positive law or Islamic Caliphate.[10] While other descendants such as the Indonesian Mujahidin Council (MMI) Abu Bakar Ba'asyir and Abdullah Sungkar (Salafi Islamic Boarding School Ngruki -Solo),[2] Laskar Jihad, apart from having Wahabi's gene, also has an "ideological genealogy" relationship with (NII 1949) by Soekarmadji Maridjan Kartosoewirjo (SMK), Daud Beureueh (DI / TII), Abdul Qahhar Mudzakkar (AQM) and Ahmad Husein from PRRI, who wanted to establish an Indonesian Islamic State.

3. Discussion

Palu City, inhabited by various religions and races (SARA). For example, *To-Kaili* (Native), Bugis, Makassar, Mandar, Java, Ternate, China, Gorontalo, Manado, Lombok and Bali Mataram. However, To-Kaili still the majority population that inhabits not only the city of Palu, Donggala and Sigi, but also almost the entire region of Central Sulawesi Province. SARA's diversity also creates a diversity of cultures, customs and levels of education as well as employment opportunities in social life. Obviously, this diversity is a wealth and strength that must be maintained and empowered so that it can become a power source for the development of Palu City in a more advanced direction. Islam is the majority religion adhered to the total population of Palu. The distribution and percentage of population based on religion can be seen in the following table.

Table 1. Percentage of Population by Religion in Palu City, 2011-2 *Percentage of Population by Religion in Palu Municipality, 2011-2015*

No	Religion	2014	2015	2016	2017	2018
1	Moslem	80,05	85,21	89,33	80,67	84,06
2	Christian	12,68	9,62	7,85	9,84	8,16
3	Catholic	2,48	2,64	1,4	2,68	2,23
4	Hinduism	2,42	0	1,02	2,44	2
5	Budism	2,37	2,53	0,4	4,37	3,55
TOTAL		100	100	100	100	100

Source : Ministry of Religious Affair of Palu

Table 2. Number of Places of Worship by District in Palu City, 2015

	Kecamatan/ Subdistrict	Islam/ Moslem Masjid/ Surau/ Mosque /Mini	Kristen/ Christian Gereja/ Church	Katholik/ Catholic Gereja/ Church	Hindu/ Hinduism Pura/ Temple	Budha/ Buddhism Wihara/ Temple
	(1)	(2)	(3)	(4)	(5)	(6)
01	Palu Barat	70	12	5	-	-
02	Tatanga	50	5	-	-	-
03	Ulujadi	49	7	1	-	-
04	Palu Selatan	75	9	66	1	-
05	Palu Timur	45	9	12	1	-
06	Mantikulore	85	12	1	-	2
07	Palu Utara	85	6	5	-	-
08	Tawaeli	36	5	2	-	-

Palu						
2015	435	65	92	2	2	5

2014	308	71	86	2	2	5
2013	317	99	83	2	1	4
2012	275	40	83	2	1	4
2011	348	70	83	2	1	4

Source: Ministry of Religious Affair of Palu

Based on the data in the two tables above, both from the aspect of the number of religious adherents and the distribution of places of worship, it is clear that the majority of the Muslim community is internally, although not recorded in the table, if it is mapped based on organizational trends, ideology and *fiqh* schools, it can be said that the majority of them are scattered into several social organizations and religious institutions consisting of; Alkhairaat (1930), Nahdlatul Ulama (NU-1926), Muhammadiyah (1916), and Daruddakwah Wal Irsyad (DDI-1933). The rest are scattered into small groups such as; The Indonesian Islamic Da'wah Institute (LDII), Al- Wahdah, Syi'ah, and HTI itself.

When analysed the distribution of the Muslim community in Palu City using a historical approach, especially the history of the national consensus on the early establishment of the Unitary State of the Republic of Indonesia (NKRI), several of these organizations, both NU, Muhammadiyah, Alkhairaat, and DDI, have "ideological services to the Republic of Indonesia " which cannot be forgotten throughout the history of Indonesia. National history records that a number of figures from several of these mass organizations agreed with Pancasila as the basis and ideology of the Republic of Indonesia. It is for a Muslim community like this that the radical groups in Palu City including HTI offer a Khilafah Islamiyah state, replacing Pancasila.[11] In this context, we can imagine what the response would be and the perception of the Muslim community in Palu City towards the mobilization of membership in radical groups, the HTI campaign. The following discussion will describe the mass mobilization carried out by the network of radical groups including HTI as the dominant group in the network.

1. In Palu City and Central Sulawesi, HTI was first established in 2004 led by Ustadz Amirudin (2004-2010 period), then led by Ustadz Sardi Ibn Arsy (2010-present period). HTI began to be registered with Kesbangpol Central Sulawesi Province in 2014, which shows that their existence is legal. The emergence of HTI in Palu City and Central Sulawesi as a whole cannot be separated or is a direct influence of the dynamics of HTI nationally in Jakarta and in various cities in the Republic of Indonesia. For example; 2000 International Khilafah Conference, 2007 International Khilafah Conference, 2009 National Ulema Conference, Indonesian Muballighah Conference in 2010, and the Rajab Conference in 2011.[12] In the first stewardship period (2004-2010) the HTI movement was more focused on socialization, member recruitment, infrastructure development, cadre and formation of pockets of movements that are considered strategic for the development of HTI in Palu and Sulawesi City Middle. Like the Muslim Brotherhood (IM), HTI takes the campus as the basis of the movement that supports all the activities they carry out. And from the campus, which is usually centred on the campus mosque, HTI conducts training and cadre for its members.

Meanwhile, in the period of the management of Ustadz Sardi Ibn Arsy (2010-present), the HTI movement in Palu City, apart from still being focused and continuing the movements of the previous period, also began to expand its progress and movement orientation. For example, expanding networking. This was done by visiting several figures and scholars, including visiting Habib Ali bin Muhammad Aljufri, Chairman of PB Alkhairaat and Chairman of the Central Sulawesi MUI, Ustadz Jamaluddin Hadi, preachers and Muhammadiyah figures. According to Sardi, this was done not only so that HTI could get

input from the ulama and figures from these Islamic organizations, as well as so that the ulama could find out what HTI was fighting for.[12]

In addition to the agenda of gathering to ulama, HTI also conducts dialogue and communication with high school students and students in schools and several state and private universities in Palu City. In addition, in order to *fikrah* and their mission to spread widely, then they spread *Bulletin Dakwah Al-Islam* every Friday in the *Jum'ah* prayer. This bulletin is printed with various actual themes, including:

- a. *Al-Islam*, ed. 764, 23 Ramadhan 1436 H / 10 July 2015 M. Reflections to welcome Eid: *"Together with the Ummah, uphold the Khilafah Ar - Rasyidah "*.
- b. *Al-Islam*, ed. 772, 4 Dzulhijjah 1436 H / 18 September 2015 M. "Khilafah: Creating Obedience, Uniting the Ummah (Eid Al-Adha Reflection 1436 H / 2015 M).
- c. *Al-Islam*, ed. 805, 28 Rajab 1437 H / 6 May 2016 M. Rajab's reflections: *"Khilafah: Mandatory Sharia, Needed by the Ummah "*.
- d. *Al-Islam*, ed. 806, 6 Sya'ban 1437 H / 13 May 2016 M. *"As a result of Shari'ah not being applied, women are also victims "*.
- e. *Al-Islam*, ed. 809, 27 Sya'ban 1437 H / 3 June 2016 M. *"Ramadan: Time to Realize Kaffah Islam "*.
- f. *Al-Islam*, ed. 822, 14 Dzulhijjah 1437 H / 14 September 2016 M. *"Beware of Confusion of Meaning of Kafir and Faith "*.
- g. *Al-Islam*, ed. 824, 27 Dzulhijjah 1437 H / 30 September 2016 M. *"Hijrah, Time to Change "*.
- h. *Al-Islam*, No. 825, 6 Muharram 1438 H / 07 October 2016 M. *"Superstition And Khurafat Grows Massively in a Secular Society".*
- i. *Al-Islam*, No. 826, 13 Muharram 1438 H / 14 October 2016 M. *"Act Strictly for Qur'an Blasphemy! "*.

The distribution of the *Al-Islam* bulletin is one of the ways HTI has always used to market and publish their ideas, including "the obligation to uphold the Islamic Caliphate ". There are two key words that have always been put forward by HTI activists when discussing the Caliphate state, namely, "Shari'ah and Caliphate", these two Islamic political keywords are the breath of HTI in the context of upholding the Islamic Caliphate.

For HTI, as noted in several manifestos of their world political view, it is emphasized that the Islamic Caliphate is an ideological state, and its main task is to develop *Risalah Islamiyah* throughout the world. So, it is obligatory on it, and it is included in its existence to have a high position on the international stage and strive to influence relations between nations. It must not be denied that the concept of politics in political science must be from the concept between nations and not one-off or local one. So Muslim political experts must have a political concept of international rank apart from the concept of local. So, they have a great responsibility in having a perfect and comprehensive political awareness. As a Muslim individual and an Islamic state, the basic and written roles are developing Islam throughout the world, and this requires a comprehensive political awareness.[13]

It seems that HTI circles are very aware that one of the methods to publicize the desire to establish or enforce the Islamic Caliphate state, including changing and shaping the people's way of thinking, through reading media. Apart from the bulletin, the magazine *al-Wa'i* - Political Media and *Da'wah*, is also always marketed and disseminated to the Muslim community in Palu City. The *al-Wa'i* media, has a much wider and more varied segment and presentation of studies than the *Al-Islam* bulletin.

2. In Palu City, several points of movement of radical Islamic networks were found. In addition to mobilizing membership at the community level by conducting routine recitations at several good points in the mosque, it also uses the office facilities of government agencies. For example, inviting speakers of radical figures in their study activities but not regularly. Meanwhile, those who regularly fill in the study, especially at Masjid al-Taubah the BPKB complex and the al-Munawaroh Mosque, the Agriculture Office complex at Jl. Kartini.

Meanwhile, the study activities outside government offices such as the al-Taubah Mosque in the Pelangi alley, the Jalan Bangau Putih Mosque, the Nurul Iman Mosque next to the Palu III Bridge, and one of the small mosques in Kalikoa Village, West Palu District.

To strengthen their ideology and membership mobility, they established several foundations and owned a number of schools such as; SDIT Alfahmi, SDIT in the border housing of Palupi Village and Tinggede Village namely SD Al-Qolam and TK al-Qolam Palupi, Qorratua'yun Foundation, SDIT Khalifah. These schools for certain subjects such as Islamic religious education, they have their own textbooks and do not use the Ministry of Religion textbooks.

Social mobility networks in raising funds for various purposes including caring for the tsunami earthquake and liquefaction of Palu Sigi and Donggala (PASIGALA) through One Care, Syam Organizer, Sahabat Sahlan, Qorratuayun Foundation, and JKM.

The roots of the networks of these groups are connected directly and indirectly to transnational radicalism/fundamentalism (Salafi-Jihadism) movements operating in the Indonesian Archipelago, such as;

- a. Ikhwanul Muslimun (IM). Founded by Hasan al-Banna in Egypt, it was present in Indonesia through campus's *da'wah* institutions which later became the *Tarbiyah* movement.
- b. HTI (HT). HTI together with IM founded the Justice Party (PK) which has now turned into the Prosperous Justice Party (PKS). The jargon carries the Caliphate State throughout the world, and places Indonesia as a part of it.
- c. Wahabi who tried to carry out global wahabization. These three transnational movements work hand in hand in achieving their goals, namely the formalization of Islam in the form of a State and the application of shariah as positive law or the Islamic Caliphate.

While other descendants such as the Indonesian Mujahidin Council (MMI) Abu Bakar Ba'asyir and Abdullah Sungkar (Salafi Islamic Boarding School Ngruki - Solo), Laskar Jihad, apart from having a Wahabi gene, also has an "ideological genealogy" relationship with (NII 1949) by Sekarmadji Maridjan. Kartosoewirjo (SMK), Daud Beureueh (DI / TII), Abdul Qahhar Mudzakkar

(AQM) and Ahmad Husein from PRRI, they want to establish an Indonesian Islamic State. In the perspective of the State, the issue of radicalism is not only considered an anxiety of the people of the nation but has also become a threat to the integrity of the Unitary State of the Republic of Indonesia.

Tadulako University Campus Network (UNTAD), especially in student networks, radical Islam enters through the Student Organization Lovers of Mosques or Musalla and LDK UPIM Tadulako University (Untad), so it is not uncommon for the Untad complex mosque to invite several speakers from radical groups.[14] The radical network actors who entered the campus of the State Islamic Institute (IAIN) in Palu, came from the UNTAD or LDK UPIM network. It's just that their activities are not too prominent because there are balancing organizations that are moderate in nature besides UKM, which are also always

controlled by the ANSOR Youth Movement, Muhammadiyah Youth and PMII. Below can be seen some of the actors driving the UNTAD network; Andi Baso Satria Kurniawan (HTI), activist of MPM Darussalam Faculty of Law. Aminuddin (HTI figure), lecturer at the Faculty of Agriculture UNTAD, former Chairman of UPIM UNTAD. Advisor of MPM Faculty of Agriculture. Saldi Aras.S.Pd (Chairman of PW HTI Central Sulawesi), former Chairman of the MPM. FKIP, here is the basis for HTI cadre.

4. Conclusion

The city of Palu, inhabited by various ethnic groups, religions and races (SARA), consists of ethnic groups; To-Kaili (indigenous people), Bugis Makassar, Mandar, Java, Ternate, China, Gorontalo, Manado, Lombok-Mataram and Bali. However, *To-Kaili*, is the majority population who inhabit almost the entire region of Central Sulawesi. SARA's diversity also creates a diversity of cultures, customs and levels of education as well as employment opportunities in social life. The majority of Palu City residents are Muslim. When mapped based on the organizational tendencies, ideologies and fiqh schools adopted, the Muslim community is scattered into social organizations and religious institutions; Alkhairaat (1930), Nahdlatul Ulama (NU-1926), Muhammadiyah (1916), and Daruddakwah Wal Irsyad (DDI-1933). The rest are scattered into small groups such as; The Indonesian Islamic Da'wah Institute (LDII), Al-Wahdah, Wahabi, Syi'ah, and HTI itself. Based on the history of the national consensus of the establishment of the Unitary State of the Republic of Indonesia (NKRI), these organizations approved Pancasila as the basis of the Republic of Indonesia. Therefore, they have a psychological distance from the tendency of radical Islamic schools to blame and infidel Muslims, including the idea of a Caliphate state brought by Hizbuttahrir Indonesia.[15]

At the campus level, especially Tadulako University, the Student network, radical Islam entered through the Student Organization Loving the Mosque or Musalla and the UPIM University of Tadulako (Untad) LDK, so it was not uncommon for the Untad complex mosque to invite several lecturers from radical groups. There are parts of the community who are accommodating as a response to several educational institutions established by radical Islamic groups, so that there are some people who send their children to these schools. This accommodative attitude is caused by two things: first, lack of understanding of the mission of radical teachings developed by these institutions, second, too fascinated with the stretching or progress of the school developed by the group.

In Palu City, several points of movement of radical Islamic networks were found. In addition to mobilizing membership at the community level by conducting routine recitations at several good points in the mosque, it also uses the office facilities of government institutions. For example, inviting speakers of radical figures in their study activities but not routinely. Meanwhile those who routinely fill in the study, especially at the al-Taubah Mosque, the BPKB complex and the al-Masjid al-Munawaroh Agricultural Office complex Jl. Kartini. Meanwhile, outside government offices such as the al-Taubah Mosque in the Rainbow hall, the Bangau Street Mosque Putih, a mosque beside the Palu III Bridge, and one of the small mosques in Kalikoa Village, West Palu District.

To strengthen their ideology and membership mobility, they established several foundations and owned a number of schools such as; SDIT Alfahmi, SDIT in the border housing of Palupi and Tinggede villages, namely Al-Qolam Elementary School and Al-Qolam Palupi Kindergarten, Qorratua'yun Foundation, SDIT Khalifah. These schools for certain subjects such

as Islamic religious education, they have their own textbooks, not using textbooks printed by the Ministry of Religion. Social mobility networks in raising funds for various purposes including caring for the tsunami earthquake and liquefaction of Palu Sigi and Donggala (PASIGALA) through One Care, Syam Organizer, Sahabat Sahlan, Qorratuayun Foundation, and JKM.

The roots of the network of these groups are connected directly and indirectly to transnational radicalism/fundamentalism (Salafi-Jihadism) movements operating in the Indonesian Archipelago, such as; Ikhwanul Muslimun (IM). Founded by Hasan al-Banna in Egypt, it was present in Indonesia through campus da'wah institutions which later became the Tarbiyah movement. HTI (HT). HTI together with IM founded the Justice Party (PK) which has now turned into the Prosperous Justice Party (PKS). The jargon carries the Khilafah State throughout the world, and placing Indonesia as a part of it. Wahabi who tried to carry out global wahabization. These three transnational movements work hand in hand in achieving their goals, namely the formalization of Islam in the form of a State and the application of shari'ah as positive law or Khilafah Islamiyah. While other descendants such as the Indonesian Mujahidin Council (MMI) A bu Bakar Ba'asyir and Abdullah Sungkar (Salafi Islamic Boarding School Ngruki -Solo), Laskar Jihad, apart from having a Wahabi gene, also has an "ideological genealogy" relationship with (NII 1949) by Sekarmadji. Maridjan

Kartosowirjo (SMK), Daud Beureueh (DI / TII), Abdul Qahhar Mudzakkar (AQM) and Ahmad Husein from PRRI, they want to establish an Islamic State of Indonesia.

References

- [1] S. Umi, *Islam "Radikal" dan Pluralism Agama Studi Konstruksi Sosial Aktivis Hizb al-Tahrir dan Majelis Mujahidin di Malang tentang Agama Kristen dan Yahudi*, Seri Diser. Jakarta: Badan Litbang dan Diklat Kementerian Agama RI, 2010.
- [2] Jamhari and Jahroni Jajang, *Gerakan Salafi Radikal di Indonesia*, First Edit. 2004: PT. Raja Garafindo Persada.
- [3] A. M. and Abegebrriel and A. Yani Abeveiro, *Negara Tuhan The Thematic Encyclopedia*, 1st ed. Jogjakarta: SR-INS Publishing, 2004.
- [4] "Observation and Premilinar investigation conducted by the author was to detect places and mobility post of radical group in Palu, since the Emergency time as the response of natural disaster, tsunami and liquefaction of Palu Sigi and Donggala," *PASIGALA*, 2018.
- [5] "Kamus Besar Bahasa Indonesia."
- [6] B. Tibi, *The Challenge of Fundamentalism Political Islam and the New World Disorder*. California, 1998.
- [7] R. T. Antoun, *Memahami Fundamental: Gerakan Islam, Kristen, Yahudi*. Surabaya: Pustaka Eureka, 2002.
- [8] M. Kartanegara, "Fundamentalisme, Radikalisme dan Terorisme: Sebab dan Solusinya dari Perspektif Pemikiran dan Pendidikan Islam," Jakarta, 2012.
- [9] H. Hanafi, "Asal Usul Konservatisme Keagamaan dan Fundamentalisme Islam," *Ulumul Quran*, vol. II, p. 7.
- [10] A. Wahid, *Ilusi Negara Islam-Ekspansi Gerakan Islam Transnasional di Indonesia*, Cetakan I. Jakarta: Diterbitkan atas kerjasama Gerakan Bhinneka Tunggal Ika, The Wahid Institute dan Maarif Institute, 2009.
- [11] A. G. Jumat, *Nasionalisme Ulama: Pemikiran Politik Kebangsaan Sayyid Idrus bin*

- Salim Aljufri 1891-1969*, Seri Diser. Jakarta: PUSLITBANG Kementerian Agama RI, 2012.
- [12] “Sardi Ibn Arsyi, Head of DPW HTI Sulawesi Tengah Zaharudin, Ketua HTI Kota Palu,” 2016.
 - [13] “Manivesto Konsep Politik Hizbuttahrir Document 3,” 1969.
 - [14] R. Atma, “(alumni Fakultas Hukum UNTAD), Wawancara tanggal 17 Oktober 2019 di Palu.”
 - [15] M. S. Al-DJufri, *Wahdah Islamiyah Di Gorontalo (Studi Tentang Corak Pemikiran dan Respon Masyarakat)*, Seri Diser. Jakarta: PUSLITBANG Kementerian Agama RI, 2011.

Law Enforcement against Marine Pollution Foreign Ships in Indonesia

Indien Winarwati¹
{indienwinarwati@gmail.com¹}

Faculty of Law, University of Trunojoyo Madura, Indonesia¹

Abstract. Marine pollution is mainly caused by oil spills from ship operations and offshore drilling. Indonesian waters have the potential to be polluted by ships due to busy shipping activities. This paper tries to answer the regulation of marine pollution prevention by foreign ships and law enforcement carried out by Indonesia. This research is a normative legal research which examines juridical aspects with a statutory approach. It addresses issues under laws and regulations relating to the prevention of pollution at sea by ships. The results showed that the regulation of marine pollution prevention by ships includes Law Number 17 of 2008 concerning Shipping, Government Regulation Number 19 of 1999 concerning Control of Marine Pollution and / or Destruction, Government Regulation Number 51 of 2002 concerning Shipping and Regulation of the Minister of Transportation Number. KM 4 of 2005 concerning Prevention of Pollution by Ships. Indonesia enforces laws relating to the prevention of marine pollution by foreign ships based on the provisions of Article 1 paragraph (1) and Article 4 paragraph (1) MARPOL.

Keywords: Law enforcement, pollution, sea, foreign ships, Indonesia.

1 Introduction

As Indonesia's property the sea and the habitat should be maintained for sustainability. Unfortunately, however, marine pollution in Indonesia's territorial waters is very high, especially those caused by oil spills.. Marine pollution is among the environmental problems we face today and is often caused by human activities. Most of marine pollution are caused by humans either directly or indirectly.

Pollution is defined as the entry or introduction of living things, substances, energy, and/or other components into the marine environment by human activities, leading to a decrease in quality to a certain level causing the marine environment no longer conforming to the quality standards and/or functions.. The main source of marine pollution usually is oil spills originating from ship operations, offshore drilling (exploration) or ship accidents. Ship-originated marine pollution is classified into four types: ship operations, dumping, seabed activities and onshore activities.

Indonesian waters are potentially polluted by ships due to busy shipping activities. One example is the Malacca Strait, which is the world's busiest ship crossing. With 2.33 billion ship stopover at the Port of Singapore, waters directly adjacent to the Malacca Strait are potentially polluted [1]. These incidents include the Montara case which has lasted for 10

years, the oil spill in Balikpapan in 2018, and the collision of MV Caledonia Sky and reefs in Raja Ampat. Those incidents polluted and/or damaged the marine and coastal ecosystems [2].

In addition, in 2018 an incident of oil leakage occurred off the coast of Balikpapan, Indonesia. The incident was caused by the rupture of the pipeline leading to Pertamina's refinery due to scratching by the ship's anchor. The resulting explosion when an oil leak was spattered by fire killed five people while they were in Balikpapan Bay. The Balikpapan District Court sentenced Zong Deyi, the captain of MV Ever Judger, to 10 years in prison. In addition, the captain of Chinese nationality was also fined IDR 15 billion with a subsidiary sentence of 1 year in prison. However, Zong Deyi rejected the verdict since it was perceived as too heavy. Statements of the problems are How is the arrangement of prevention of marine pollution by foreign ships? Has the law enforcement committed by Indonesia with regard to the prevention of marine pollution been compliant with the provisions of the International Environmental Law?

2 Literature Review

2.1. Causes of Marine Pollution

Activities on land and air are the biggest source of marine pollution, accounting for about three-quarters of marine pollution from land pollution entering the oceans. Apart from that waste originating from land activities such as landfills near the beach or garbage carried by waterways and rivers in urban areas, besides that, dumping and disposal activities from marine vehicles also contribute to the amount of garbage in the ocean [3].

Indonesia is a maritime country, its sea area is larger than its land area. The beauty and richness of Indonesia's sea is so charming, but the occurrence of environmental pollution which often occurs slowly destroying the marine ecosystem. The sea is an important part of life. For humans, the sea can be a source of livelihood to make life necessities. Fishermen can benefit from fishing in the sea. Because of the importance of the sea for many parties, all parties must think about how to overcome it in the event of marine pollution

Some of the factors that cause marine pollution, among others, are waste. Factory waste that is directly flowed into the sea will cause pollution in sea water. Industrial waste contains various hazardous metals such as mercury, arsenic, lead, and so on. This is what ultimately causes pollution in the sea. As a result, many members of the marine ecosystem will die.

Marine pollution can also occur due to offshore mining activities. When offshore mining is carried out, there will be waste generated. Because it is in the middle of the sea, the only place where the waste is dumped is in the sea. Due to an oil spill, the condition of sea water will change. Water and oil have different characteristics and do not mix. In addition, waste oil also contains dangerous substances that are quite easy to kill fish ecosystems in the sea. With the existence of marine pollution due to mining and industrial waste, it has disrupted the ecosystem of marine resources, for example the death of fish and the destruction of coral reefs [4].

Furthermore, sources of marine pollution originating from ships are classified into four types, namely ship operation activities and disposal (dumping), activities on the seabed and activities on land [2].

Another cause of marine pollution is garbage. Garbage carried by river currents can end up in the sea. If every day the volume of waste that pollutes the sea increases, the life of marine life will be disturbed. Globally, the percentage of waste that pollutes the sea is plastic waste which accounts for 60-80% of all marine debris, while in some places the presentation reaches 90-95% of all marine debris. There is no strong scientific data regarding the origin of this waste, but it is estimated that 80% comes from land and 20% comes from ships. Fish

exploitation is one of the factors that can cause marine pollution problems. Fishermen who carry out fishing on a large scale using explosives or other dangerous materials will disturb the regeneration of marine fish.

2.2. State Obligation to Prevent Marine Pollution

The 1982 United Nations Convention On The Law Of The Sea (UNCLOS) states that every country has the right to sail under its flag on the high seas, but that country must also effectively exercise jurisdiction and oversight in administrative, technical and social fields. on ships flying its flag More generally, each country is obliged to protect and conserve the marine environment from the dangers of pollution, but countries are not fully to determine its national provisions relating to the matter environmental protection from the threat of pollution.

UNCLOS completely regulates the protection and preservation of the marine environment. Article 192 states that every State has the obligation to protect and preserve the marine environment. Article 193 outlines an important principle in the utilization of resources in the marine environment, namely the principle which states that every State has the sovereign right to exploit its natural resources in accordance with their environmental policies and in accordance with its obligations to protect and conserve the marine environment.

States parties to the 1982 Convention on the Law of the Sea have an obligation to comply with all provisions of the Convention regarding the protection and preservation of the marine environment, namely as follows:

1. Obligation to make laws and regulations on the protection and preservation of the marine environment that comprehensively regulate including the prevention of pollution of the marine environment from various sources of pollution, such as pollution from land, ships, dumping, and others. The laws and regulations include law enforcement, namely the court process
2. The obligation to make efforts to prevent, reduce and control pollution of the marine environment,
3. The obligation to undertake regional and global cooperation, if regional cooperation means cooperation at the level of ASEAN member countries, and meaningful global cooperation with other countries that involves countries outside ASEAN because now the problem of marine environmental pollution is a global problem, so that the handling must be global as well.
4. States must have rules and equipment as part of the contingency plan
5. The statutory regulations are accompanied by a process of accountability mechanisms and liability compensation for parties who have suffered losses due to marine pollution.

In carrying out the obligation to protect and conserve the marine environment, each State is required to cooperate both regionally and globally..This regional and global cooperation can be in the form of cooperation in notification of marine pollution, joint handling of the dangers of marine pollution, forming contingency plans against pollution, studies, research, exchange of information and data and making scientific criteria. to regulate procedures and practices for the prevention, reduction and control of pollution of the marine environment In addition, each State oblige to make legislation regulating the prevention and control of marine pollution from various pollution sources, such as land-based sources, pollution from seabed activities within its national jurisdiction, pollution from activities in the Area, pollution from dumping, pollution from ships and pollution from the air [5].

3 Methods

This research is a type of juridical normative research, which is a scientific procedure to find the truth based on literature and secondary legal materials. This research approach uses the statute approach method. The legal materials used are primary and secondary legal materials. These legal materials are analyzed using descriptive-analysis techniques, namely by linking to legal principles based on legal theories related to existing legal problems, namely law enforcement against pollution by ship.

4 Result and Discussion

4.1. Arrangement of the Prevention of Marine Pollution by Ships

Indonesia has issued several laws and regulations concerning the protection of the marine environment and the arrangement of the prevention of marine pollution, including:

Law No. 32 of 2009 on Environmental Protection and Management which in general sets out efforts to preserve the function of the environment and to prevent pollution and/or damage to the environment that include planning, utilization, control, maintenance, supervision, and enforcement, constitutes a legal umbrella of the environmental law to produce other, more specific laws.

Law No. 17 of 2008 on Shipping. The arrangement of the prohibition of marine or aquatic pollution originating from disposal activities of waste and other hazardous materials is set out in Chapter XII regarding Maritime Environmental Protection of Articles 226 to 230. Article 226 paragraph (2) states that The protection of the maritime environment as referred shall be undertaken by preventing and overcoming pollution from ship operations. Furthermore, Article 227 states that each and every crew member is obliged to prevent and cope with environmental pollution originating from the ship. Article 228 paragraph (2) state that Ships of a certain type and size that are operated shall be equipped with a pattern for coping with ship-originated oil pollution approved by the Government.. Article 229 paragraph (1) states that each and every ship is prohibited from disposing of waste, ballast water, sewage, garbage, and hazardous and toxic chemicals into the waters. Article 230 paragraph (1) stipulates that each Skipper or person in charge of other activity units in the waters shall be responsible for coping with pollution from ships and/or activities.

Government Regulation Number 19 of 1999 concerning Marine Pollution and/or Destruction Control. Article 9 stipulates that each and every person or person in charge of a business and/or activity is prohibited from performing acts that can lead to marine pollution. Furthermore, Article 10 paragraph (1) stipulates that each and every person in charge of a business and/or activity that may cause marine pollution shall prevent marine pollution. Article 15 paragraph (1) states each and every person or person in charge of a business and/or activity that causes marine pollution and/or destruction shall prevent marine pollution and/or destruction caused by its activities. Article 24 (1) states that every person or person in charge of a business and/or activity that causes marine pollution and/or destruction is obliged to bear the cost of overcoming marine pollution and/or destruction as well as the cost of restoring it.

Government Regulation Number 51 of 2002 on Vessels. The Government Regulation also sets out prevention of marine pollution from ships. Article 126 paragraph (1) sets out that companies that operate vessels of a certain type and size shall have a certificate of ship operation safety management and the prevention of ship-originated pollution.

Minister of Transportation Regulation Number KM 4 of 2005 concerning Prevention of Pollution Originated from Ships. Article 2 set out the provisions of the prohibition for every vessel (especially oil-loading tankers and the provision does not apply to warships as referred

to Article 13) from disposing of oil or oily waste in Indonesian waters and the Indonesian Exclusive Economic Zone. Furthermore, Article 20 sets out that the owner or operator of the ship shall be responsible for the pollution that resulted from his ship at the nominal amount of guaranteed compensation funds for pollution accounted for. Thus, the arrangements for the prevention of marine pollution in Indonesia are found in several laws and the implementation rules.

4.2. Law Enforcement Undertaken by Indonesia against Marine Pollution by Foreign Ships

Indonesia is the largest archipelago in the world and one important member of the IMO (International Maritime Organization). For this reason, Indonesia has ratified the IMO-produced International Convention on the Prevention of Pollution from Ships in 1973 and its protocol in 1978, namely the International Convention for the Prevention of Pollution from Ships 73/78 known as Maritime Pollution (MARPOL). It is stated in the considerations of the Presidential Decree “that for the purpose of preserving marine environment from pollution originated from the operation of ships [6].

MARPOL contains obligations for each member country to comply with and implement the provisions in order to protect the marine environment from pollution. The duties and authorities of MARPOL member countries as referred to in the provisions of the International Law of the Sea (UNCLOS).

In connection with the provisions of the prevention of pollution by ships Article 1 paragraph (1) of MARPOL states that: The Parties to the Convention undertake to give effect to the provisions of the present Convention and those Annexes thereto by which they are bound, in order to prevent the pollution of the marine environment by the discharge of harmful substances or effluents containing such substances in contravention of the present Convention. This means that the States to the convention have an obligation to apply the precautionary principle of preventing pollution, especially oil which can pollute the marine environment. Furthermore, provisions regarding violations of this convention are regulated in Article 4 paragraph (1) states that: Any violation of the requirements of the present Convention shall be prohibited and sanctions shall be established therefor under the law of the Administration of the ship concerned wherever the violation occurs. If the Administration is informed of such a violation and is satisfied that sufficient evidence is available to enable proceedings to be brought in respect of the alleged violation, it shall cause such proceedings to be taken as soon as possible, in accordance with its law.

Law enforcement undertaken by Indonesia on the prevention of marine pollution by foreign vessels is regulated in several laws and the implementation rules, including Law No. 17 of 2008 concerning Shipping. Article 226 Paragraph (1) of the Law states that maritime environmental protection is undertaken by the Government and paragraph (2) states that maritime environmental protection as referred to in paragraph (1) shall be undertaken by preventing and controlling of pollution from ship operations. Article of 227 states that each and every crew member is obliged to prevent and overcome environmental pollution originating from the ship. Article 230 paragraph (1) states that each captain or person in charge of other activity units in the waters is responsible for overcoming pollution originating from the ship and/or its activities. Furthermore, Government Regulation Number 19 of 1999 concerning Control of Marine Pollution and/or Destruction and Article 9 states that every person or person in charge of a business and/or activity is prohibited from engaging in actions that can cause marine pollution. Article 10 paragraph (1) states that each and every person in charge of a business and/or activity that can cause marine pollution is obliged to prevent

marine pollution. Article 24 paragraph (1) states that each and every person or person in charge of a business and/or activity that causes marine pollution and/or destruction is obliged to bear the cost of overcoming marine pollution and/or destruction and the cost of restoring it. Furthermore, Article 20 of Minister of Transportation Regulation No. KM 4 of 2005 concerning Prevention of Pollution from Ships states that owner or operator of the ship shall be responsible for the pollution that resulted from his ship at the nominal amount of guaranteed compensation funds for pollution accounted for.

On the basis of several regulations concerning the prevention of marine pollution, a conclusion can be drawn that the provisions concerning the prevention of marine pollution made by Indonesia are in accordance with the provisions contained in MARPOL, that the participating States are obliged to apply the principle of preventing pollution that can pollute the marine environment. Thus, law enforcement undertaken by Indonesia against violations of the prevention of marine pollution by foreign ships does not contradict the provisions of MARPOL.

5 Conclusions

The regulations for preventing marine pollution by ships are contained in several laws and the implementation regulations which include Law Number 32 of 2009 concerning Environmental Protection and Management which regulates in general terms of efforts to conserve environmental functions and prevent environmental pollution and/or damage. Law Number 17 of 2008 concerning Shipping regulates the prohibition of marine pollution or waters originating from activities of disposing of waste and other hazardous materials. Furthermore, Government Regulation Number 19 of 1999 concerning Control of Marine Pollution and/or Destruction and Government Regulation Number 51 of 2002 concerning Shipping regulate the prevention of marine pollution from ships. Furthermore, Minister of Transportation Regulation Number KM 4 of 2005 concerning Prevention of Pollution from Ships regulates the prohibition for each ship to discharge oil or oily waste in Indonesian waters and the Indonesian Exclusive Economic Zone.

Law enforcement undertaken by Indonesia with regard to the prevention of marine pollution by foreign vessels is in accordance with the provisions in Article 1 paragraph (1) and 4 paragraph (1) of MARPOL which state that the State will apply these conventions to prevent pollution of the marine environment from disposal of hazardous waste and substances and the State may not violate the provisions of MARPOL. Thus, law enforcement undertaken by Indonesia under laws made by Indonesia does not contradict the provisions of International Environmental Law.

References

- [1] E. S. Puspoayu, A. R. Hakim, and H. Selsiana, "Judicial Review of Oil Pollution Responsibility in the Balikpapan Bay Area," *Ius Quia Iustum Law J.*, vol. 25, no. 3, 2018.
- [2] Azaria and D. Prawidya, "Perlindungan Lingkungan Laut Samudra Pasifik Dari Gugusan Sampah Plastik Berdasarkan Hukum Lingkungan Internasional," *Kumpul. J. Mhs. Fak. Huk.*, vol. 0, no. 0, pp. 1–18, 2014.
- [3] Rizky W. Santosa, "Dampak Pencemaran Lingkungan Laut Oleh Perusahaan Pertambangan

- Terhadap Nelayan Tradisional,” *Lex Adm.*, vol. 1, no. 2, pp. 65–78, 2013.
- [4] I. Gusmayanti, “PENERAPAN PENGATURAN PEMBUANGAN LIMBAH MINYAK KE LAUT OLEH KAPAL TANKER DILIHAT DARI PERSPEKTIF HUKUM LINGKUNGAN DI INDONESIA,” *J. Huk. Lingkung. Indones.*, vol. 1, no. 1, 2014, [Online]. Available: <https://jhli.icel.or.id/index.php/jhli/article/view/8/9>.
- [5] L. S. Sakti, D. G. S. Mangku, and N. P. R. Yulianti, “Tanggung Jawab Negara Atas Pencemaran Lingkungan Laut Akibat Tumpahan Minyak di Perbatasan Laut antara Indonesia dan Singapura Menurut Hukum Laut Internasional,” *J. Komunitas Yust.*, vol. 2, no. 1, 2019, [Online]. Available: <https://ejournal.undiksha.ac.id/index.php/jatayu/issue/archive>.
- [6] J. Malisson, “Kajian Pencemaran Laut Dari Kapal Dalam Rangka Penerapan Pp Nomor 21 Tahun 2010 Tentang Perlindungan Lingkungan Laut,” *J. Teknol.*, vol. 16, no. 2, pp. 2114–2121, 2017.

Conflict Settlement in the Register Forest Areas of Lampung Province

Hieronimus Soerjatisnanta¹, Fransiscus Xaverius Sumarja², Ricco Andreas³
 {s.nymus@yahoo.co.id¹, fxsmj.unila@gmail.com², Andreasricco@gmail.com³}

Lecturer at the Faculty of Law University of Lampung, Lampung, Indonesia¹, Lecturer at the Faculty of Law University of Lampung, Lampung, Indonesia², Researcher at the Center of Public Policy and Human Right Studies Faculty of Law University of Lampung, Lampung, Indonesia³

Abstract. The register forest area in Lampung Province has a long history of conflict, starting from forest use that was not in accordance with the function of the forest. Lampung Province has three forms of forest, namely; conservation forest, protection forest, and production forest which have different conflict characteristics. The problem is that in all 51 register forest areas, conflicts frequently and repeatedly occur, requiring permanent resolutions. The government has issued a policy of social forestry through Presidential Regulation No. 88 of 2017 concerning Settlement of Land Tenure in Forest Areas. The researcher summarizes two legal issues, namely: (1) how is the typology of conflict in the register forest area in Lampung Province? (2) How is the implementation of the social forestry program as a form of conflict resolution in the register forest areas of Lampung Province? The researcher use legal or empirical sociology methods to answer these problems, including research on legal identification (unwritten) and research on the effectiveness of law in society. The results of the study provide the answer that, *first*, the implementation of social forestry must observantly regard the characteristics of conflict and forest function so that the social forestry scheme can truly become a bridge to resolve conflicts that occur in the register forest areas of Lampung Province. It must be said that the social forestry that currently exists is not a 'panacea' in all kinds of conflicts in the Lampung Province registers *Partnership Not Panacea*. Social Forestry Schemes must consider forest function, legal, social, economic, cultural, and political aspects, and identify protected forests starting from: (1) communities, (2) register land tenancy, (3) village officials, (4) security apparatus, and (5) the government. Meanwhile, In production forests, the aspects to concern are: (1) investors, (2) land providers, (3) land cultivators, (4) partnership groups, (5) non-partnership groups, (6) thugs, (7) companies, (8) security officials, and (9) the government. *Second*, the register forest areas of Lampung Province can only run with two schemes, namely Community Forestry and Forestry Partnership, because other forest functions do not exist in Lampung Province. The evaluation of the social forestry program implementation is deliberately required to improve the subsequent implementation of the program and to become a bridge for conflict resolutions.

Keywords: Resolution, Conflict, Forest, Lampung Province

1. Introduction

The registered forest area in Lampung Province has a long history of conflict.[1],[2] Forest areas began to be established in the Dutch colonial government, divided into three periods, namely, the first period during the Dutch colonial period, the second period during the independence period, and the third period on the application of the concept of agreed forest use followed by the concept of regional spatial planning (RTRW). Forest designation began in 1922 to 1942, and has been completed (51 registers). The term register is taken from the word forest registration (register) for naming forest areas in the Lampung region.

The registered area itself is divided into three types of forest functions, namely conservation forest, protection forest and production forest.[3]; Forests based on their functions (Article 6 and Article 7 of Law Number 19 Year 2004 concerning Stipulation of Government Regulations in Lieu of Law Number 1 of 2004 concerning Amendments to Law Number 41 of 1999 concerning Forestry into Law) [1].

The problem is, all forest areas (51 registers) have a conflict.[4] In 2013 the conflict in the registered forest area became more massive,[5] the government issued a partnership program policy based on Permenhut Number 39 of 2013 concerning Partnership, which was renewed by Permenhut Number P.83/menlhk/setjen/kum.1/10/2016 concerning Social Forestry, and strengthened by Presidential Regulation Number. 88 of 2017 concerning Settlement of Land Tenure in Forest Areas [6].

In Articles 10 and 11 of Presidential Regulation Number 88 of 2017 concerning Settlement of Land Tenure in Forest Areas, it has been stipulated that one of the models for settling land tenure in forest areas is through the Social Forestry Program. According to Presidential Regulation Number 88 of 2017 concerning Settlement of Land Tenure in Forest Areas, Social Forestry is a sustainable forest management system implemented in state forest areas or private / customary forests carried out by local communities or customary law communities as the main actors to improve welfare. Balance of environment and socio-cultural dynamics. classified into five forms, namely: a) Village Forest (HD), b) Community Forest (HKm), c) Community Plantation Forest (HTR), d) Forestry Partnership (KK), e) Customary Forest (HA) which has different forest function characteristics [7].

During the reform period, the number of people looking for their lives around the registered forest area and in the registered forest area cannot be denied because inequality in permits and access has created many conflicts, until 2011 the conflict in the registered forest area widened, such as: in the forest area register 45 Mesuji District, in the area. protected forest register 22 Way Waya, Pringsewu Regency, in the forest area of register 44 Gunung Terang, which is part of Tulang Bawang Barat and Way Kanan districts, and in the forest area register 40 Gedung Wani, South Lampung [8].

The government is pushing a program to accelerate the implementation of social forestry to communities around forests, including in Lampung Province, so that they have the opportunity to manage forest areas economically but still follow the rules to guarantee the ecological function of the forest area in question. The goal is for the community to increase their income and become more prosperous, and the forest area, in addition to maintaining its function and sustainability, also truly provides benefits for the surrounding community.

The government offers schemes in social forestry as a solution to the resolution of register forest conflicts.[9] Meanwhile, each register has different conflict characteristics and different forest functions, the fact is that it becomes a new problem when the journey is not as expected by the community, it is felt that it does not provide welfare [10][11][12][13]. Social forestry is not considered a panacea for all kinds of conflicts that have occurred in the registered forest area of Lampung Province [14][15][16].

This research is to re-identify the conflict characteristics of 51 registers in Lampung, starting from: (a) actors, (b) interests, (c) company business, (d) institutions, and (e) conflicting parties. It is hoped that it will produce a typology of conflict characteristic maps in each registered forest, which can be used as a reference in the formulation and peace policy of conflict resolution in registered forests. The legal issues in this research are: (1) What is the typology of conflict in the registered forest area in Lampung Province? (2) How is the social forestry program implemented as a form of conflict resolution in the registered forest area in Lampung Province?.

2. Methods

Researchers use legal or empirical sociology methods to answer these problems, which include research on legal identification *unwritten* and research on the effectiveness of law in society [17]. With the approach used is, the first stage of *Systematic Literature Review (SLR)*[18] which identifies, assesses, and interprets all findings on a research topic, to answer *research questions*[19] by examining SLR with register social symptoms (**conflict**), identifying conflict characteristics, so that a typology of conflict can be found that has a different character. The second stage is the sorting of legal materials and regulations and justification. The third stage is in-depth interviews with related sources.

Conducting field interviews in a formal way through a letter sent to the relevant agency and an internal approach to visit the informants directly, so that the data or information collected can be extracted properly, by preparing a list of questions about the identification and challenges of resolving forest conflicts in the register of Lampung Province. Targeted interviews include:

- a. Actor
- b. Investors
- c. Company
- d. Forestry and Environment Service of Lampung Province
- e. Local Government
- f. Parties to the conflict who are involved directly and indirectly.

3. Result and Discussion

Forest conflicts have started to appear since the re-establishment. This is because the determination was in principle only to re-establish the areas that had been determined during the Dutch colonial administration, not to rearrange the registered forest area in Lampung Province. Even though after independence the conditions were far different at that time, exacerbated again during the 1998 reform period, many people occupied forest areas that were previously managed

Figure 1. Map of the registered forest area of Lampung Province in 1990

3.1 Typology of conflict in registered forest areas in Lampung Province

Land is an important subject that is often a source of conflict among stakeholders, including between government agencies at the central and regional levels between local communities and the government and local communities and companies holding concessions / licenses granted by the government. Furthermore, the typology of conflicts related to land or in this case the registered forest area can be described as follows:[21] a) The conflict between indigenous peoples and the Ministry of Environment and Exodus occurred as a result of the designation and/or designation of a customary area as a state forest area; b) Conflict between communities vs. Ministry of Environment and Forestry Ministry of Agrarian and Spatial Planning/BPN. For example, a conflict in the issuance of proof of land rights in areas classified as forest areas; c) Conflict between Ministry of Agrarian and Spatial Planning/BPN vs. Community. For example a conflict due to a transmigration program carried out in a forest area; d) Conflict between immigrant farmer communities vs. Ministry of Environment and Forestry vs. Local Government. For example, a conflict is caused by a wave of immigrant farmers who enter the forest area and carry out agricultural activities in the area; d) Conflict between village communities vs. Ministry of Environment and Forestry. For example a conflict because a forest area enters the village area; e) Conflict between land brokers vs. political elite's vs. peasants vs. Ministry of Forestry vs. BPN. For example, a conflict is caused by land brokers/brokers who are generally supported by mass organizations/political parties who sell and buy forest land and help issue certificates on that land; f) Conflict between local (custom) communities vs. permit holders. Although this occurs as a result of the Ministry of Forestry making unilateral claims over forest areas and granting rights to use them to permit holders, this typology is often triggered by restrictions on community access to forests by permit holders; g) Conflicts between forestry permit holders and other permits such as mining and plantations; and h) Conflict due to the combination of various actors 1-8.

It can be described, a characteristic of each registered forest area that has differences ranging from forest function, conflict typology, parties that are interconnected and have their respective roles, and a social forestry scheme. There are many problems in the registered forest in Lampung Province, so we must look at the relationship between the parties, resolving from vertical conflicts to horizontal conflicts that occur in the registered forest.

There are many parties that must be clearly mapped from each party's relationship, such as in protected forests: 1) communities, 2) registered land cultivators, 3) village officials, 4) security forces, 5) government. In production forests, starting from: 1) investors, 2) land providers, 3) land cultivators, 4) partnership groups, 5) non-partnership groups, 6) thugs, 7) companies, 8) security forces, 9) Government. These actors have a long-standing relationship with each other, such as between thugs and the community, people have to pay security money to *preman* for security by the community, if they do not pay then the community will be subject to sanctions forcibly revoked their work or a riot occurs they will not Providing security assistance, things like this must also be considered in resolving conflicts through social forestry, identification in each forest register is necessary, if you want to implement social forestry in the Forestry and Community Forestry Partnership scheme in Lampung Province.

The implementation of social forestry raises many new problems in the Forestry Partnership scheme that is already running, the fact is that many farmers refuse, they feel they do not provide welfare as happened and have already been running in the Lampung Province register, social

forestry is not considered a panacea for all kinds of conflicts that occur in the registered forest area of Lampung Province.[11],[12]

Law as a means of social integration, it will not be possible to work in a vacuum. According to Harry C. Bredemeier,[22] when the law operates in a social order, it will always get input from other fields such as economics, politics and culture. The intake received by the law becomes the input (input) and output (output) which is returned to society. Furthermore Harry C. Bredemeier said that is why law in reality functions as a factor for integrating society, so law must be able to resolve conflicts in an orderly manner, as stated by Bredemeier:[22]

"The law function of the last is the orderly resolution of conflict. As this implies, "the law" (the clearest model of which J. Shall take to be the court system) is brought into operation after11 there violet by someone else".

Conflict position pattern

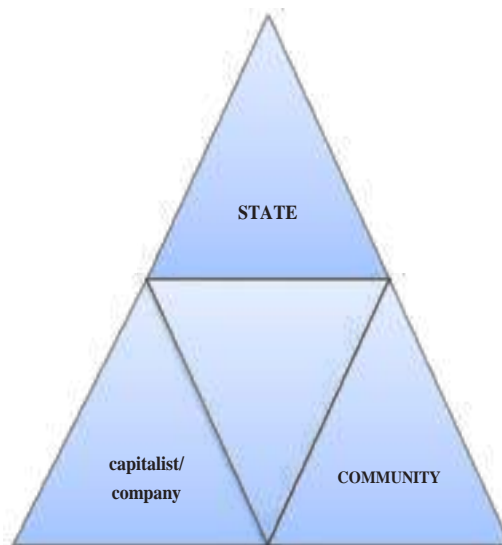


Figure 2. Conflict position pattern

Chambliss and Seidman make legal distinctions according to "a typology of society based on consensus on values" with a "typology of society based on conflict" [23]. Therefore, in handling conflict, it is necessary to have a legal instrument that can balance the three parties that can be accepted by all stakeholders, in this case the registered conflict in the social forestry scheme.

3.2 Implementation of social forestry programs as a form of conflict resolution

Community Forest, hereinafter abbreviated as HKm, is a state forest whose main use is aimed at empowering the community. Community forestry (HKm) is granted to groups or associations of local community groups in the form of a community forest utilization business license (IUP-HKm) which the decision is issued by the Minister of Environment and Forestry. The governor can issue IUPHKM SK if it meets the requirements set by the Minister of Environment and Forestry Regulation. Community forest managers are residents who live in the vicinity of the forest area who are members of a group or association of local forest management groups, whose names are known and signed by the village head / village head.[7, hal. 17]

There are several stages in the partnership journey and problems in the forest register 45 Mesuji Lampung in each stage in the community groups that carry out the partnership, including:

- a. The first stage, the community drew a high cut of the harvest.
- b. In the second stage, the community had to wait a long time to be able to replant because they had to get approval from the company.
- c. The third stage, the income they get decreases because the sales have to be sold to companies that have been determined by the partnership team even at a low price.
- d. The fourth stage, a sugarcane trial is conducted which inevitably the community must follow.

The profit sharing model in partnership with one harvest for the cultivator gets 8 million with a target of 8-10 months. Because the harvest results will be reduced the cost of purchasing seeds, cleaning the grass, using a large plow. From the data obtained, the first phase of the partnership covers an area of 1080 ha. with details of 400 ha of cassava. 96 ha of acacia hardwood trees are managed, 33 ha of sugarcane, and currently only 400 ha are planted with partnerships.

Forestry Partnership is a form of cooperation between the community and certain parties who have/hold forest management rights/forest exploitation rights / forest utilization rights as well as forest area lease-to-use permit/ forest product industrial business permits. Where this collaboration is the obligation of the right or permit holder to involve the community around the forest area which is the area of management of the right/permit holder [7,pp. 25–26].

In relation to the model of changes in the designation of functions and management systems of forest areas, it is in fact already in accordance with the contents of Article 58 to article 61 of Law No. 19 of 2013 concerning Protection and Empowerment of Farmers. That the government is obliged to guarantee agricultural sales for farmers, especially the ease of obtaining Free State land designated as an agricultural area of up to 5 hectares to local farmers who have been farming for 5 consecutive years. The aforementioned convenience is given to local farmers who do not own land but have cultivated land designated as agricultural land for 5 consecutive years, and for farmers who have less than 5 hectares of agricultural land. The provision of convenience to farmers as referred to above is provided in the form of lease rights, management permits, management permits and utilization permits. The mandate of this law is actually in line with the social forestry model through changes in the designation of functions and the forest area management system. There is an alternative to providing legal certainty over land controlled by farmers as long as it is on former state land. However, what needs to be paid attention is to be careful in implementing the procedures for giving programs to these farmers, so as not to violate the prevailing laws and regulations.

3.3 Evaluation of Social Forestry (social Forestry)

3.3.1 Direction of Social Forestry Policy

With regard to social forestry-based forest area management system policies, decision makers should change the way (mindset) and actions in forest area management, so that forest area management system policies are not only oriented to economic aspects, but also pay attention to social aspects and more importantly, namely environmental and social aspects.

Environmental damage is inseparable from the pattern of social structures and social systems in which individuals / groups interact, environmental problems cannot possibly be explained in the individual's internal motivation, but more importantly it is a product of system movement that is proven to be anti-ecological. Because after all, between social reality and ecological reality are clearly related. The influence of religious aspects, political aspects, economic aspects, educational aspects, and other aspects, are clearly involved in determining the good and bad of natural resources and environmental features. Forest destruction and the absence of proper environmental conservation are one of these aspects. Thus, in the management of forest areas including forest utilization, this system approach is important. considering forestry issues, especially related to social forestry policies for forest area management, it is certain that this will affect various other components of the system.

Therefore, environmental considerations with all related aspects in it must always be the concern of all stakeholders (Ministry of Environment and Forestry and its ranks below) as development actors and decision makers who have the most authority in implementing this model Policy makers when considering a decision, will If nature gives approval to changes in the forest area management system or not, it must be fully aware that whatever is done or not done will have consequences for various components of the environmental and social system as a whole.

Another aspect that is no less important is law enforcement on violations of statutory regulations, settlement of land tenure in forest areas through the Social Forestry Program tends to be more prone to abuse of authority and / or acts of violating environmental law principles, especially those related to environmental and social preservation of the community. In the policy of changing the forest area management system, it is necessary to carry out careful studies and preparations, both concerning instruments for regulating the issue of synchronization and harmonization), implementing the principle of preserving environmental functions in its policies, integrating policies across sectors, across regions and across stakeholders, anticipating irregularities. or violations in the field, or abuse of authority of those involved in decision making.

3.3.2 Community Participation

The government issues a Social Forestry policy, a sustainable forest management system implemented in state forest areas or private / customary forests which is carried out by local communities or customary law communities as the main actors to improve welfare, environmental balance and socio-cultural dynamics.[7, hal. 10],[24, hal. 20] Social forestry schemes based on Minister of Forestry Regulation Number 39 of 2013 concerning Partnership, which is renewed by Minister of Forestry Number p.83/menlhk /setjen/kum.1/10/2016 concerning Social Forestry, and

strengthened by Presidential Regulation Number.88 of 2017 concerning Settlement Tenure of Land in Forest Areas. [6, hal. 1–13] This often creates conflicts between the people who use the forest as their living space and the companies that hold concession permits.

The government aspires to social forestry which is expected to be a part of improving the welfare of communities around forest areas, conserving forests, including reducing conflicts between communities and concession holders. Why forestry partnerships are important, is not only about the policy context, but also about the gap in access between large-scale companies that manage forest resources up to 97%, while the community is only 3%. [25] With this program, the government will later act as a bridge between the community and various parties for peace to resolve conflicts over control of natural resources in forest areas. Making the community a partner with a profit sharing system. Farmers who do not have control over the land can do nothing they have no bargaining value.

Community groups are aware that the existence of social forestry will end with legitimacy for the company's actions in determining the fate of farmers. In the future, the community thinks that the subjugation of the peasants will weaken the struggle of the farmer groups and will gradually expel them from their land. On the other hand, the government did not give the community a choice to choose what the community wanted, the community was only provided with the concept of a cooperation agreement that had been made by the Lampung Provincial Forestry Service. The ongoing Socall forestry is considered not to reflect welfare for farmers who live in the registered forest area. In the theory of the concept of partnership, cross-sector partnerships between representatives of the state, private business and civil society are widely proposed as a way to engage non-state actors in public policies. However, partnerships contain a paradox that prevents effective social regulation or inclusion. Discussants of the partnership debate need to move from rhetoric to identifying institutional designs, maximizing contractual obligations and increasing local consideration or participation. But increasing deliberation also implies seeing how social forestry is reflect/implemented, rather than creating broader norms and advocacy coalitions, and by creating standard means of collaboration such as free, prior and informed consent. Rethinking social forestry, not only accelerating sustainability but also local development that should be-run. [14, hal. 1–30], [15, hal. 412], [16, hal. 23] Many people through groups reject or are forced and accept as politics so that people can still find life in the registered forest area of Lampung Province.

4. Conclusion

First, the implementation of social forestry must pay attention to the characteristics of the conflict and the function of the forest, so that the social forestry scheme really becomes a bridge to resolve conflicts that occur in the registered forest area of Lampung Province. It must be said that the social forestry that currently exists is not a panacea in all kinds of conflicts in the Lampung Province register (Partnership Not Panacea). Social Forestry Schemes must look at various aspects ranging from, forest functions, legal, social, economic, cultural, political, and identify protected forests starting from: (1) communities, (2) registered land tenants, (3) village officials, (4) security apparatus, (5) government. In production forests, starting from: (1) investors, (2) land providers, (3) land cultivators, (4) partnership groups, (5) non-partnership groups, (6) thugs, (7) companies, (8) officials security, (9) Government. *Second*, the registered forest area of Lampung Province can

only run with two schemes, namely Community Forestry and Forestry Partnership, because other forest functions do not exist in Lampung Province. It is necessary to evaluate the implementation of the social forestry program as a program improvement in its subsequent implementation, and become a bridge for conflict resolution.

References

- [1] O. H. Wahab, H. S. Tisnanta, dan Rahayu, "Forest register 45 Mesuji Lampung: Agrarian conflict, social exclusion and human rights violations," *Environmental Policy and Law*, vol. 48, no. 5, hal. 312–316, 2018.
- [2] R. Andreas, "Penyelesaian Penguasaan Tanah Di Moro-Moro Register 45 Kabupaten Mesuji," Skripsi Universitas Lampung, 2017.
- [3] A. Kusworo, *Perambah Hutan atau Kambing Hitam? Potret Sengketa Kawasan Hutan Di Lampung*. Bogor: Pustaka latin, 2000.
- [4] O. H. Wahab, "Pengabaian Hak-Hak Konstitusional Dalam Perspektif Keadilan (Studi Kasus Warga Moro-moro Register 45, Kabupaten Mesuji Lampung)," *IUS Kajian Hukum Dan Keadilan*, vol. 1, no. 1, 2013.
- [5] "No Title."
- [6] F. Sumarja dan M. Akib, "Forest Resources Access Moro-Moro Farmers at Register 45 Lampung," *Fiat Justisia*, vol. 12, no. 1, hal. 1–13, 2018.
- [7] F. A.Y., *Panduan Praktis Penerapan Kebijakan Perhutanan Sosial*. Bogor: Penerbit: Pusat Penelitian Kehutanan Internasional (Cifor), 2018.
- [8] "<https://lampung.antaranews.com/berita/306840/dishut-lampung-serahkan-pengelolaan-3500-hektare-htr-diakses-7-april-2020-pukul-17:13-wib>."
- [9] K. Harnadi, "Model Penyelesaian Status Hukum Tanah Di Kawasan Hutan Lindung Register 22 Way Waya Yang Di Kuasai Masyarakat Desa Margosari Kabupaten Pringsewu (Tesis)," Universitas Lampung, 2018.
- [10] K. Jaka Ferdian, "Model Resolusi Konflik Kawasan Register 45 Mesuji Lampung Berbasis Hutan Tanaman Rakyat," *Politika: Jurnal Ilmu Politik*, vol. 8, no. 1, hal. 92, 2017.
- [11] K. J. Ferdian dan H. Soerjatisnanta, "The Long Road to Partnership: Conflict Resolution of Register 45 Mesuji Lampung," *Jurnal Ilmu Sosial dan Ilmu Politik*, vol. 20, no. 3, hal. 249, 2017.
- [12] R. Andreas, F. X. Sumarja, dan S. Sulastuti, "Kemitraan Akses Hutan Berbasis Keadilan Dan Keadilan Di Moro-Moro Register 45 Kabupaten Mesuji Lampung," *Jurnal Pusham Unimed*, vol. VII, no. KEMITRAAN AKSES HUTAN BERBASIS KESETARAAN DAN Keadilan Di MORO-MORO REGISTER 45 KABUPATEN MESUJI LAMPUNG, hal. 37–53, 2017.
- [13] T. Forsyth, "Panacea or paradox? Cross-sector partnerships, climate change, and development," *Wiley Interdisciplinary Reviews: Climate Change*, vol. 1, no. 5, hal. 683–696, 2010.
- [14] A. Kolk, "Partnerships As A Panacea For Addressing Global Problems? On Rationale, Context, Actors, Impact And Limitation, Article," *University Of Amsterdam Business School, The Netherlands*, hal. 1–30, 2013.
- [15] P. D. McElwee, "Payments for environmental services as neoliberal market-based forest conservation in Vietnam: Panacea or problem?," *Geoforum*, vol. 43, no. 3, hal. 412–426, 2012.
- [16] Bernstein, *Mengajukan Pertanyaan Ekonomi-Politik Terkait Relasi Sosial Dalam Produksi Dan Reproduksi Kapitalis, Yaitu Who Owns What?; Who Does What Gets What?; What Do They Do With It?; Henry Bernstein, Class Dynamics Of Agrarian Change*. Kanada: Fernwood Publishing Dan Kumrisn Press, 2010.
- [17] S. Sukanto, *Pengantar Penelitian Hukum*. Jakarta: UI Press, 1983.

- [18] R. S. Wahono, "A Systematic Literature Review of Software Defect Prediction: Research Trends, Datasets, Methods and Frameworks," *Journal of Software Engineering*, vol. 1, no. 1, 2015.
- [19] B. and C. Kitchenham, *Guidelines for Performing Systematic Literature Reviews in Software Engineering, Technical Report EBSE 2007-001*. Keele University and Durham University Joint Report, 2007.
- [20] A. Kusworo, *Perambah Hutan Atau Kambing Hitam?*, vol. 53, no. 9. 2000.
- [21] I. B. Santoso, *Tesis, Penyelesaian Sengketa Hutan Adat Antara Pt. X Dengan Masyarakat Dayak Bukumpai, Studi Kasus Hutan Adat Desa Kamewen, Kabupaten Barito Utara*. Semarang: Magister Kenotariatan Universitas Dipenegoro, 2016.
- [22] S. Rahardjo, *Ilmu Hukum, Cetakan ke-3*. Bandung: PT. Citra Aditya Bakti, 1991.
- [23] S. Rahardjo, *Hukum dan Masyarakat*. Bandung: Penerbit Angkasa, 1997.
- [24] Wiratno, "Internalisasi Hutan Desa, Hutan Kemasyarakatan dan Kemitraan: Solusi Konflik, Pengentasan Kemiskinan dan Penyelamatan Habitat dan Perlindungan Keragaman Hayati dalam konteks Pengelolaan Berbasis Adat," in *Makalah dalam panel 3 Hutan Adat diantara skema diantara skema pemberdayaan masyarakat, Dialog Nasional*, 2014.
- [25] "Dokumen Nasional tentang Perhutanan Sosial di Indonesia."

Legal Protection of Unskilled Workers from Indonesia in ASEAN Countries

Dodik Setiawan Nur Heriyanto¹
{dodiksetiawan@uii.ac.id¹}

Faculty of Law, Universitas Islam Indonesia, Yogyakarta, Indonesia¹

Abstract. Migrant workers are a person or group of people who move from their country to another country to get a decent living. However, in reality, due to the lack of strict regulations, there are still unskilled migrant workers from Indonesia who work in other countries, especially in Southeast Asia. The low quality of unskilled workers causes them to be the target of their employers' anger and often become victims of human rights violations. With the normative research method, this study concludes that Indonesia already has rules regarding the limits on sending skilled workers from Indonesia. Its effective implementation is needed, especially the imposition of sanctions to unscrupulous labor service providers who commit illegal acts to pass them so they can work abroad. In addition, ASEAN member countries can develop a regulatory framework to provide legal protection to unskilled workers in their regions.

Keywords: unskilled worker, legal protection, ASEAN.

1 Introduction

ASEAN is a regional organization that was founded on August 8, 1967, the existence of ASEAN was indicated by the signing of the Bangkok Declaration in 1967. The birth of the Bangkok Declaration directly binds members to agree to take big steps in the process of community development integrated into cooperation in the political, economic and regional stability sectors, the objectives of the establishment of ASEAN are detailed in the Bangkok Declaration [1].

In its development, ASEAN economic cooperation leads to the formation of the ASEAN Economic Community [2], the formation of the ASEAN Economic Community, better known by the acronym AEC, was produced from the 9th ASEAN Summit in Bali in 2003 which is better known as the Bali Concord II. An important event from this meeting is the birth of three pillars which aim to increase cooperation between ASEAN member countries and also increase economic growth. The three pillars are the ASEAN Security, the ASEAN Socio-cultural Community, and the ASEAN Economic Community [3].

At this time, ASEAN becomes a single market and international production base by providing freedom of movement of goods, services, investment, capital and experienced workers. It seems that the existence of this workforce is able to increase the economic growth of both the originating and receiving countries [4]. Thus, ASEAN countries currently have a more varied workforce, especially in terms of expertise and professional level. The variety of professionalism requires a clear guide in order to create global standardization.

In supporting this activity, AEC has prepared a blueprint that discusses special arrangements for skilled workers (skilled workers), namely personnel who have special knowledge, skills and expertise in their fields obtained through education and work experience. ASEAN countries have agreed on several Mutual Recognition Arrangements (MRAs) which are recognition of the results of assessments such as tests or certificates for professionals [5]. The problem is that some of the existing workers are unskilled workers (unskilled workers), while the MRA itself has determined the standards for sending labor between countries. Seeing the standards set by the AEC is of particular concern for ASEAN members in protecting the rights of their workers [6].

This special attention to migrant workers was addressed by the 12th ASEAN summit held in Cebu, Philippines on January 13, 2007, ASEAN leaders signed the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers. Protection and Promotion of the Rights of Migrant Workers) or also known as the Cebu Declaration. This is based on a shared awareness of the contribution of migrant workers to society and the economy of both sending and receiving countries [7].

Migrant workers or what are known as migrant workers are defined as people who migrate for work/as seasonal workers from their home country to another country and usually that person cannot stay forever in the country where they work [7]. In other words, the definition of a migrant worker itself provides opportunities for citizens of each ASEAN member country to work outside their home country, without any obstacles from the country to be targeted. From the above explanation, it can be concluded that labor migration between countries is now starting to develop, therefore several legal regulations are needed to safeguard its existence.

The existence of this migration of migrant workers poses challenges for both receiving and sending countries because they have to balance domestic and labor market needs based on the views and needs of the receiving country, there are also several rights and protections that will be given to migrant workers as the main aspects in make rules or policies regarding this matter [8]. Sending countries, for example, must also balance the government's attention to the workers they send when making their policies. Many concerns arise between the two countries in making rules or policies that they will apply.

It is appropriate that the legal protection for migrant workers is based on the benefits obtained from the two parties of ASEAN member countries which should be able to meet the needs in terms of legal protection of and/or against workers. This can be seen from several cases that occurred during the sending and receiving activities, even the treatment of the countries of origin and receiving countries to migrant workers, which turned out to be a lot of injustice. This is based on several cases that befell workers, especially Indonesians who work for ASEAN member countries, who receive unfair treatment which requires them to be tortured or to carry out acts of self-defense which cause our workers to have legal problems' [9].

Before going further, we can justify that because of the unfair treatment given to workers that is purely due to violence at work, it seems that we need to look further about the readiness or preparation of the workforce itself. This is because of the several cases that have occurred, some of which are due to the unskilled workforce in carrying out their role as workers. Unskilled workers can be defined as workers who have no skills or skills, do not attend special training, and are not highly educated, perhaps only having graduated from formal education (elementary school, junior high school, or high school)[10][11]. Thus, this group of unskilled workers usually only becomes domestic servants, construction workers or office boys, this is because some of them do not have certificates as laborers who have attended training or

training and even some of them are illegal workers who do not have the opportunity to work in the country of origin.[12]

2 Literature Review

Migrant labor is the process of moving someone from one place to another in order to get a job and decent wages. Generally, these labor migrants are international in nature where migration is carried out between countries in order to find work. The main factor that becomes an important reason for this migration is due to the inequality of wage levels that occur globally. Migration of workers from sending countries to receiving countries makes receiving countries cheap labor while sending countries benefit from the flow of money transfers [13].

The International Labor Organization (ILO) defines a migrant worker as someone who has migrated, or has migrated, from one country to another, with a picture of being employed by someone other than himself, including anyone who is accepted regularly, as a migrant, for a job.[14] A similar definition is stated in the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families in 2000 that the term "migrant worker" refers to a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a State which he or she is not a national [15].

There are three important factors that cause workers to move from their home countries to countries that provide good wages, such as: demand pull (because of the increasing demand of workers in other countries), supply push (because of no availability employment opportunity in their own country), and network (because of the existing connection i.e. family relations motivate them to migrate to other countries) [16]. Moreover, the current economic globalization has become a trigger for the migration of workers from their home countries to other countries. This is because in globalization, trade in goods and services, transfer of capital, transportation networks, and exchange of information moves freely between countries. The flow of migrant workers is increasing according to the needs of the labor market amidst growing economic competition between countries [17].

From an economic perspective, the contribution of migrant workers can be obtained through the amount of remittances (money, goods, and expertise) sent. This will be more meaningful if the remittances are seen in a broader context, not only in the form of money, but also in non-material forms, such as new ideas, knowledge of modern technology, enthusiasm for work, special skills, and work discipline. Remittances, both in the form of cash and non-money, are believed to have a positive potential for regional development. Many studies explain how remittances play a role in improving household economies.

3. Methods

The type of legal research used is a type of normative legal research that focuses on the legal protection of unskilled workers from Indonesia in ASEAN countries. This research is an attempt to find out whether there is a legal solution related to the problems faced by unskilled workers who work in ASEAN countries. There are two approaches to be used in this research, namely: statue approach, which is a method of assessing legal issues through a statutory approach. The laws and regulations here are in the form of binding international agreements. Comparative approach, which is a comparative legal study method. In this case, the researcher

will compare several legal rules in ASEAN countries related to the protection of migrant workers.

4 Result and Discussion

4.1 Regulation related Unskilled Workers in Indonesia

The existence of the ASEAN Economic Community has resulted in various trade sector liberalizations which include liberalization in trade in goods, services, investment, and mobility of labor production factors. All this liberalization will not only have implications for the movement of goods, services and investment, but will also have an impact on labor conditions that will be free to work in ASEAN member countries. This is due to easy access for workers from other countries to compete for jobs with local workers and vice versa, workers from Indonesia can also enter member countries in ASEAN.

The distribution of Indonesian workers abroad is an alternative effort to solve the problem of unemployment and scarcity of job opportunities in the country. For that in terms of marketing, the provision of quality manpower, protection and welfare of the workforce needs to be constantly improved, namely by issuing laws and regulations relating to the placement of Indonesian workers abroad. With the existence of these laws and regulations, it can become a legal basis and guidelines for Indonesian workers who will participate in the AEC.

Indonesian workers are all Indonesian citizens who are eligible to work abroad in an employment relationship for a specified period of time and receive a work wage. The implementation of the placement of Indonesian migrant workers abroad consists of the government, Private Placement Institution of Indonesian Migrant Workers (PPTKIS) which was formerly known as PJTKI (Indonesian Employment Service Company), and companies for their own interests. Meanwhile, Indonesian migrant workers service users are government agencies, private legal entities, and/or individuals in destination countries who employ Indonesian migrant workers. The placement of Indonesian migrant workers outside the country can only be done by the Government on the basis of a written agreement between the government and the user country of the Indonesian migrant workers (destination country).

To regulate the placement of Indonesian migrant workers, the government has issued Law No.39 of 2004 concerning the Placement and Protection of Indonesian Workers Abroad.[18] Placement implementation requires cooperation with related parties at the district or provincial level for monitoring its implementation. Thus, the role of the Social, Manpower and Transmigration Offices in each region is needed in the placement of Indonesian workers abroad to ensure the legality of the existence of Indonesian migrant workers and PPTKIS. The strategy set by the Central Government is then implemented by all Manpower Offices throughout Indonesia. The regulations that have been stipulated in Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers become a basis for all activities that the Social, Manpower and Transmigration Office carries out all activities for placing Indonesian migrant workers abroad [19].

The placement of Indonesian migrant workers is usually followed by skilled and educated workers. They really follow procedures and ensure legal protection by both countries. However, for unskilled workers, they usually follow legal or illegal procedures or what we often hear as illegal migrant workers. Legal unskilled workers who do not directly go to the government, usually through PPTKIS, are private Indonesian workers who involve the private sector to absorb or take part in providing information about job vacancies to TKI to work abroad. These PPTKIS work under BP2MI (Indonesian Migrant Workers Body) and usually register through the local authority.[20] Generally, the flow of labor in the ASEAN region is divided into 5 (five) corridors: from Myanmar to Thailand, from Indonesia to

Malaysia, from Malaysia to Singapore, from Laos to Thailand, and from Cambodia to Thailand.

Thailand is the destination country for migrant workers from other ASEAN countries to work. Meanwhile, Myanmar, Indonesia, Malaysia, Laos and Cambodia are the countries that supply a large number of intra-ASEAN workers. Despite tightening checks in the border area between ASEAN members and tight labor recruitment, the number of unskilled workers remains unstoppable. Based on existing data, unskilled Indonesian workers work in the plantation industry in Malaysia [21].

The domination of migrant workers in the ASEAN region is unskilled migrant workers. Lack of knowledge and education for migrant workers actually harms unskilled migrant workers. In fact, to compete in the ASEAN Economic Community, workers not only need high abilities, but must also be accompanied by certification in recognition of expertise. However, the certification that has been carried out so far, especially in Indonesia, is often confusing because of the convoluted process and sometimes it can be obtained by giving an amount of money in an illegal way. Hence, it is necessary to strive for a legal policy that must be adhered to by ASEAN countries to apply minimum labor standards including equipping workers in the field of adequate education and carrying out credible expertise certification.

4.2 The Urgency of Binding Regional Rules (Hard Law) in Providing Protection for Unskilled Migrant Workers in ASEAN

The implementation of the 2015 ASEAN Economic Community is a challenge in itself for Indonesia in holding its commitment in taking strategic actions to support strengthening of human resources. Strengthening human resources includes the workforce which is of particular concern to ASEAN in the context of carrying out the economic integration of the ASEAN community. The workforce has a very important role and position as actors (actors) in the implementation of development, presumably it is necessary to improve the quality of Indonesian workers and their contribution to development and protect their rights and interests according to human dignity [22].

The ASEAN Declaration on the Protection and Advancement of the Rights of Migrant Workers [7], states that both receiving and sending countries will strengthen the political, economic and social pillars of the ASEAN community by advancing the full potential and dignity of migrant workers in a climate of freedom, justice and stability in accordance with laws and regulations and policies of each ASEAN member country. Receiving countries and sending countries for humanitarian reasons cooperate to resolve cases of migrant workers who through no fault of their own then result in undocumented. Receiving and sending countries must take into account the basic rights and dignity of migrant workers and members of their families who have settled with them without undermining the implementation of the laws, regulations and policies of the receiving country. Matters that are not regulated in this declaration will be interpreted as regulations of the situation of migrant workers that are not documented. However, until now, there has no specific implementing regulations that has binding force for all ASEAN member states.

The obligations of host countries for migrant workers in this Declaration, such as:[7]

- a. Intensifying efforts to protect basic human rights, improve welfare and uphold the human dignity of migrant workers;
- b. Work to achieve harmony and tolerance between host countries and migrant workers;

- c. Assisting access to resources and remedies through information, training and education, access to justice, and social welfare services that are appropriate and in accordance with the laws of the host country, provided they meet the legal requirements, regulations and policies of that country, bilateral agreements and multilateral treaties;
- d. Promote just and appropriate employment protection, payment of wages, adequate access to employment and decent living conditions for migrant workers;
- e. Provide migrant workers, who are victims of discrimination, abuse, exploitation, abuse, with adequate access to the legal and judicial systems of the receiving country;
- f. Assist in carrying out consular functions to consular or diplomatic parties of the country of origin when migrant workers are arrested or put in prison or detention or detained for other reasons, under the laws and regulations of the receiving country and in accordance with the Vienna Convention on Consular Relations

This declaration in international law has non-binding legal force. For this reason, it is necessary to rearrange the obligations of ASEAN countries in providing protection to migrant workers, especially unskilled migrant workers, into a binding regional legal framework (international agreement). Heriyanto[23] argued that though the binding regulation takes a long time for consideration, then the specific clause on the legal protection for Indonesian migrant workers need to be regulated under trade agreement between Indonesia and other countries. Indonesia shall have its own position during the trade negotiation to include the protection clause for Indonesian migrant workers to their trade partner. Thus, both of the parties could have same benefits for their legal relationship.

5. Conclusion

Basically, everyone is guaranteed the right to be able to work anywhere with a decent wage. Every country also has an obligation for its citizens that can work freely anywhere without coercion. With this guarantee of freedom, many workers migrate to other countries to get decent work.

The ASEAN Community has agreed to implement the ASEAN Economic Community (AEC) which has been in effect since 2015 with one of its pillars providing freedom of workers in the ASEAN region to work anywhere without barriers. However, the weakness of the rule of law in ASEAN countries, especially in Indonesia, is the cause of the emergence of many unskilled migrant workers who almost dominate the labor market in ASEAN. Based on the facts on the ground, there are many problems of human rights violations faced by these unskilled migrant workers because of their inability to work.

For this reason, the implementation of regulations for migrant workers, especially those from Indonesia, needs to be closely monitored for the purpose to make them ready to be placed and work abroad. Regulations in Indonesia regarding manpower are very much deviated from in their application. There are many people in the field who falsify labor certification or send workers without being accompanied by complete labor documents.

To provide effective protection for migrant workers in the ASEAN region, it is necessary to establish minimum standards for the protection of migrant workers in ASEAN. These minimum standards include: work certification or work documents as a form of recognition for workers who have knowledge, skills and work attitudes in accordance with the required work competency standards, thus competency certification ensures that the workforce

(certificate holder) is guaranteed to be credibility in doing a job that is their duty and responsibility, language skills, and guarantees of freedom from exploitation.

In addition, ASEAN needs to form binding regional rules (hard law) governing the protection of migrant workers who work in the ASEAN region. This protection is not only intended for skilled migrant workers but also unskilled migrant workers. So far, the ASEAN Declaration on the Protection and Advancement of the Rights of Migrant Workers has a non-binding legal force. Binding rules are needed to ensure legal certainty for migrant workers in the ASEAN region.

References

- [1] "The Asean Declaration (Bangkok Declaration) Bangkok, 8 August 1967 - ASEAN | ONE VISION ONE IDENTITY ONE COMMUNITY." <https://asean.org/the-asean-declaration-bangkok-declaration-bangkok-8-august-1967/> (accessed Oct. 02, 2019).
- [2] General Directorate of Cooperation ASEAN, "ASEAN Vision 2020 and The Hanoi Plan of Action can ASEAN Deliver?," Jakarta, 2009.
- [3] *Charter of the Association of Southeast Asian Nations*. 2007.
- [4] A. Naerssen, Ton van ; Spaan, Ernst; Zoomers, "Globalization, Migration, and Development," in *Global Migration and Development*, New York: Routledge, 2008.
- [5] Indonesian Ministry of Trade, "Informasi Umum Masyarakat Ekonomi ASEAN: ASEAN Community in a Global Community of Nations," Jakarta, 2012.
- [6] A. Development Bank, "Reinventing Mutual Recognition Arrangements: Lessons from International Experiences and Insights for the ASEAN Region."
- [7] *ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers - ASEAN | ONE VISION ONE IDENTITY ONE COMMUNITY*. 2007.
- [8] I. Organization for Migration, "IOM International Organization for Migration MIGRASI TENAGA KERJA DARI INDONESIA," 2010.
- [9] "Beragam Aduan TKI, Kekerasan Majikan hingga Tak Punya Ongkos Pulang." <https://news.detik.com/berita/d-3664486/beragam-aduan-tki-kekerasan-majikan-hingga-tak-punya-ongkos-pulang> (accessed Oct. 02, 2020).
- [10] E. R. Allen, "Analysis of Trends and Challenges in the Indonesian Labor Market," Manila, 2016.
- [11] P. Permata, B. Dinar, and D. Prasetyo, *Return Migration and Various Reintegration Programs for Low-Skilled Migrant Workers in Indonesia*. Jakarta: The SMERU Research Institute, 2017.
- [12] I. Mafruhah, T. Sarsito, and E. Gravitanian, "The Welfare of the Indonesian Migrant Workers (TKI) in the Land of a Malay Nation: A Socio-Economic Analysis," *Southeast Asian J. Soc. Polit. Issues*, vol. 1, no. 2, 2012.
- [13] L. T. Katseli, R. E. B. Lucas, and T. Xenogiani, "Effects of Migration on Sending Countries: What do we Know?," Turin, 2006.
- [14] "Convention on the Protection of the Rights of All Migrant Workers and Their Families | Cultural Survival." <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/convention-protection-rights-all-migrant-workers-and-their> (accessed Oct. 02, 2020).
- [15] *Convention on the Protection of the Rights of All Migrant Workers*. 1990.
- [16] F. Djafar, M. Khairul, and H. Hassan, "Dynamics of Push and Pull Factors of Migrant Workers in Developing Countries: The Case of Indonesian Workers in Malaysia," *J. Econ. Behav. Stud.*, vol. 4, no. 12, pp. 703–711, 2012.
- [17] P. Wicakramasekera, "Asian Labour Migration: Issues and Challenges in an Era of Globalization Piyasiri Wickramasekera," Geneva, 2002.
- [18] *Law No. 39 of 2004 on the Placement and Protection of Indonesian Workers Abroad*. .
- [19] *Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers*. .

- [20] “Kritik Serikat Buruh Migran Indonesia Atas Lemahnya Pengawasan TKI Oleh BNP2TKI - Tribunnews.com.” <https://www.tribunnews.com/nasional/2016/09/01/kritik-serikat-buruh-migran-indonesia-atas-lemahnya-pengawasan-tki-oleh-bnp2tki> (accessed Oct. 02, 2020).
- [21] D. Agunias, *Labour Migration from Colombo Process Countries: Good Practices, Challenges, and Way Forward*. Dhaka: International Organization for Migration, 2011.
- [22] B. S. Sastrohadiwiryo, *Manajemen tenaga Kerja Indonesia Pendekatan Administratif dan Operasional*. Jakarta: Bumi Aksara, 2003.
- [23] D. S. N. Heriyanto, “Klausula terkait Perlindungan terhadap Buruh Migran dan Urgensinya untuk diatur secara khusus di dalam Perjanjian Perdagangan Bebas antara ASEAN dan Uni Eropa,” *J. Huk. IUS QUIA IUSTUM*, vol. 22, no. 3, pp. 329–345, Jul. 2015, doi: 10.20885/iustum.vol22.iss3.art1.

ASEAN Convention on Counter Terrorism (ACCT) in Indonesia: A Paradigm Shift, Issue, Challenges

Siti Azizah¹, Heryandi², Safira Salsabila Anisa³
 {upik.azizah29@gmail.com¹, heryandi@fh.unila.ac.id², dindasam@gmail.com³}

Universitas Lampung, Lampung, Indonesia¹, Universitas Lampung, Lampung, Indonesia²,
 Universitas Lampung, Lampung, Indonesia³

Abstract. The sea is a strategic route in international trade, so it must be free from the threat of crime such as piracy on ships. Usually, poverty is the driving force behind ship piracy. In 2016, there were 3 times the hijacking of Indonesian-flagged vessels in Philippine waters carried out by terrorist groups. This is the background for the formation of cooperation between ASEAN leaders known as the ASEAN Convention on Counter Terrorism (ACCT), the convention on the fight against terrorism. The purpose of this paper is to examine the arrangement of ship piracy in the waters of the Philippines and Indonesia based on the ASEAN Convention on Counter Terrorism (ACCT). Efforts to deal with and prevent piracy from ships which must be carried out by the Philippines and Indonesia are based on ACCT, which are contained in Article 6 of ACCT. However, only a few points were implemented by the Philippines and Indonesia, namely: points a, b, c, d, e, g, h, and m. In addition, member states must resolve disputes peacefully in the event of differences in interpretation or application of the provisions in the ACCT.

Keywords: ASEAN Convention on Counter Terrorism (ACCT), Piracy, Terrorist

1 Introduction

The sea is the water that connects a land area with other land areas, can connect the land area within a country, between countries, and between continents. The sea has biodiversity and non-biodiversity that must be preserved. In addition, the sea is a strategic route in international trade that must be protected from various forms of crime. The sea must be a safe area for all forms of activity in it and free from various threats of crime, one of which is piracy against ships[1]. However, if there are still threats in the form of violence, terrorism, and piracy of ships, both on a national and international scale, then the sea cannot be said to be a safe water area.

Based on Article 101 of the 1982 Law of the Sea Law [2], it is explained that terrorist attacks in the form of ship hijacking, have restrictions on the definition as read:

"Piracy at sea consists of one of the following actions:

- a. Any act of violence or illegal detention, or any act of destruction, which is carried out for personal purposes by the crew or passengers of a private ship or aircraft, and is shown:
 - 1) on the high seas, on ships or other aircraft or on persons or goods that are aboard such ships or aircraft;
 - 2) on a ship, aircraft, person or item in a place outside the jurisdiction of any country;
- b. Every action participates voluntarily in the operation of a ship or aircraft by

knowing the facts that make a ship or aircraft hijacked.

- c. Every action invites or intentionally helps the action mentioned in sub- paragraph (a) or (b). "

In addition to these provisions, another source of law regarding piracy is contained in the 1988 Rome Convention which regulates the Suppression of Unlawful Act.

Against the Safety of Maritime Navigation. The background to the birth of this Convention is the violation of the law on the safety of maritime navigation which endangers the safety of people and their property, and damages the image of maritime navigation. Based on this, the Convention has 22 Articles which clearly regulate the eradication of illegal actions that endanger the safety of maritime navigation, and regulates dispute resolution that can be carried out by negotiation. However, if this cannot be resolved by negotiation, one of the parties can submit it to the International Court of Justice for settlement.

The poverty factor is the driving force for ship piracy in strategic waters in international trade, one of which is Indonesia. Indonesia has become a strategic trade channel in the development of the ASEAN Economic Community (AEC) which is a form of economic integration in the Southeast Asian region. MEA has a goal to realize a single market based on production, with capital flows, investments, goods and services that are increasingly free in the Southeast Asian region [3]. Therefore, there is a concern for ASEAN countries, especially Indonesia, which will hijack ships that can endanger and harm economic activities. ASEAN countries work together to eradicate piracy actions to address this through the ASEAN Security Community (ASC); ASEAN Ministerial Meeting on Transnational Crime; The Asean Center for Combating Transnational Crime (ACTC); and the ASEAN Regional Forum (ARF). However, these agencies have not been able to deal with ship piracy significantly, so there are still many cases of ship hijacking that occur.

In 2016, there were 3 times the hijacking of Indonesian-flagged vessels in the Philippine territorial waters carried out by the terrorist groups, as follows:

1. Hijacking of ship 2 carrying 7000 tons of coal to the Puting River, South Kalimantan - Batangas, South Philippines. The ship was a Brahma 12 ship and Anand 12 ship, 10 crew members (ABK) were held hostage by asking for a ransom of IDR. 60,000,000,000 (Sixty Billion Rupiah) [4].
2. Hijacking of the Henry TB Tug and the Cristi barge sailing from Cebu, Philippines to Tarakan, North Kalimantan in the border region between the Philippines and Malaysia. This hijacking caused one crew member to be shot, 4 people kidnapped [5], by asking for a ransom of IDR. 14,000,000,000 (fourteen billion rupiah) and only able to save four people [6].
3. Piracy of 2 vessels owned by PT. The Rusianto Brothers, namely the ships Tugboat Charles 001 and Robby 152 that sailed carrying coal from Tagoloan Cagayan, Mindanao, to Samarinda, East Kalimantan, in the Sulu Sea, Southwest of the Philippines. 2 of the ships were taken hostage by the terrorist group Abu Sayyaf by asking for a ransom of around IDR. 65,000,000,000 (Sixty-five billion Rupiah) for 7 crew members taken hostage [7]. This piracy also became the third piracy that occurred in Tawi-Tawi international waters (border of the Philippines - Sabah, Malaysia) in the last month [8].

This is the background of the formation of collaboration among ASEAN leaders known as the ASEAN Convention on Counter Terrorism (ACCT), which is a formulation of the law or the Convention concerning the fight against terrorism. This convention was adopted at the

12th ASEAN Summit, 13 January 2007, in Cebu Philippines [9]. This convention has the objectives stated in Article 1 of ACCT, which reads: *"This convention will provide a regional cooperation framework to eradicate, prevent and stop terrorism in all its forms and manifestations, and to strengthen cooperation between law enforcement agencies and relevant authorities of the Parties in combating terrorism."*

Based on these objectives, this Convention provides an international legal guarantee that is in line with national legal regulations in the territory of a country, justice, and the fulfillment of global human rights, for every person who is detained or gets other actions from the legal process provided for in this Convention.

Before the establishment of the ASEAN Convention on Counter Terrorism (ACCT), ASEAN had already formed the ASEAN Maritime Forum (AMF) which was affirmed in the ASEAN Concord II (Bali Concord II), 7 October 2003, in Bali, Indonesia. This meeting discussed the issue of maritime which must be resolved regionally and professionally. Then discussions on maritime issues continued at the first AMF meeting on 28-29 July 2010, in Surabaya, Indonesia [10].

Piracy hijacking by terrorist groups is a form of crime that disturbs security and world peace, moreover the current case of hijacking Indonesian-flagged vessels in Philippine waters is a threat to peace and security in the Southeast Asian region, so it is necessary a preventive and strict legal mechanism is carried out to follow up on the crime of hijacking the ship. Furthermore, no less important is ASEAN's role as a regional organization which is the umbrella of peace in the countries of Southeast Asia to resolve cases between Indonesia and the Philippines, through cooperation and legal mechanisms.

Based on Article 2 Paragraph (1) of the ASEAN Convention on Counter Terrorism (ACCT) which is guided by the 1988 Rome Convention, Article 3 Paragraph (1) states that crime is:

- a) Seize or exercise control of the ship by force or threats or other forms of intimidation; or
- b) Performing acts of violence against people on board the ship if actions that might jeopardize the safety of the navigation of the ship; or
- c) Destroying the ship or causing damage to the ship or its cargo which is likely to endanger the safe navigation of the ship; or
- d) Place or cause to be placed on the ship, in any way, device or substance which is likely to destroy the ship, or cause damage to the ship or its cargo which is dangerous or might jeopardize the safe navigation of the ship; or
- e) Destroying or seriously damaging maritime navigation facilities or seriously disrupting their operations, if any of these actions might jeopardize the safe navigation of the ship; or
- f) Communicating information that he knows is false, thus jeopardizing safe navigation from the ship; or
- g) Injuring or killing people, in connection with a commission or commission of attempted criminal offenses specified in sub-paragraphs (a) to (f).

Based on this background, an analysis is needed on "Judicial Studies of Piracy in Philippine and Indonesian Seas based on the ASEAN Convention on Counter Terrorism (ACCT)". The issue to be discussed is how arrangement of ship piracy in the waters of the Philippines and Indonesia based on the ASEAN Convention on Counter Terrorism (ACCT)?

2. Methods

The type of research used is normative legal research, which is research carried out by examining data obtained by conventions and applied to specific legal issues, [11] in this study refers to international law. The object of this research is a document of conventions and library materials which the researcher hopes can formulate and formulate research problems appropriately. The data collection method used is library research. Library research is a series of activities carried out by the author to obtain secondary data by reading, taking notes, quoting from various literature, regulations, books, mass media and other written legal materials that have to do with the research carried out. The data analysis method used is qualitative analysis, which describes in detail in words to form a sentence description that will describe and explain the research results obtained by the author so that they can be understood. Data analysis was carried out after processing the data, which started with reading all the sources and then studied and analyzed.

3 Result and Discussion

The Charter of the United Nations (UN) serves as a guideline for ASEAN in maintaining world peace and security in general, and Southeast Asia in particular. ASEAN always cooperates in creating peace and security, one of which is through eradicating acts of terrorism in the territorial waters of the Southeast Asian region. Boat piracy is said to be one of the acts of terrorism because it contains elements of threat, scare, hostage taking, and violence that causes death, to other citizens who cross or are in the territory of the terrorist country or the territory of the country where the hijackers are. This is in line with the notion of terrorism in the ASEAN Convention on Counter Terrorism (ACCT), and the definition contained in the 1988 Rome Convention concerning the eradication of illegal acts against maritime navigation safety.

As stated at the opening of ACCT, which states that: "*ASEAN is paying close attention to the serious dangers posed by terrorism against innocent people, infrastructure and the environment, regional and international peace and stability, and economic development*" [12]. In order to bring about peace in the Southeast Asian region, ASEAN has established a legal instrument that can combat terrorism in territorial waters in the form of ship hijacking, through the ASEAN Convention on Counter Terrorism (ACCT).

This convention was signed at the 12th ASEAN Summit, January 2007, in Cebu, Philippines. Indonesia acted as Lead Shepherd in spearheading the formation of ACCT and combating terrorism in Southeast Asia at the meeting. This convention provides a very comprehensive legal certainty (prevention, enforcement and rehabilitation) in eradicating terrorist acts in ASEAN (Dian, 2008). The crime of terrorism is a transnational crime that can cause many lives lost without seeing the background of the victim, causing fear in the wider community, as well as property losses. Therefore we need a way to eradicate terrorism through regional cooperation. The ASEAN Convention on Counter Terrorism is expected to realize an ASEAN region that is safe from acts of terrorism, especially ship hijacking.

Article 6 of the ASEAN Convention on Counter Terrorism (ACCT) explains the cooperation carried out by ASEAN in combating crime, but not all have been carried out by Indonesia and the Philippines as in point a which reads: "*Take the necessary steps to prevent the commission of terrorist acts, including by the provision of early warning to the other Parties through the exchange of information.*" The actions taken by Indonesia and the

Philippines in preventing acts of terrorism are to exchange information.

Indonesia and the Philippines have implemented points b³ and c⁴ by regulating the prevention and actions given to donors and / or facilities for acts of terrorism in Article 11 of Law Number 15 Year 2003 and Article 4 of the Republic Act Number 9372 regarding 40 years imprisonment for cooperation for terrorism.

Indonesia has also implemented point d⁵ by conducting patrols at the border by all Navigation District Heads in accordance with the orders of the Director General of Sea Transportation Tonny Budiono. This was done by monitoring the Coastal Operations Radio Station and increasing security by all Marine and Coastal Guard (PLP) bases and guarding and patrolling by the entire fleet [7].

Point e⁶ has been implemented by member countries including Indonesia and the Philippines with cooperation between the Ministry of Foreign Affairs and Malaysian and Philippine authorities [5]. In addition, Indonesia, Malaysia and the Philippines also held a regional meeting on 5 May 2016 in Yogyakarta. This meeting discussed the security of waters against hijacking of ships by armed extremist groups on the borders of the three countries [13].

The application of point g⁷ has also been carried out with the signing of the Exclusive Economic Zone or EEZ agreement in Jakarta on July 15, 2013 between Indonesia and the Philippines, represented by the Indonesian Minister of Foreign Affairs, Marty Natalegawa and the Philippine Foreign Minister Albert F. Del Rosario [14].

Indonesia and the Philippines have also implemented point h⁸ with the signing of the agreement on water security on July 14, 2016 at Park Lane Hotel Jakarta. This agreement was signed by Indonesia, Malaysia and the Philippines, represented by the Operations Assistant to the Commander of the TNI, Deputy Chief of Staff for Operations of the Armed Forces of the Philippines and Deputy Secretary of Maritime Security and the Sovereignty Division of the Malaysian Prime Minister's National Security Council. The purpose of this agreement is to protect and strengthen the security of the territorial waters of each country to improve communication, as well as exchange information and intelligence [15].

Point m⁹ has been implemented by Indonesia and the Philippines, which is contained in Article 25 paragraph (1) of Law Number 15 Year 2003 Chapter V concerning Investigations, Prosecutions, and Investigations at the Trial Court which reads: *"Investigations, prosecutions, and hearings in court hearings in criminal acts of terrorism are carried out under the applicable procedural law, unless otherwise stipulated in the Government Regulation in lieu of this law."*

The Philippines also regulates it in Article 51, which reads: *"The police or law enforcement officers to whom the name of a suspect in the crime of terrorism was first revealed shall record the real name and the specific address of the informant."* In terms of the two articles, the parties involved in terrorism in any form will be brought to trial.

The obligation of ASEAN members is to make effective the application of the provisions contained in this convention. Member countries have the obligation to take action in accordance with ASEAN Charter Article 5 Paragraph (2) which confirms that: *"Member States shall take all necessary measures, including the enactment of appropriate domestic legislation, to effectively implement the provisions of this Charter and to comply with all obligations of membership."*

Member states are required to establish their own jurisdiction in dealing with crimes contained in Article 2 of ACCT. Indonesia and the Philippines have implemented this matter with the enactment of Law Number 15 of 2003 and Republic Act Number 9372. The obligation is affirmed in Article 7 Paragraph (1) of ACCT, which reads: *"A Party shall take*

such measures as may be necessary to establish its jurisdiction over the offenses covered in Article II of this Convention ..."

The state also has an obligation to provide equal treatment to anyone who is detained or subject to other actions in accordance with applicable regulations as described in Article 8 Paragraph (1) ACCT, namely: *"Any person who is taken into custody or regarding whom any other measures are taken or proceedings are carried out pursuant to this Convention shall be guaranteed fair treatment, including enjoyment of all rights and guarantees in conformity with the laws of the Party in the territory of which person is present and applicable provisions of international law, including international human rights law."*

After receiving a report regarding the perpetrators suspected of having committed a crime, the local authorities have the obligation to investigate the truth of the information as stated in Article 8 paragraph (2) of the ACCT which reads: *"... the Party concerned shall take such measures as may be necessary under its domestic laws to investigate the facts contained in the information."*

Local authorities who have the authority to act against perpetrators or suspects have an obligation to take steps in the process of prosecution or extradition in accordance with the regulations of their country. This is explained in Article 8 paragraph (3) of the ACCT which reads: *"... shall take the appropriate measures under its domestic laws so as to ensure that one's presence for the purpose of prosecution or extradition."*

Member states have an obligation to take measures to ensure that piracy is wrong. Member countries are also obliged to prevent piracy by providing information exchange facilities in the form of establishing communication channels between authorized agencies as stated in Article 9 of ACCT which reads:

1. The Parties shall adopt such measures as may be necessary, including, where appropriate, national legislation, to ensure that offenses are covered in Article II of this Convention, especially when it is intended to intimidate a population, or to compel a government or an international organizations to do or to abstain from doing any act, are under no circumstances justifiable by considerations of a political, philosophical, ideological, racial, ethnic, religious or other similar nature.
2. Pursuant to Article VI of this Convention, the Parties shall, where possible, establish channels of communication between their competent agencies to facilitate the exchange of information to prevent the commission of offenses covered in Article II of this Convention.

Member states have an obligation to exchange experiences about the rehabilitation program of parties involved in acts of terrorism, as explained in Article 11 of the ACCT which reads: *"The Parties shall endeavor to promote the sharing of best practices on rehabilitative programs ..."*

Member countries are also required to provide assistance with piracy investigations in order to carry out properly as stated in Article 12 Paragraph (1) ACCT: *"The Parties shall, in conformity with their respective domestic laws, be afforded the widest measure of assistance in connection with investigations or criminal proceedings brought in respect of the offenses covered in Article II of this Convention."*

Member countries are obliged to hand over pirates to the authorities for immediate prosecution of suspects without exception as explained in Article 13 ACCT, which reads:

1. The Party in the territory of which the alleged offender is present shall, in cases to which Article VII of this Convention applies, if it does not extradite that person, be obliged, without exception whatsoever and whether or not the offence was committed in its territory, to submit the case without undue delay to its competent authorities for

the purpose of prosecution, through proceedings in accordance with the domestic laws of that Party. Those authorities shall take their decisions in the same manner as in the case of any other circumstances of a grave nature under the domestic laws of that Party.

2. The offences covered in Article II of this Convention shall not be deemed to be included as extraditable offences in any extradition treaty existing between any of the Parties before the entry into force of this Convention. The Parties undertake to include such offenses as extraditable offences in every extradition treaty to be subsequently concluded between them.

If there are differences or disputes between member states that result from the interpretation or application of the provisions in the ACCT, the dispute must be resolved peacefully by means of consultation and negotiation between parties through *"Any difference or dispute between the Parties arising from the interpretation or application of the provisions of this Convention shall be settled amicably through consultation and negotiation between the Parties through diplomatic channels or any other peaceful means for the settlement of disputes as agreed upon between the Parties"*

In addition, according to ACCT, settlement efforts can also be made through rehabilitation, extradition, or in accordance with the jurisdiction of the country.

4 Conclusion

Based on the provisions contained in Article 7 Paragraph (1) of the ASEAN Convention on Counter Terrorism (ACCT), the Philippines and Indonesia have their own arrangements regarding piracy of ships, namely Law Number 15 of 2003 and Republic Act Number 9372. In addition, to handle and prevent piracy, the Philippines and Indonesia have also applied the provisions in accordance with the provisions contained in Article 6 of ACCT. However, only a few points have been implemented by the Philippines and Indonesia, namely:

1. point a by exchanging information between Indonesia and the Philippines to prevent the occurrence of acts of terrorism especially in hijacking ships;
2. points b and c by regulating the prevention and actions given to donors and/or facilities for acts of terrorism in Article 11 of Law Number 15 Year 2003 and Article 4 of the Republic Act Number 9372 concerning 40 years imprisonment for cooperation for terrorism;
3. point d by conducting patrols at the border by all Navigation District Heads in accordance with the orders of the Director General of Sea Transportation Tonny Budiono.
4. Point e by conducting cooperation and regional meetings between the Ministry of Foreign Affairs and Malaysian and Philippine authorities.
5. Point g with the signing of the Exclusive Economic Zone or EEZ agreement in Jakarta on July 15, 2013 between Indonesia and the Philippines represented by the Indonesian Minister of Foreign Affairs, Marty Natalegawa and the Philippine Foreign Minister Albert F. Del Rosario.
6. point h with the signing of the agreement on waters security on July 14, 2016 at Park Lane Hotel Jakarta by Indonesia, Malaysia and the Philippines represented by the Operations Assistant to the Commander of the TNI, Deputy Chief of Staff for Operations of the Armed Forces of the Philippines and Deputy Secretary of Sea Security and Malaysian Prime Minister's National Security Council Sovereignty

Division.

7. Point m has been carried out by Indonesia and the Philippines, that is in accordance with Article 25 paragraph (1) of Law Number 15 Year 2003 Chapter V concerning Investigations, Prosecutions and Examinations at the Trial Court and in Article 51 of the Philippine arrangements.

Indonesia and the Philippines also have the obligation to provide equal treatment to parties who are detained or subject to other actions in accordance with applicable regulations as described in Article 8 Paragraph (1) ACCT. In addition, after receiving a report regarding the perpetrators suspected of having committed a crime, the local authorities who have the obligation to investigate the truth of the information as confirmed in Article 8 paragraph (2) ACCT. The local party authorized to act against the perpetrators or suspects has the obligation to take steps in the process of prosecution or extradition in accordance with the regulations of their country as explained in Article 8 paragraph (3) ACCT.

Member countries including Indonesia and the Philippines have an obligation to exchange experiences with the rehabilitation programs of parties involved in acts of terrorism, as explained in Article 11 of ACCT. Member countries are also required to provide assistance in the investigation of piracy so that it can be carried out properly as stated in Article 12 Paragraph (1) ACCT. In addition, member countries are also required to hand over piracy to the authorities for immediate prosecution of suspects without exception as explained in Article 13 of ACCT.

If there are differences or disputes between member states that result from the interpretation or application of the provisions in the ACCT, the dispute must be resolved peacefully by means of consultation and negotiation between parties through diplomatic channels or other peaceful means in accordance with the agreement of the relevant parties such as those described in Article 19 of ACCT regarding dispute resolution. According to ACCT, settlement efforts can also be made through rehabilitation, extradition, or in accordance with the jurisdiction of the country.

References

- [1] Wira Yudha Nugraha, "Tinjauan Yuridis Tentang Perompakan Kapal Laut Di Perairan Somalia," Universitas Sumatera Utara, 2012.
- [2] *United Nations Convention on the Law of the Sea*. 1892.
- [3] D. Siswaningsih, *Peluang dan Tantangan Indonesia Pasar Bebas ASEAN Masyarakat Ekonomi ASEAN (MEA)*, Edisi Janu. Jakarta: Warta Ekspor, 2015.
- [4] "Panglima TNI Ungkap Motif Pembajakan Kapal oleh Abu Sayyaf," *Tempo*. <https://m.tempo.co/read/news/2016/03/30/078758151/panglima-tni-ungkap-motif-pembajakan-kapal-oleh-abu-sayyaf>. (accessed Jun. 22, 2020).
- [5] Eva Mazriea, "Lagi Dua Kapal Indonesia Dibajak," *VOA Indonesia*, 2016. <http://www.voaindonesia.com/a/lagi-dua-kapal-indonesia-dibajak-/3288050.html> (accessed Jun. 22, 2020).
- [6] "Berita Hari Ini Kronologi Abu Sayyaf Bajak Kapal Indonesia 10 WNI Dijadikan Sandera dan Minta Tebusan," *Newsth*, 2016. <http://www.newsth.com/ruptik/11575/berita-hari-ini-kronologi-abu-sayyaf-bajak-kapal-indonesia-10-wni-dijadikan-sandera-dan-minta-tebusan/> (accessed Jun. 23, 2020).
- [7] P. Gumilang, "Pembajakan di Filipina Indonesia Taruh Tentara dalam Kapal," *CNN Indonesia*, 2016. <http://www.cnnindonesia.com/nasional/20160702052225-20-142559/pembajakan-di-filipina-indonesia-taruh-tentara-dalam-kapal/> (accessed Jun. 23, 2020).
- [8] Anri Syaiful, "Kapal Indonesia Dibajak di Perairan Filipina, 4 WNI Diculik," *Liputan 6*, 2016. <http://news.liputan6.com/read/2484913/kapal-indonesia-dibajak-di-perairan-filipina-4-wni->

- diculik. (accessed Jun. 23, 2020).
- [9] "No Title," *UPN Yogyakarta*. <http://repository.upnyk.ac.id/3838/1>. (accessed Jun. 25, 2020).
 - [10] "1st Meeting Of Asean Maritime Forum (AMF)," *Ministry of Foreign Affairs Republic of Indonesia*, 2010. .
 - [11] A. Soejono., *Metode Penelitian Hukum*. Jakarta: Rineka Cipta, 2003.
 - [12] *ASEAN Convention on Counter Terrorism (ACCT)*. .
 - [13] A. DH, "Filipina Dukung Upaya Kerja Sama Atasi Pembajakan Kapal 8Gz," *Tirto.id*, 2016. <https://tirto.id/filipina-dukung-upaya-kerja-sama-atasi-pembajakan-kapal-8Gz>. (accessed Jun. 26, 2020).
 - [14] "Indonesia dan Filipina Tegaskan Komitmen Perkuat Kerja Sama Bilateral yang Lebih Produktif," *Ministry of Foreign Affairs Republic of Indonesia*, 2014. .
 - [15] Fabian Januarius Kuwado, "Militer Indonesia, Filipina, dan Malaysia Sepakat Respons Cepat Pembajakan Kapal," *Kompas.com*, 2016. <http://nasional.kompas.com/read/2016/07/15/18191381/militer.indonesia.filipina.dan.malaysia.sepakat.respons.cepat.pembajakan.kapal>.

Responsibilities Head of The Village And Village Chairman on Register Book of Land For The Achievement of Justice Land Administration Regulations

Lina Maulidiana¹, Rendy Renaldy²
{maulidianalina17@gmail.com¹, rendynotar@gmail.com²}

Law Faculty, Sang Bumi Ruwa Jurai University, Bandar Lampung, Lampung¹, Law Faculty, Sang Bumi Ruwa Jurai University, Bandar Lampung, Lampung²

Abstract. Land is one of the earth's assets that has high value because it has an important role and function that cannot be separated from human life. The state's recognition of land rights owned by the community as legal subjects that give rise to control over land makes the State obliged to guarantee legal certainty of land rights by conducting land registration for the first time by issuing certificates as proof of ownership of land rights. The head of village and the Village chairman play an important role in supporting the land registration process for the first time with their land registration book (Letter C). However, a legal issue arises when in collecting land data, whether the land data at the village level has been filled in properly, correctly, completely and always up to date, and is well maintained because there is a possibility of a plot of land, the existing data is only found in the land register book at the village head and village. If the data is not properly maintained, there is an opportunity for land disputes to arise in the future. This study uses a normative juridical approach or normative law. This research method is a literature law research method where the method or method used in legal research is carried out by examining existing library materials. The answer to the research problem regarding the responsibilities head of village and the village chairman in the land register book for the achievement of a just land administration is criminal responsibility, namely based on the Criminal Code, Articles relating to land crimes include crimes against land grabbing which are regulated in Article 167 of the Criminal Code, Crimes against forgery of documents are regulated respectively in Articles 263, 264, 266 and 274 of the Criminal Code as well as crimes of embezzlement of rights over immovable property such as land, houses, rice fields. This crime is commonly referred to as *stellionaat* crime, which is regulated in Article 385 of the Criminal Code. Liability in a civil manner, namely by using or applying the principle of unlawful acts or *onrechtmatige daad* applicable in Article 1365 of the Civil Code as well as administrative sanctions based on the provisions in Law Number 6 of 2014 concerning Villages, namely in the form of warnings, temporary notification until permanent dismissal from the position of Village Chairman.

Keywords : Village Heads, Land Registry Book, Orderly Land Administration.

1. Introduction

Ownership of land is a basic right of every Indonesian citizen as regulated in Article 28 letter H of the 1945 Constitution of the Republic of Indonesia which states that everyone has the right to private property and these rights cannot be taken over arbitrarily by anyone. The state guarantees the right of its citizens to own private property, including land rights. The guarantee was subsequently born on the basis of the right to control the state adhered to in Article 2 of Law Number 5 of 1960 concerning Basic Agrarian Principles which explains that

the earth, water and space including the natural wealth contained therein are controlled by the state at the highest level [1].

Land is one of the earth's assets that has high value because it has an important role and function that cannot be separated from human life. The state's recognition of land rights owned by the community as legal subjects that give rise to control over land makes the State obliged to guarantee legal certainty of land rights by conducting land registration for the first time by issuing certificates as proof of ownership of land rights. Regarding registration activities for the first time it is regulated in Article 1 number 9 Government Regulation Number 24 of 1997 concerning Land Registration which explains that land registration for the first time is an activity carried out on objects of land registration that have not been registered under Government Regulation Number 10 of 1961 concerning Land Registration. or this Government Regulation [1].

Physical and juridical data are collected in the process of registering land for the first time, one of which is obtained from the data contained in the land register book at the Village level, this shows how important land data is recorded in the village level land register book. A land register book at the village level is a land register that contains the subject of rights, objects of rights, rights itself as well as legal actions regarding land administered by the village government. The land data that is in the land register at the village level becomes the preliminary data for the sporadic land registration process. What is meant by sporadic land registration is the activity of registering land for the first time regarding one or several objects of land registration within the territory or part of a village, individually or in bulk [2].

This process requires supporting data such as girik or land letter C obtained from the village level land book register, in accordance with the provisions in Article 76 of the Regulation of the State Minister for Agrarian Affairs / Head of the National Land Agency Number 24 of 1997.

The problem faced in collecting land data is whether the land data at the village level has been filled in properly, correctly, completely and always up to date, and is well maintained because there is a possibility for a plot of land, the existing data is only found in the village level land register book. If the data is not properly maintained, it will open up opportunities for disputes or land problems that will arise in the future, to ensure that the actual land owner of land parcels that has not been certified or that has been certified, this could happen due to the process of land ownership and control in particular. in villages that occurred before the LoGA was generally not supported by complete written evidence because the transfer of rights (buying and selling, grants, exchange, inheritance or release of rights) in the community was sufficiently carried out in front of or known to the village head who was not only acting as a witness but also in his position as customary head who bears that the transfer of rights does not violate the applicable law.

The transfer of rights in this way is of course easy to cause disputes, especially because there is no deed of transfer of rights before the Official of the Land Deed Maker as required in the statutory regulations that: Transfer of land and ownership rights to apartment units through sale and purchase, exchange, grant, entry into the company and other legal acts of transfer of rights, except the transfer of rights through an auction, can only be registered if it is proven by a deed made by the authorized Land Deed Making Official according to the provisions of the prevailing laws and regulations.

The increase in land disputes is not only caused by the increasing need for land for development, but also because the need for land for development continues to increase, because complete land data is not yet available at the village level [3].

The land data that is in the land register at the village level becomes the preliminary data for the sporadic land registration process. What is meant by sporadic land registration is the activity of registering land for the first time regarding one or several objects of land registration within the territory or part of a village, individually or in bulk. In general, the objects of sporadic land registration in Lampung are customary land, cultivated land, ex-plantation land or state land either through the process of recognizing rights or applying for rights.

For this process, supporting data is required including girik or a copy of letter C obtained from the village-level land book register, in accordance with the provisions in Article 76 of the Regulation of the State Minister for Agrarian Affairs / Head of the National Land Agency Number 24 of 1997.

The girik is actually a tax imposition letter and a tax payment receipt or landrente on behalf of the land owner which is considered among the people and is treated as proof of ownership of the land which he has bought has not been reversed. During the period 1981 to 1985 the number of certificates issued through sporadic land registration was recorded at an average of 250,000 certificates per year, and it is likely that in its development the issuance of certificates will increase. In line with the stipulation that only land with customary ownership status is subject to Indonesian landrente or verponding, as well as the desire and effort of people to have a tax return with themselves as taxpayers, justifies the practice of using the data contained in the tax receipt as a strong indication of the status the land is a customary property and the taxpayer is the owner. This fact can be used as an element to assist in affirming the conversion of customary ownership rights to property rights according to the UUPA regarding lands for which registration is requested according to Government Regulation Number 24 of 1997 concerning Land Registration.

Land registration that is carried out results in a land title certificate which is a strong means of proof as stated in the provisions of Article 19 paragraph (2) letter C, Article 23 paragraph (2) Article 32 paragraph (2) and Article 38 of the Basic Agrarian Law. The certificate is only a strong proof and not a perfect proof according to the provisions of the UUPA and government regulations that implement it, this means that the information contained therein has legal force and must be accepted by the judge as true information as long as and as long as it does not exist. proving tools that prove otherwise.

In fact, it is not easy to carry out sporadic land registration because most of the ownership or ownership of the land is not supported by evidence tools that are easy to obtain and can be trusted to be true, therefore errors often occur in the issuance of certificates, resulting in disputes over ownership and boundaries. or even more than one data from land parcels where land registration has been completed.

The occurrence of more than one plot of land with different numbers with an area and / or on behalf of the same or different people, and it is shown in the same location but the basis / instructions for certification (Letter c) are different.

Based on the background of the problem above, it is deemed necessary to formulate a problem regarding the responsibilities of the Lurah and the Village Head in the land register book in order to achieve a just land administration order.

2. Methods

This study uses a normative juridical approach or normative law. This research method is a library law research method where the methods or methods used in legal research are carried out by examining existing library materials.[4] The first stage of normative legal research is

research aimed at obtaining objective law (legal norms), namely by conducting research on legal issues. The second stage of normative legal research is research aimed at obtaining subjective law (rights and obligations).[5]

The relevance of this research approach is to analyze and examine the problems that are the object of research, namely responsibilities head of the village and village chairman on register book of land for the achievement of justice land administration regulations.

3. Result and Discussion

The transfer of rights to former customary land requires a Letter C or girik, as well as a statement from the Village Head regarding the land, which information is given by the Village Head / Lurah. Based on the records contained in the village level land register books, especially the land book, the land ownership register book and the land title transfer book, from the records contained in the village-level land register books in particular, the land ownership register book and the book transfer of rights to the land. Based on the records that correspond to the register of the Village Head / Lurah Issuing a Certificate of Non-Dispute and Certificate of Land History which contains the original subject of the land owner up to the control by the subject at the time the letter was made, the status of the land, the location of the land, the area and boundaries as well as regarding transfer of right [6].

If previously there was a transfer of rights from the previous owners either with an underhand transfer deed or with the Deed of the Land Deed Making Official. The correctness of the data in the village level land register book depends on the filling it is done, namely whether it has been done correctly and the maintenance of the data is carried out continuously, so that it becomes land data that is guaranteed to be true, can be accounted for and is always up to date so that it can be used by community members who need and minimize errors which can lead to land dispute problems in the future. The incorrect land data has implications for the physical and juridical data in the land registration process so that the certificate which is the final result of the land registration process can be canceled.

The position as the Village Head / Lurah is obliged to provide services to the community including land issues and has the authority to issue documents needed by the community in his village area, such as a certificate regarding former customary land that is required for land registration for the first time. Furthermore, in Law of the Republic of Indonesia Number 6 of 2014 concerning Villages, the duties and powers of the Village Head are to organize government, development and society to carry out these duties and authorities. Article 15 regulates the obligations of the Village Head including:

1. Obey and enforce all laws and regulations;
2. Carry out a good village government administration;
3. Reconcile community disputes in the village [7].

In carrying out his position to serve the community, the Village Head is required to apply the principle of accuracy by explaining that each Head of Sub-district and Lurah in issuing a Certificate must apply the principle of accuracy. This principle of accuracy is one of the formal principles in the general principles of good governance, this principle of accuracy is intended. that every state administrative officer is indicated that when preparing the issuance of a decision, he must obtain knowledge of all relevant facts and all related interests, not arbitrarily, with respect to the rights of other [7].

Of these duties and obligations the Village Head has a big role and it is easy to misuse or abuse his position, for example not making notes or making incorrect records regarding the

transfer of rights or providing information against the law or even giving false information, mistakes in carrying out these duties and obligations often occur especially error in providing a certificate so that it is detrimental to the community in need and can even lead to land disputes. For errors in carrying out the duties and obligations of the village head, it can be held accountable, both civil and criminal by the injured community, even though this is not regulated in Government Regulation Number 24 of 1997 concerning Land Registration, this is actually a setback or decriminalization due to this regulation.

Government Number 24 of 1997 concerning Land Registration in Article 44 stipulates that criminal sanctions for violations of the boundaries of a land parcel are stated with boundary signs according to the provisions stipulated by the Minister of Agriculture and violations of the making of deeds concerning the transfer of rights to land, giving a New rights to land, or mortgage rights without being appointed by the Minister of Agrarian Affairs shall be punished with imprisonment for 3 (three) months and or a fine of up to Rp. 10,000, - (ten thousand rupiah). In addition, it is also prohibited for the Village Head to strengthen the agreement regarding land that has been recorded if:

1. The request is not accompanied by a certificate of the land concerned;
2. The land that was the object of the agreement was still in dispute;
3. Not accompanied by documents for payment of registration fees.

Government Regulation Number 24 of 1997 concerning Land Registration does not regulate criminal sanctions for violations that occur in land registration and issuance of certificates, but this does not mean that criminal responsibility cannot be held based on the Criminal Code especially if there is an element of negligence / negligence or fraud and coercion in making a certificate regarding land or physical data and juridical data in land registration.

Mistakes in carrying out the duties and obligations of the Village Head / Lurah can cause harm to the community, especially if it eventually causes a dispute, which losses are not only in the form of suffering economic losses but also related to social, juridical, security, psychological and physical losses. Therefore, the Criminal Code can be applied if there is a violation or crime related to land such as destroying land boundary markers, providing false or untrue information regarding land data containing physical data and juridical data or making a certificate committed by the Village Head / Lurah or Camat and the person applying for the right. The articles of the Criminal Code related to land crimes are applied as follows:

1. Crimes against forgery of documents are regulated in articles 263, 264, 266, and 274 of the Criminal Code, respectively;
2. Civil disputes relating to land issues;
3. Problems relating to the customary rights of indigenous peoples.

In addition to criminal liability, the injured community can also ask for civil responsibility, namely by using or applying the principle of an unlawful act or *onrechtmatige daad* which applies in article 1365 of the Civil Code, namely that an act against the law can be interpreted as making something or neglecting something that (a) violates the rights of others (b) violates the legal obligation (*rechtsplicht*) of the person who commits the act, (c) violates both morality and the principles of social association regarding the respect for the self of others or the property of others.

Mistakes in carrying out the duties and obligations of the Village Head / Lurah can lead to land disputes in the Regulation of the State Minister for Agrarian Affairs / Head of the National Land Agency Number 30 of 1999 concerning Procedures for Handling Land

Disputes, in the article it states that what is meant by land disputes is a difference of opinion regarding :

1. The validity of a right;
2. Granting of land rights;
3. Registration of land rights including transfer and issuance of proof of rights, between interested parties and agencies within the National Land Agency.

Broadly speaking, the map of land problems can be grouped into:

1. Problems with people's cultivation of real forest land, plantations, abandoned housing projects, and so on;
2. Problems relating to violations of the provisions on land reform;
3. Excesses in the provision of land for development purposes [8].

The provisions in the Regulation of the Head of the National Land Agency Number 3 of 2011 concerning Management of the Assessment and Handling of Land Cases do not specifically regulate the cancellation of land rights but are regulated in the provisions regarding the settlement of land cases in Chapter VII by providing an arrangement that basically there are 2 settlement of land cases (two) namely: 1) implementation of court decisions and 2) settlement of land cases outside the court.

The implementation of court decisions and the settlement of land cases outside the court can result in legal action in the form of cancellation of land title certificates so that it can be said that if it is based on the Regulation of the Head of the National Land Agency Number 3 of 2011 concerning Management of Assessment and Handling of Land Cases, cancellation of land rights can be carried out in two ways, namely: 1) based on a court decision and 2) not based on a court decision.

Article 55 of the Regulation of the Head of the National Land Agency Number 3 of 2011 concerning Management of the Assessment and Handling of Land Cases confirms that actions to carry out court decisions that have obtained legal force can still be in the form of implementing all of the rules of decision, implementing some of the orders of decisions or just carrying out explicit orders. written on the verdict.

Furthermore, in Article 55 paragraph (2) it is stated that the court's verdict has obtained permanent legal force, relating to the issuance, transfer and / or cancellation of land rights.

The land dispute settlement mechanism, according to Rusmadi Murad, is organized with the following pattern:

1. Complaints from parties who feel their rights have been violated. The dispute over land rights arises because of complaints / objections from persons / legal entities containing the truth and demands of a State Administrative Decree in the land sector that has been stipulated by the State administration official within the National Land Agency. where the official decision is felt to be detrimental to their rights over a certain land parcel. With this complaint they want to obtain an administrative settlement with what is called an immediate correction from the competent official for it. That the authority to make such corrections lies only with the head of the National Land Agency.
2. Research by the relevant Land Office on incoming complaints. From the results of this study it can be concluded whether the complaint is reasonable or not for further processing. If the data submitted directly is unclear or incomplete, the National Land Agency will ask for an explanation accompanied by data and advice to the head of the local Regency Municipal Land Affairs Office where the disputed land is located. Furthermore, after the required data is complete, it is then reviewed the proposed problem which includes aspects of procedure, authority and legal application.

3. Prevention of mutation or transfer of disputed objects, with the aim of temporarily suspending all changes.
4. Deliberation on land disputes submitted by the National Land Agency for resolution, if the disputing parties can meet, then it is very good if they are resolved through deliberation. In this deliberative settlement, the National Land Agency is often asked to act as a mediator in resolving land rights disputes peacefully with mutual respect for the disputing parties. If there is peace, it must also be accompanied by written evidence at the beginning, namely a notification letter to the parties, Minutes of the Meeting and thereafter as evidence of a peace statement written in a Notary Deed so that it has perfect evidentiary power.
5. Revocation / cancellation of the State Administrative Decree in the Land Sector by the Head of the National Land Agency based on an administrative law flaw in its issuance.

In practice, so far there are many legal persons / entities who feel that their interests are being harmed by filing direct objections to the head of the National Land Agency. Likewise, an application for the cancellation of a land certificate is based on a court decision that has permanent legal force.

Most of these are submitted directly by the person concerned to the Head of the National Land Agency and some are submitted to the head of the local Municipal / Regency Land Office and forwarded through the Head of the Regional Office of the Provincial National Land Agency concerned.

If a deliberative settlement between the disputing parties is not reached, then if the resolution is unilaterally by the Head of the National Land Agency due to a re-examination of the juridical and physical data there is data error and the results of the research cannot be accepted by the disputing parties, the settlement is through an Administrative Court Country.

If after going through research it turns out that the state administrative decision issued by the state administrative officer is correct according to the law and according to the applicable procedure, the Head of the National Land Agency can also issue a decision rejecting the claims of a third party who object to the administrative decision of the State, as the consequence of the refusal means that the administrative decision issued by the State remains valid even though there are other parties who file a lawsuit at the local Court.

While waiting for a court decision, until there is a final legally binding decision, it is prohibited for the administrative official of the State concerned to make a transfer. This is intended to avoid problems in the future that cause losses to parties in litigation and third parties, for this reason state administrative officials in the relevant land sector must apply general principles of good governance, namely to protect all interested parties until their existence. a court decision that has permanent legal force.

Then, if a court decision has permanent legal force, the head of the land office of the local municipality / regency, through the Head of the Regional Office of the Provincial National Land Agency concerned, submits a request for revocation / cancellation of the decision on state administration that has been decided. The application must be accompanied by a report on all data relating to the subject and the burdens on the land as well as any existing problems. So anyone who feels that his interests have been harmed by the issuance of a certificate of land rights can file a cancellation of this right.

However, if an error occurs by the Village Head or Lurah regarding the land register book, it can be convicted based on Article 372 and Article 378. Fraud, is a crime that is included in the category aimed at property rights and other rights arising from property rights or in Dutch, it is called "misdriften tegen de eigendom en de daaruit voortvloeiende zakelijk

rechten". This crime is regulated by Articles 378 to Article 394 of the Criminal Code. As formulated in Article 378 of the Criminal Code, fraud means an act with the intention of benefiting oneself or another person against the law by using a false name, false dignity, trickery or lies that can cause other people to easily surrender their goods, money or assets.

Embezzlement, according to the Criminal Code, is regulated in article 372, which includes embezzlement is the act of taking the property of another person partly or wholly) where control over the object already belongs to the perpetrator, but the possession occurs legally. For example, control of an item by a perpetrator occurs because the owner entrusts the goods. Or control of goods by the perpetrator occurs because of their duties or positions, for example, the goods custodian. The purpose of embezzlement is to have goods or money in his control where the goods / money basically belong to someone else. From the formulation of embezzlement as mentioned above, if it is detailed it consists of objective elements including the act of having an object which partly or wholly belongs to another person, which is under his control not due to crime, and subjective elements include deliberate embezzlement and embezzlement against the law. Whereas the responsibility of the Lurah and Village Heads in the land register book is for the sake of achieving civil justice order land administration, namely by applying the principle of actions against the law or *onrechtmatige daad* as applicable in Article 1365 of the Civil Code as well as administrative sanctions based on the provisions in Law Number 6 of 2014 Regarding the Village, namely in the form of warning, temporary notification until permanent discharge from the position of Village Head.

4. Conclusion

The responsibility of the Lurah and Village Heads in the land register book for the sake of achieving a just land administration order is criminal responsibility, namely based on the Criminal Code, Articles relating to land crimes include crimes against land grabbing as regulated in Article 167 of the Criminal Code, Crimes against Falsification of documents are regulated in Articles 263, 264, 266 and 274 of the Criminal Code as well as the crime of embezzlement of the right to immovable property such as land, house, rice fields. This crime is commonly referred to as *stellionaat* crime, which is regulated in Article 385 of the Criminal Code.

Civil accountability is by applying the principle of unlawful acts or *onrechtmatige daad* applicable in Article 1365 of the Civil Code as well as administrative sanctions based on the provisions of Law Number 6 of 2014 concerning Villages, namely in the form of warnings, temporary notification until permanent dismissal from the position of Village Head. So it is very necessary to improve counseling and guidance to the Village Head and village government officials regarding land regulations, especially those concerning the procedures for filling in land register books, maintaining and storing them, so as to know that the land register book is also an archive or stored privately. by the village head or village officials, thus obstructing the provision of services to communities in need as well as Physical data and juridical data that are announced at the Village Office should be filed or recorded, thereby minimizing the possibility for land that has been requested for certificate to be transferred to rights by using a copy. Letter C as the basis for ownership and the land book of land where land registration or certification has been carried out is noted regarding this matter.

References

- [1] L. Maulidiana and R. Renaldy, "Jaminan Hak Atas Tanah Sertifikat Yang Diperoleh Dari

- Pewarisan Dalam Pembebanan Hak Tanggungan,” *JUSTICIA SAINS J. Ilmu Huk.*, 2020.
- [2] K. Harnadi, “Model Penguasaan Tanah oleh Masyarakat Desa Margosari dan Penyelesaiannya pada Kawasan Hutan Lindung Register 22 Way Waya Kabupaten Pringsewu,” *Cepalo*, 2019.
- [3] U. Santoso, “JUAL-BELI TANAH HAK MILIK YANG BERTANDA BUKTI PETUK PAJAK BUMI (KUTIPAN LETTER C),” *Perspektif*, 2012.
- [4] Soerjono Soekanto dan Sri Mamudji, *Penelitian Hukum Normatif (Suatu Tinjauan Singkat)*. Jakarta: Rajawali Pers, 2001.
- [5] Soerjono Soekanto, *Sosiologi Suatu Pengantar*. Jakarta: Rajawali Press, 2012.
- [6] H. Ismi, “Pengakuan Dan Perlindungan Hukum Hak Masyarakat Adat Atas Tanah Ulayat Dalam Upaya Pembaharuan Hukum Nasional,” *J. Ilmu Huk. Riau*, 2012.
- [7] K. F. Kurnia and R. Santana, “Konstruksi Penyelesaian Pelanggaran Pemilihan Umum,” *JUSTICIA SAINS J. Ilmu Huk.*, 2018.
- [8] M. S. W. Sumardjono, “Kebijakan Pertanahan Antara Regulasi dan Implementasi,” *Kompas*, 2005.

Fighting Corruption Through the Federal System: Independence as the Key to Corruption Eradication

Christopher Cason¹
{174100401@uii.ac.id¹}

Law Faculty, Universitas Islam Indonesia, Yogyakarta, Indonesia¹

Abstract. Corruption is an age-old and persistent problem. While many nations have employed independent bodies dedicated to anti-corruption, with varying degrees of success, the United States has left its corruption eradication efforts to state and federal prosecutors charged with enforcing myriad anti-corruption statutes. While there is a large body of literature examining the effectiveness of dedicated anti-corruption agencies worldwide, there has been incomplete examination of how the United States' federal system of checks and balances and concurrent jurisdiction stacks up against agencies focused solely on anti-corruption. The Paper analyzes the constitutional framework and the Jurisprudence authorizing concurrent jurisdiction of corruption cases. The paper also looks at the practical impact of this system in contrast to other countries and concludes that there is no need or place for dedicated anti-corruption agency in the United States.

Keywords: Corruption, Federalism, Concurrent Jurisdiction.

1. Introduction

Corruption has been part of the human condition for as long as there has been money and government. Experts have traced original reports of corruption all the way back to the earliest civilization [1]. Corruption takes many forms, including bribery and kick-backs. Sadly, many have accepted corruption as a way of life, especially in developing countries. However, such apathy may come from the fact that few people understand the societal and economic impact of corruption. For society, corruption erodes confidence in democratic institutions, and disenfranchises the electorate. Economically, corruption increases the cost of doing business; it is estimated that corruption on average adds 10% to the cost of doing business and countries where corruption is high, receive 5% less foreign investment. [2] Based on empirical research, a model has been developed to calculate the effect of corruption on GDP. The causative effect can be seen in **Figure 1** below: [3]

$C(t) \times G(t+n)$	Number of (T) combination	%							
$C(t) \times G(t+15)$	20	3%							
$C(t) \times G(t+14)$	34	4%							
$C(t) \times G(t+13)$	60	8%							
$C(t) \times G(t+12)$	72	9%							
$C(t) \times G(t+11)$	56	7%							
$C(t) \times G(t+10)$	63	8%							
$C(t) \times G(t+9)$	61	8%							
$C(t) \times G(t+8)$	51	7%							
$C(t) \times G(t+7)$	58	8%							
$C(t) \times G(t+6)$	56	7%							
$C(t) \times G(t+5)$	47	6%							
$C(t) \times G(t+4)$	52	7%							
$C(t) \times G(t+3)$	50	6%							
$C(t) \times G(t+2)$	47	6%							
$C(t) \times G(t+1)$	43	6%							

Figure 1 Model for Calculating The Effect of Corruption on GDP

This cost for individual nations can discourage foreign investment, crippling the economies of the developing nations hardest hit by corruption. Various nations have enacted laws and created bodies to fight corruption. Article 6 of The United Nations Convention against Corruption states:

1. Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies, as appropriate ...
* * *
2. Each State Party shall grant the body or bodies referred to in paragraph 1 of this article the necessary independence, in accordance with the fundamental principles of its legal system, to enable the body or bodies to carry out its or their functions effectively and free from any undue influence. The necessary material resources and specialized staff, as well as the training that such staff may require to carry out their functions, should be provided [3].

Both developed and emerging economies generally have commissioned specific government agencies to address corruption [4]. The effectiveness of these bodies have generally been limited [5]. There is a great deal of debate about the reasons for these agencies' success and failures [6]. First, it is important to briefly analyze different nations' approaches to policing corruption and their effectiveness at doing so. Only then can the American system be analyzed to determine its independence and coincident effectiveness. It appears that while anti-corruption agencies are solely focused on fighting corruption, they are often hindered by a lack of independence. The Federal System in the United States at minimum guarantees that such independence is constitutionally guaranteed and accordingly difficult to ameliorate.

2. Literature Review

Corruption and Economics. There appears to be a concrete correlation between the effectiveness of anti-corruption efforts in a nation and the economy of the nation. [2] Where nations have established anti-corruption agencies, there has been a corresponding decline in

the amount of a nation's gross domestic product that is wasted on corruption. [3] The United Nations has recognized this correlation. [4]

Effectiveness of Anti-Corruption Efforts. In contrast to the United States, many nations have adopted some form of government body charged with fighting corruption. The first Anti-Corruption Commission was established in Singapore in 1952, followed by Malaysia and Hong Kong, giving Asia the reputation as the “cradle” of Anti-Corruption Commissions. [7] In practice, unfortunately, these agencies generally fail to reduce corruption [4]. Indeed, the literature has “grown increasingly skeptical about their merits [8].”

There are many reasons for this failure: “[t]he absence of rule of law, accountability, and political will are considered as fundamental challenges for establishing effective” anti-corruption agencies [8]. “[F]ew political leaders are able to bind themselves effectively to anti-corruption reforms over an extended period of time. Before too long, strong entrenched interests militate against the commission rendering it impotent or a tool to repress political opponents.” Cambodia, Prime Minister Hun Sen used the campaign against illegal logging to remove those military officers who posed a threat to him. Likewise, opponents to the former Presidents of Indonesia and Malaysia were charged with corruption, as have opposition leaders in China and Vietnam [4].

The Federal System The federal system of government in the United States is enshrined in its constitution. Because the independence of individual states is guaranteed in the constitution, the legal systems of the 50 states cannot be taken away by the federal government [10]. This has essentially created a co-equal branch of government with the power to fight corruption. This power has repeatedly been reinforced by court rulings [11] [12].

3. Methods

The study explored how the Federal system of government can provide efficacy to anticorruption efforts. The study is premised on the relationship between the permanence of anti-corruption agencies and their relative effectiveness. The effectiveness of these agencies in-turn was measured by evaluating both the extent states are perceived as fighting corruption and the effect that corruption had on the economy.

Accordingly, the study employed empirical research of secondary sources to determine the effectiveness of various nations’ anti-corruption efforts. In exploring the government structure of Federalism, the study applied a normative as well as statutory and conceptual methods.

4. Result and Discussion

4.1 The Effectiveness of Anti-Corruption Agencies Is Directly Tied to Their Permanence and Independence

Many anti-corruption agencies have been hamstrung by their ephemeral nature. Indeed, a majority of government agencies have been established under the guise of independence, their existence depends on the continued support of other agencies. [8] Indeed, many anti-corruption agencies are directly beholden to the very agencies and individuals they

are ostensibly charged with investigating. [10] There have been many cases where anti-corruption agencies were either completely disbanded, or undermined by inadequate funding or power. [6] Even worse, while public attacks on anti-corruption agencies has belied political claims of fighting corruption there is a darker underbelly where such agencies are more subtly torpedoed. [7] Without true independence and permanence any effort to fight corruption is toothless.

Where anti-corruption commissions have been successful, De Jaegere “argues that operational independence of [anti-corruption agencies] is the key requirement.” [6] More generally there appears to be four underlying features that are key. [9] First, the impetus for an agency often arises from a precipitating crisis—such as a scandal involving the elite (a President, his/her family, or the Chief of Police, etc.) or a major financial crisis that generates widespread hardship—that drives popular support for reform. Such a broad-based coalition becomes a ‘constituency for change.’ Without a crisis, “building such a domestic coalition is a challenge for even the most popular leaders.” Additionally, a state must already have a “free and robust media that can report about corruption without fear or favour.” [5] Successful anti-corruption organizations are also back by “political will,” that is, a “genuine interest and confidence at the highest political levels about the benefits of having an independent and powerful anti-corruption agency.” [10] Most importantly, a successful anti-corruption agency is formed with a charter giving it “the necessary combination of institutional independence, fiscal autonomy, and strong law enforcement powers, particularly in investigation.

These elements of success appear difficult to attain when the otherwise “independent” anti-corruption agencies serve at the pleasure of the legislative or executive branches of the government. [11] Anti-corruption provisions efforts are frustrated when faced with revoking a legislative charter.

4.2 The United States System provides for independent prosecution of corruption crimes

In order to avoid the “fox guarding the hen house” situation, those charged with fighting corruption must not be beholden to the individuals or agencies being monitored. Without independence, there can be no guarantee that perpetrators of corruption will be held accountable. The United States relies on its federal system of checks and balances contained in the constitution to provide a level of independence unavailable to Republics [12]. The Tenth Amendment to the Constitution requires a power-sharing form of government between the Federal, “central” government and the several states, stating “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people [12]. This power sharing form of government means that states can act to prosecute corrupt individuals independent of the Federal government and vice versa. These powers are enshrined in the United States’ constitution thereby solidifying their efficacy [13]. This power-sharing jurisdiction includes specific federal and state corruption statutes.

There are numerous federal criminal statutes to address corruption. These statutes include prohibition on bribery and colluding to violate corruption laws [14] [15] [16]. One unique aspect of the federal law is that it also prohibits United States entities from engaging in corruption outside its borders. The extraterritorial nature of the Foreign Corrupt Practices Act or FCPA was envisioned when enacted as a measure to fight corruption worldwide, and has even been criticized as hurting United States-based companies from competing abroad when

hamstrung by the inability to pay bribes to local officials. [17] The Federal statutory framework generally provides comprehensive remedies for prosecuting acts of corruption.

The several states have similar, corresponding statutes. The statutes vary in language but the basic statutory framework is similar to their federal counterparts. [18] For example, Washington state's criminal code provides for separate crimes for bribery as well as ethical violations. [19] [20] [21] Because of the large number of company headquarters and organizations based in the state, New York sees many of the most high-profile prosecutions of public officials [22] [23] [24] [25]. The only area where the state laws vary significantly from federal laws is dealing with corrupt practices abroad.

Most often both the federal department of justice and at least one individual state will have concurrent jurisdiction over the same act of bribery. The Supreme Court in *Tafflin v. Levitt* decided that unless a federal statute specifically confers exclusive jurisdiction for federal courts, violations of federal statutes can be brought by state prosecutors. This case arose from the prosecution of a scheme to bribe regulators and defraud investors following the collapse of a savings and loan, the prosecutor brought a number of state law claims as well as a violation of RICO. The Court held that states generally possess concurrent jurisdiction to prosecute violations of federal statutes [26]. The progeny of the *Tafflin* decision has extended this concurrent jurisdiction to all federal corruption statutes unless the statute specifically reserves jurisdiction for the federal government. [27] [28] [29] [30] [31].

Essentially, this form of concurrent jurisdiction renders prosecutor's independent from the perpetrators of corruption. The major risk of a non-independent anti-corruption agency is that it would fail to prosecute corruption if it was related to or beholden to the accused perpetrator of corruption [32] [33] [34]. Generally, this has played out in situations where corruption in small jurisdictions was prosecuted by federal authorities where local prosecutors would not prosecute local government officials for fear of their own job security. Generally, Federal officials have been convicted of federal charges in Federal courts [35]. Of course, this independence would be at risk if the government could easily revoke this grant of power to the states as many anti-corruption agencies around the world have been stripped.

The effectiveness, however of the battle against corruption is that the independent, concurrent federal and state jurisdiction is protected by the constitution. The entire federal structure of the constitution grants this independence [36] [37]. To change this structure, would require a constitutional amendment. As evidenced by the fact that in its 230-year history, the United States Constitution has only been amended 27 times, amending the Constitution is a Herculean task [12]. To whatever extent, therefore, that the United States system of fighting corruption is effective is effective, is undisputed that at the very least the independent, power-sharing nation of the system is protected from the whims of whichever administration is in power.

5. Conclusion

Independence is the key to fighting corruption. While the United States does not have a designated body focused solely on fighting corruption, the power-sharing of the Federalist system, at a minimum, guarantees that prosecutorial bodies can be independent of the government they have authority over. While there are too many factors to draw a direct correlation between the form of corruption eradication system and the progress toward eradication of corruption, all nations can look to the ability to be independent with the ability

to prosecute corrupt government officials. Those nations, whose corruption eradication commissions serve at the pleasure of the legislature or executive branches, are finding it difficult to remain independent.

References

- [1] M. L. S. (Ed.), *The Gift of Antiquity*, Hoboken: John Wiley & Sons, 2013.
- [2] J. Lambsdorff, *The Institutional Economics of Corruption and Reform: Theory, Evidence, and Policy*, Cambridge: Cambridge University Press, 2007.
- [3] D. Lučić, "Causality between corruption and the level of GDP," *Economic Research-Ekonomska Istraživanja*, vol. 29, no. 1, pp. 360-379, 2016.
- [4] United Nations General Assembly, *The United Nations Convention Against Corruption*, New York: The United Nations, 2005.
- [5] J. S. Quah, "Combatting Corruption in Asian Countries: What Lessons Have We Learned?," *Public Administration & Policy*, vol. 16, no. 1, pp. 15-34, 2014.
- [6] J. I. Odd-Helge Fjeldstad, "Anti-Corruption Reforms: Challenges, Effects, and the Limits of World Bank Support," The World Bank, Washington, 2008.
- [7] S. D. Jaegere, "Principles for Anti-Corruption Agencies: A Game Changer," *Jindal Journal of Public Policy*, vol. 1, no. 1, pp. 83-85, 2012.
- [8] J. John R. Heilbrunn, "Ant-Corruption Commissions: Panacea or Real Medicine to Fight Corruption?," World Bank Institute, Washington, 2004.
- [9] "Assessing and Improving Performance of Anti-corruption Agencies," Anti-Corruption Resource Center, Bergen, Sophie A. Schutte.
- [10] A. Strand, "An Exception to the Rule? Why Indonesia's Anti-Corruption Commission Succeeds Where Others Fail," U4 Institute, Bergen, 2010.
- [11] J. S. Quah, "Benchmarking for Excellence: A Comparative Analysis of Seven Asian ACAs," World Bank Institute, Washington, 2009.
- [12] A. Syakriah, "Majority of People Oppose KPK Law Revision, Support Student Protests, New Survey Reveals," *The Jakarta Post*, p. A1, 7 October 2019.
- [13] The United States Government, *The Constitution of the United States*, Philadelphia: The Library of Congress, 1883.
- [14] J. e. a. Richard H. Fallon, *The Federal Courts and the Federal System* (6th Ed.), New York: Hart and Wechsler, 2009.
- [15] The United States Government, *Bribery of public officials and witnesses*, 18 U.S. Code § 201, Washington: The Library of Congress, 1994.
- [16] The United States Government, *Theft or bribery concerning programs receiving Federal funds*, 18 U.S. Code § 666, Washington: The Library of Congress, 1994.
- [17] The United States Government, *Frauds and swindles*, 18 U.S. Code § 1341 et seq., Washington: The Library of Congress, 1948.
- [18] The United States Government, *Foreign Corrupt Practices Act*, 15 U.S. Code § 78dd-1, Washington: The Library of Congress, 1974.
- [19] Working Paper, "Why Broad Definitions of Bribery Make Things Worse," *University of Chicago Public Law Journal*, vol. 502, no. 1, p. 9, 2015.
- [20] The Government of the State of Washington, *Official Misconduct*, RCW 9A.80.010, Olympia: Washington State Archives, 2011.

- [21] The Government of the State of Washington, *Bribery and Corrupt Influence*, RCW 9A.68.010 *et seq.*, Olympia: Washington State Archives, 2011.
- [22] The Government of the State of Washington, *Ethics in Public Service*, RCW 42.52.010, Olympia: Washington State Archives, 1996.
- [23] *People v. Flanagan*, 28 N.Y.3d 644, 2017.
- [24] *People v. Gordon*, 72 A.D.3d 841, 2010.
- [25] *People v. Souvenir*, 209 A.D.2d 455, N.Y.2d 447, 1994.
- [26] *People v. Charles*, 61 N.Y.2d 321, 1984.
- [27] *Tafflin v. Levitt*, 493 U.S. 455, 1990.
- [28] *McDonnell v. United States*, 579 U.S. ____ (slip op.), 2016.
- [29] *Arlington Central School Dist. Bd. of Ed. v. Murphy*, 548 U.S. 291, 2001.
- [30] *United States v. Sun-Diamond Growers of Cal.*, 526 U.S. 398, 1999.
- [31] *McNally v. United States*, 483 U.S. 350, 1987.
- [32] *United States v. Emmons*, 410 U.S. 396, 1973.
- [33] *United States v. Fernandez*, 722 F.3d 1 (1st Circuit), 2013.
- [34] *United States v. Selby*, 557 F.3d 968 (9th Circuit), 2009.
- [35] *United States v. Starks*, 472 F.3d 466 (7th Circuit), 2006.
- [36] R. Fausset, "'It's the Human Way': Corruption Scandals Play Out in Big Cities Across U.S.," *The New York Times*, p. A12, 5 February 2019.
- [37] E. E. Richter, "Exclusive and Concurrent Powers of the Federal Government," *Notre Dame Law Review*, vol. 4, no. 2, pp. 515-517, 1929.
- [38] *State of South Carolina v. United States*, 50 Law. Ed. 261, 1905.

Measuring the Concept of Deliberative Democracy in the Indonesian Election Supervision System

Kamal Fahmi Kurnia¹
{kamal.fahmi1405@gmail.com¹}

Fakultas Hukum, Universitas Sang Bumi Ruwa Jurai, Bandar Lampung, Indonesia¹

Abstract. The administration of fair and honest elections is a constitutional mandate. The supervision system in elections is a very important part of realizing fair and fair elections for all parties. The concept of deliberative democracy is more attractive to be applied in various government policies because it is considered capable of realizing the true goals of democracy. This article aims to analyze the application of the concept of deliberative democracy in the election supervision system in Indonesia. Based on the results of the analysis, it shows that the main concept of deliberative democracy is the existence of public space provided for the public to participate in a public policy. Furthermore, the concept of deliberative democracy has also been accommodated in the election supervision system in Indonesia. This can be seen from the existence of a participatory monitoring room. Participatory monitoring rooms provide an opportunity for the public to participate in election supervision.

Keywords: deliberative democracy, supervision system, general election.

1. Introduction

The holding of general elections is an important part of a democratic country. Juridical, the regulation of general election in Indonesia has a constitutional basis in the 1945 Constitution of the Republic of Indonesia. In the 1945 Constitution of the Republic of Indonesia it is explained that the General Election is held every 5 (five) years and is carried out by promoting principles of direct, general, free, confidential, honest and fair [1]. The provisions for holding general elections are further regulated in Law Number 7 of 2017 concerning General Elections. In this paper, the implementation of the General Election includes the General Election of the President and Legislative Members.

The organizers of general elections in the general election system in Indonesia are the General Election Commission, the General Election Supervisory Body, and the General Election Organizer Honorary Council. The General Election Supervisory Agency as one of the General Election organizers has a supervisory function on the implementation of general elections in Indonesia. Supervision System in the administration of general elections is a very important part to be implemented. The General Election Supervisory Agency as a supervisory agency, is the part

that provides control over the implementation of general elections. As an institution, general election supervision is carried out in stages from the central level to the polling stations.

The general election supervision system covers the stages of the recruitment of election supervisory members to the supervisory process carried out by election supervisory institutions in order to provide control over the implementation of general elections in Indonesia. The supervision system in general elections has been regulated in several laws and regulations. The technical arrangements for the general election supervision process are regulated in several Regulations of the General Election Supervisory Agency.

The conception of the general election supervision system in Indonesia has been regulated from the process of institutional formation, selection of supervisory candidates, prevention in the framework of preventive efforts to hold general elections, to the process of prosecuting alleged violations. The supervision system in general elections must be able to provide assurance of supervision that can achieve the objectives of holding general elections in accordance with the 1945 Constitution of the Republic of Indonesia [2].

Deliberative Democracy as a concept is not a new idea in the administration of government policy. So far, the application of the concept of deliberative democracy in every government policy has become the most promising consensus in the context of realizing the true goal of democratic life. The general election supervision system as a government policy is also expected to accommodate the concept of deliberative democracy. In this case, has the general election supervision system in Indonesia accommodated the concept of deliberative democracy in its implementation? This study aims to conduct a juridical analysis related to the application of the concept of deliberative democracy in the general election supervision system in Indonesia. From the results of the juridical analysis carried out, it is expected to provide recommendations as an effort to establish an effective supervisory system in providing control over the implementation of general elections. In the following, this paper will analyze the main concepts of deliberative democracy and analysis related to the application of the concept of deliberative democracy in the election supervision system in Indonesia.

2. Literature Review

2.1 Democracy Theory

In understanding the main concepts of democracy, there are three theories of democracy in Gould's classification, namely 1) the liberal individualism model, 2) the pluralist model, and 3) the holistic socialism model [1]. The theory of democracy is a model of liberal individualism, this model describes democracy as a protector of people from the powers of government power, and places the government as a protector of the freedom of all people from threats and disturbances. This democratic model wants universal equality for all people and equal rights for all these people in the political process. This view is characterized by "one person one vote" (one man one vote). [3]

The pluralist theory of democracy is a theoretical model that has emerged in the writings of such theories as Madison, Dewey, Dahl and Berelson. This theory is the opposite of abstract individualism which emphasizes the self-interest of independent individuals. In this case pluralism focuses attention on group interests as an aggregation of individual interests, and their emergence

will result in conflict in the political process. Thus, political democracy is interpreted as a government system that mediates conflict (competition) in order to obtain social balance [3]. According to this theory political democracy maximizes the representation of individuals whose interests may not be adequately represented by the power of the group to which they belong. This theory also states that pluralism protects the freedom of choice of individuals by providing political alternatives that represent a plurality of interest groups or parties.

The social relationships that are a consequence of this model are more of intergroup relationships than inter individual relationships. Relationships are external in nature, in the sense that each group defines something by referring to fixed or standard interests, which basically do not change when relationships with other groups take place.

The third model of view, holistic socialism, is an approach that emphasizes economic democracy and appears to respond to the rejection of the reality of social and economic relations raised by liberal individualism. This general view is represented by two main types of theory. The first theory tends to understand economic democracy as a way of distributing goods and opportunities more equitably in the context of forms of political democracy. it is more of a liberal than a socialist view. The second theory emphasizes the need for democracy in controlling production and distribution, traditionally this is a general socialist theory[3].

Gould argues that liberal democracy emphasizes individual participation in the decision-making process for economic and political life (although the ultimate goal is social justice). Regarding socialist theory, on the other hand, it understands the community or society as a whole as the main thing, and sees forms of government (politics) as things that are subordinate to economic life. The concept of holistic economic democracy is the backbone of the holistic theory of socialism [3].

Democracy as a system has been used as an alternative in various social and state activities in several countries. As admitted by Moh.Mahfud.MD, and two reasons for choosing democracy as a system of society and state. First, almost all countries in the world have made democracy a fundamental principle; second, democracy as the principle of vigor has essentially provided direction for the role of society in administering the state as the highest organization. Therefore, it requires correct knowledge and understanding of citizens about democracy.[4]

Meanwhile, the definition of democracy in terms put forward by some experts is as follows:

- a. According to Joseph A. Schmeter, democracy is an institutional plan to reach political decisions in which individuals gain power to decide how to compete competitively for the votes of the people.[5]
- b. Sidney Hook argues democracy is a form of government in which important government decisions are directly or indirectly based on majority agreement given freely from adult people.[6]
- c. Philippe Schmitter and Terry Lynn Karl state democracy as a system of government in which the government is held accountable for their actions in the public sphere by citizens who act indirectly through competition and cooperation with their elected representatives.[7]
- d. Henry B. Mayo stated that democracy as a political system is a system which shows that general policy is determined on the basis of a majority by representatives who are effectively

supervised by the people in periodic elections based on the principle of political equality and held in an atmosphere of guaranteed political freedom. [8]

- e. Affan Gafar defines democracy in two forms, namely normative and empirical. Normative democracy is a democracy that a country would ideally like to do. Meanwhile, empirical democracy is democracy in the form of practical politics [1].

The meaning of democracy as the basis for living in a society and as a state implies that it is the people who provide provisions in matters concerning their lives, including in assessing state policies, because these policies will determine the lives of the people. Thus a country adhering to a democratic system is a country that is organized based on the will and will of the people [8].

3.1 Main Concept of Deliberative Democracy

The term deliberative democracy was first introduced by J.M. Bessette in 1980. Etymologically the term "deliberation" comes from the Latin "deliberation" which means consultation, considering, or deliberation. In its development, the term deliberative democracy was developed and popularized by Jurgen Habermas. The basis of Jurgen Habermas's thought in developing the concept of deliberative democracy departs from one of the developing concepts of democracy, namely the procedural democracy model [9].

In its development, there is no standard model to explain the concept of deliberative democracy. This can be caused by the space that is deliberately given for contextual interpretation according to the times [10]. The practice of the concept of deliberative democracy is actually just an attempt to position the socio-political order to suit the public's needs in touching the effects of policies issued by the State and therefore it can only be assessed when it comes into contact with the context. When he speaks in reality and mingles in interactions that occur in the non-theoretical realm. All of them agree on several characteristics to refer to the concept of deliberative democracy, namely: participation, freedom and equality (liberty and equality), an interest in the common good (appeals to the common good), the desire to vote (need for voting) [11].

The basic conception of the concept of deliberative democracy according to Bernard Manin, "... the source of legitimacy is not the predetermined will of individuals, but rather the process of its formation, that is, deliberation itself." [12] In other terms, the democratic model according to Bernard Manin assumes that no individual value and perspective is self-correct without first going through a process of dialogue and agreement with other individuals.

In explaining the concept of deliberative democracy further, Habermas stated that a government decision or policy has strong legitimacy if it has gone through a process of testing or discourse, where all issues are discussed together, especially by parties directly involved with the issue in an equal position and without pressure from other parties.⁵ Meanwhile, Habermas said that the "discourse" could take place in a stage known as the public sphere (public space). Habermas interprets the public space as the essence of the conditions of communication in which a form of discursive opinion and aspirations of a public consisting of citizens can take place. [11] Basically, the conception of public space offered by Habermas is used as an instrument in accommodating the aspirations of the community.

Deliberative democracy emphasizes the importance of public participation which is dialogical and synthetic in nature and jointly strives to find truths rooted in facts, cares for the

interests of society and is not doctrinaire. Deliberative democracy accommodates the weaknesses of the voting mechanism created by liberal democracy which places the winner of the most votes as the party "entitled to determine collective action".[13] Its deliberative nature becomes the legitimate of this model, government policies are tested through a broad public consultation process. Automatically, this broad public consultation process increases public participation in democracy.

The concept of deliberative democracy wants to increase the intensity of citizen participation in every decision-making process and government policy, so that decisions and policies produced by the governing party are closer to the expectations of the governed.[14] Citizen Involvement in every government policy is the core of deliberative democracy. Hardiman tries to summarize the essence of the teachings of the concept of deliberative democracy, namely that all government policy products made by the State must go through aspirations by involving the public, so that the policies made are in accordance with the existing conditions of society.[14] Another opinion states that deliberative democracy is a democratic model that considers the political legitimacy of every process of policy-making and the implementation of government to come from public deliberation between citizens who are free and equal.

Deliberative democracy in Indonesia explicitly began to emerge after the New Order era was passed. This may be due to conditions of openness and freedom (both in terms of thought and practice) that were not found (possible) during the New Order era. Indeed, the idea of deliberative democracy has been popular before (even when the country was only formed by the founding fathers), but that does not mean that it can be theoretically equated between the idea of deliberative democracy and the idea of deliberative democracy.

3. Methods

This type of research is normative legal research. Data sources used are secondary data sources consisting of primary legal material; secondary legal material; and tertiary legal material. This study was analyzed descriptively qualitatively, which is collecting and selecting legal materials in accordance with the problem under study, then described so as to produce a picture or conclusion that is in accordance with the actual situation so as to be able to answer all existing problems. This research uses a legal approach in the form of a statutory approach because the main material to be analyzed is the Law on the Election Supervision System and the Law on General Elections.

4. Result And Discussion

4.1 Legal Basis for General Election Supervision System in Indonesia

The legal basis for the general election supervision system in Indonesia in stages according to the order of the laws and regulations are:

1. Article 22E of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 7 Year 2017 concerning General Elections;
3. Regulations of the Election Supervisory Agency of the Republic of Indonesia.

Several provisions related to the general election supervision system contained in Law Number 7 of 2017, are:

1. Institutionally, the general election supervisory agency in Indonesia is regulated in Article 89 - Article 92 Law Number 7 Year 2017 concerning General Elections.
2. Article 94 letter d, regulates one of the duties of the General Election Supervisory Body, namely, increasing public participation in election supervision.
3. Article 98 paragraph (1) letter d, regulates one of the tasks of the Provincial General Election Supervisory Agency, namely, increasing public participation in election supervision in provincial areas.
4. Article 102 paragraph (1) letter d, regulates one of the duties of the regional / municipal election supervisory agency, namely, increasing public participation in election supervision in regency / municipal areas.
5. Article 105 letter a number 4, regulates one of the tasks of the District election supervisory committee, namely, increasing public participation in election supervision in sub-district areas.
6. Article 119 of Law Number 7 of 2017 regulates the mechanism for recruiting members of the General Election Supervisory Agency,
 - a. In paragraph (1), it states:
The selection team as referred to in Article 118 carries out its duties openly by involving public participation.
 - b. Elucidation of Article 119 Paragraph (1) of Law Number 7 of 2017, namely:
What is meant by "involving public participation" is giving the public an opportunity to submit written responses and input to a candidate member of the General Election Supervisory Body.
 - c. In paragraph (3) letter g, it states:
Announcing through the national mass media the list of names of prospective candidates for members of the General Election Supervisory Board who have passed the written selection and psychological tests to obtain input and responses from the public;
7. Article 125 of Law Number 7 of 2017 regulates the mechanism for recruiting members of the Provincial General Election Supervisory Board.
 - a. In paragraph (1), it states:
The selection team as referred to in Article 124 carries out its duties openly by involving public participation.
 - b. Elucidation of Article 125 Paragraph (1) of Law Number 7 of 2017, namely:
What is meant by "involving public participation" is giving the public the opportunity to submit written responses and input to candidates for members of the Provincial General Election Supervisory Body.

- c. In paragraph (3) letter g, it states:
Announcing through the local mass media the list of names of prospective Provincial election supervisory body members who have passed the written selection and psychological tests to get input and responses from the public;
- 8. Article 129 of Law Number 7 of 2017 regulates the mechanism for recruiting members of the Regency / City election supervisory body.
 - a. In paragraph (1), it states:
The selection team as referred to in Article 128 carry out their duties openly by involving public participation.
 - b. Elucidation of Article 129 Paragraph (1) of Law Number 7 of 2017, namely:
What is meant by "involving public participation" is giving the public the opportunity to submit written responses and input to candidates for members of the Regency / Municipal election supervisory body.
 - c. In paragraph (3) letter g, it states:
Announcing through the local mass media the list of names of prospective candidates for members of the Regency / City General Election Supervisory Agency who have passed the written selection and psychological tests to obtain input and responses from the public;
- 9. Article 454 of Law Number 7 of 2017, states:
 - a. In paragraph (1), it states:
Election violations originate from findings of Election violations and reports of Election violations.
 - b. In paragraph (2), it states:
Election violation reports are direct reports of Indonesian citizens who have the right to vote, election contestants, and election observers to the Election Supervisory Board, Provincial Election Supervisory Body, Regency / Municipal Election Supervisory Board, District Election Supervisory Committee, Village / Village Election Supervisory Committee, Foreign election supervisory committee, and / or polling station supervisors at each stage of the Election.

4.2 The Concept of Deliberative Democracy in the General Election Supervision System in Indonesia

In the previous discussion, it was explained that the notion of deliberative democracy gave important meaning to decision-making processes or procedures that emphasized citizen involvement. Public participation with direct community involvement in a political policy that the government makes is the core of deliberative democracy. In practice, community participation to be involved in government policies / decisions can be channeled through existing public spaces.

In the context of the application of democracy in Indonesia, it raises a question, whether so far deliberative democracy has been accommodated by the Indonesian government in any given

policies. More specifically, when looking at the supervision system in the implementation of general elections in Indonesia.

As previously explained, the general election supervision system includes the stages of the recruitment of election supervisory members to the supervision process carried out by election supervision institutions in order to provide control over the implementation of general elections in Indonesia. From the research results previously described, several provisions in Law Number 7 of 2017 serve as a juridical basis in the implementation of the general election supervision system in Indonesia.

The general election supervision system is institutionally regulated in Articles 89 - 92 of Law Number 7 of 2017. In this article, it is explained that the institutional form of general election supervisors is arranged in stages from the central level to supervision at the polling station level. The General Election Supervisory Board is the supervisor of general elections at the central level. The Provincial Election Supervisory Agency is the general election supervisory agency at the provincial level. The regency / municipal election supervisory agency is the general election supervisory agency at the district / city level. The District General Election Supervisory Committee is a supervisory committee at the sub-district level. The Village General Election Supervisory Committee is a supervisory committee at the village level. Polling Station Supervisor is a supervisory officer at each polling station.

Articles 94, 98, 102 and 105 of Law Number 7 of 2017 contain provisions on one of the duties of the general election supervisory agency to increase public participation in supervision at every level. The existence of one of the tasks given to the general election supervisory agency is related to increasing public participation, the authors consider it an effort to open up public space in the monitoring process.

Article 119 of Law Number 7 of 2017 regulates the stages in recruiting candidates for members of the General Election Supervisory Agency. The recruitment of prospective members of the General Election Supervisory Body is carried out by a previously formed selection team. Article 119 paragraph (1) of Law Number 7 Year 2017 provides rules for the selection team to involve public participation in selecting candidates for the General Election Supervisory Body. The elucidation of these provisions states that what is meant by involving community participation is to provide opportunities for the public to submit written responses and input to prospective members of the General Election Supervisory Board. Public participation in the form of responses and input to the selection process for candidate members of the General Election Supervisory Body will take place after the announcement of a candidate for the General Election Supervisory Board who has passed the written test and psychological test. This is regulated in Article 119 paragraph (3) letter g of Law Number 7 of 2017 concerning General Elections.

Article 125 of Law Number 7 of 2017 regulates the stages in recruiting candidates for members of the Provincial General Election Supervisory Board. The stages of recruiting candidates for members of the Provincial Election Supervisory Agency are not substantially different from the stages of recruiting candidates for members of the General Election Supervisory Agency. The recruitment of candidates for members of the Provincial General Election Supervisory Body is carried out by a selection team formed by the General Election Supervisory Agency. Similar to the selection team in selecting candidates for the General Election Supervisory Body, the selection team for candidate members of the Provincial General Election Supervisory Agency must also involve public participation in the selection process. Article 129 of Law

Number 7 of 2017 regulates the stages in recruiting candidates for members of the Regency / City General Election Supervisory Board. The recruitment of candidates for members of the Regency / Municipal General Election Supervisory Agency is carried out by a selection team formed by the Provincial General Election Supervisory Agency. Similar to the recruitment of candidates for members of the General Election Supervisory Agency and the Provincial Election Supervisory Agency, Article 129 paragraph (1) requires the selection team to involve the participation of the public in conducting the selection.

The process of selecting candidates for members of the general election supervisory agency is a political process for government policies that will issue political decisions resulting from the selection. Some of the provisions above have explicitly provided opportunities for the public to participate in the selection process. The form of participation regulated in these provisions is in the form of input or responses submitted to prospective members of the general election supervisor who pass the written and psychological tests and will then take the interview test. The form of participation regulated in these provisions by Jurgen Haberman is referred to as the public space in determining government political policy. The existence of public space provided juridical can be interpreted as a form of application of the concept of deliberative democracy in the process of selecting candidates for members of general election supervisory bodies in Indonesia.

Article 454 of Law Number 7 Year 2017 can also be said to be an effort to provide public space for the community in carrying out its supervisory function. In this article, related to the handling of violations, the general election supervisory agency can handle violations originating from violation reports or from findings of supervisors. The following provisions explain that a violation report is a direct report to the public when it finds an alleged violation in the holding of general elections. The public has the legal standing to be able to report violations in holding general elections. This provision can be interpreted as saying that the public is given space to participate in supervising the holding of general elections. The existence of space to participate in the supervision can be interpreted as an effort to apply the concept of deliberative democracy to the process of overseeing the implementation of general elections.

5. Conclusion

The legal basis for holding general elections in Indonesia is Law Number 7 of 2017 concerning General Elections. The general election supervision system is an important part of ensuring the implementation of an honest and fair general election. In understanding the main concept of deliberative democracy, the existence of public space provided for the public in providing participation in a public policy is the main requirement. Public space as a participatory effort provided by every citizen ensures that communication between citizens and the government is always accommodated in every policy. Furthermore, the concept of deliberative democracy has also been accommodated in the election supervision system in Indonesia. The concept of deliberative democracy that is accommodated in the election supervision system in Indonesia can be seen from the existence of a participatory monitoring room. Participatory supervision is a form of supervision provided to every citizen to participate in the process of supervising the implementation of general elections in Indonesia. In practice, the participatory supervision room

as a contribution to the concept of deliberative democracy has not been fully utilized, due to the lack of public understanding of the participatory supervision space.

References

- [1] S. S. Hadiwijoyo, *Negara, demokrasi, dan civil society*. Graha Ilmu, 2012.
- [2] K. F. Kurnia, T. Terina, and D. Mahardika, "The Authority of Constitutional Court in General Election Results: Is It Powerful or Meaningless?," in *International Conference on Law Reform (INCLAR 2019)*, 2020, pp. 130–134.
- [3] C. C. Gould and S. Wibawa, *Demokrasi: ditinjau kembali*. Tiara Wacana Yogya, 1993.
- [4] M. Mahfud, *Demokrasi dan konstitusi di Indonesia*. Rineka Cipta, 2000.
- [5] J. A. Schumpeter, *Capitalism, socialism and democracy*. routledge, 2013.
- [6] D. Rosyada, "Demokrasi, Hak Asasi Manusia, dan Masyarakat Madani," *Jakarta, Prenada Media*, 2003.
- [7] P. C. Schmitter, "Making sense of the EU: Democracy in Europe and Europe's democratization," *J. Democr.*, vol. 14, no. 4, pp. 71–85, 2003.
- [8] D. Winarno, *Paradigma baru pendidikan kewarganegaraan: panduan kuliah di perguruan tinggi*. Bumi Aksara, 2006.
- [9] J. Bohman, "Deliberative democracy and the epistemic benefits of diversity," *Episteme A J. Soc. Epistemol.*, vol. 3, no. 2, pp. 175–191, 2006.
- [10] M. Faishal, "Institusionalisasi Demokrasi Deliberatif di Indonesia: Sebuah Pencarian Teoretik," *J. Ilmu Sos. dan Ilmu Polit.*, vol. 11, no. 1, pp. 1–30, 2007.
- [11] F. B. Hardiman, *Demokrasi deliberatif: menimbang negara hukum dan ruang publik dalam teori diskursus Jurgen Habermas*. Kanisius, 2009.
- [12] B. Manin, "On legitimacy and political deliberation," *Polit. Theory*, vol. 15, no. 3, pp. 338–368, 1987.
- [13] A. Latipulhayat, "Demokrasi Deliberatif: Dari Wacana ke Kerangka Hukum," *Padjadjaran J. Law*, vol. 3, no. 2, 2016.
- [14] F. Muzaqqi, *Diskursus Demokrasi Deliberatif di Indonesia*. Airlangga University Press, 2019.

Formulation Policy against Religious Offenses and Insult to God in the Effort to Reform Criminal Law

Ino Susanti¹, Ratna Kumala Sari²
{inosusati22@gmail.com¹, ratnakumala92@gmail.com²}

Faculty of Law, Sang Bumi Ruwa Jurai University, Bandar Lampung, Indonesia¹, Faculty of Law, Sang Bumi Ruwa Jurai University, Bandar Lampung, Indonesia²

Abstract. There is no special chapter that regulates offenses against religion and offenses related to religion. Based on this, several problems can be formulated, namely how to formulate policies against religious offenses and insult God in Indonesian positive law today and how to formulate policies for religious offenses and insult God in the future. This research uses a normative juridical approach which refers to secondary data and is supported by a historical juridical approach and a comparative juridical approach. The results of the study concluded that currently the formulation of criminal law policies against religious offenses is contained in the Criminal Code and special laws outside the Criminal Code. Meanwhile, the Criminal Code Bill, which is currently being discussed, has formulated the religious offense in a firm and detailed manner, so that it can accommodate deficiencies in the current legislation if it is passed in the future.

Keywords: formulation policy, religious offenses and insulting God, criminal law reform

1. Introduction

Based on the First Principle of Pancasila, which reads Almighty Godliness, the Indonesian state is a country that places religion as the main itself in the life of the nation and state. Then in Article 29 paragraph (1) of the Basic Law it is reaffirmed which reads that "the State is based on One Godhead" and in Article 29 paragraph (2) it reads "The state guarantees the freedom of every citizen to embrace their respective religions and to worship according to his religion and belief.

Freedom of religion is one of the most fundamental rights of all, because religious freedom is directly rooted in the dignity of humans as God's creatures. Thus the state must guarantee freedom for everyone to embrace their respective religions and to worship according to their religion and belief [1].

In the context of the administration of the Unitary State of the Republic of Indonesia which was declared in 1945 which has laid the foundation on which religion is an integral part of state administration, but does not explicitly state that the Republic of Indonesia as a religious state has an impact that the number of crimes or crimes against religion is increasing day by day with all its form and mode of operation, and even blasphemy of religion have triggered conflicts between religious believers and ideological conflicts of freedom that have resulted in disharmony in international relations, damage and even death of innocent people [2].

According to Muladi, the regulation on criminal acts against religion and religious life or "religious offenses" in Indonesia is a reflection that Indonesia is a religious "Nation State". In this regard, Soehino stated that one of the characteristics of the Pancasila rule of law is a

religious nation state, namely in seeing the relationship between the state and religion the concept of a Pancasila rule of law does not adhere to secularism but is also not a religious state as in theocracy and in the concept of Islamic Monocracy.

Resilience to formulation is the most strategic stage of the entire policy process to operationalize or functionalize laws and regulations (especially in the context of crime prevention). It is said so because at this stage policy lines are formulated and there is a process of criminalization and a process of penalization which will become the basis of legality (as a benchmark in determining or knowing with certainty and clearly about the prohibited and punishable acts). This of course will also affect or affect the application and execution stages in legal practice [3].

Based on the above background and looking at the development of criminal acts against religion, in relation to this writing formulates the following problems, first, what is the formulation policy for religious offenses and insulting God in today's positive law? and second, what is the formulation policy towards religious offenses and insulting God in the future?

The purpose of this study is to describe and analyze the formulation of blasphemy against religious offenses and God's insult today and in the future.

2. Literature Review

Religion has important meaning for the people and nation of Indonesia. Since ancient times, our ancestors had the view that life was not only life in the world but there was another life afterward, recognized the belief in the existence of spirits, in short, they believed in the existence of something that was considered supernatural. These are the seeds of a growing religious attitude and exist today

The determination and formulation of religious offenses in Indonesia that recognize a relationship between state and religious unity raises issues that need attention in the reform of criminal law. To explain the conceptual basis or theoretical basis regarding the need to criminalize religious offenses, theories of religious offenses are needed. The theories of religious offenses put forward by Oemar Seno Adji as quoted by Barda Nawawi Arief, include:

- Religionsschutzs Theorie

According to this theory, religion itself is seen as a legal interest or object to be protected (which is deemed necessary to be protected) by the state, through the laws it makes.

- Gefühlschutz Theorie

According to this theory, the legal interests that will be protected are the religious feelings / feelings of religious people.

- Friedensschutz Theorie

The object or legal interest protected according to this theory is "peace/peace of interconfessional religion (among followers of religions/beliefs)" or what in German terms is called "der religiös interkonfessionelle Friede" so it is more focused on public order that will be protected.

The aforementioned several theories regarding religious offenses are intended to be used as a basis in determining and formulating religious offenses in the framework of reforming criminal law. The theory of religious offenses is based on an understanding of how to protect legal interests with criminal law.

3. Methods

Based on the formulation of the problem and the research objectives, it can be seen that the main problem in this study includes one of the criminal law policies, especially the formulation policy in formulating religious offenses and insults. Therefore, the approach used is a policy-oriented approach. However, because the main purpose of this research lies in the issue of legislative policy, namely regarding legislation in determining and formulating religious offenses and insulting God, the type of research in the preparation of this paper is normative legal research which refers to secondary data and is supported by a historical juridical approach, and comparative juridical [4]. The approach to be used is the statutory approach which is also used to examine problems normatively from the perspective of the *ius constitutum* and *ius constituendum* related to religious offenses and insulting God. Approaches to the laws and regulations relating to this writing are the Criminal Code (KUHP) and the Draft Criminal Code (RUU KUHP). Sources of legal materials used in this study consist of primary legal materials, secondary legal materials, and tertiary legal materials. The technique of collecting legal materials is using document techniques, namely by collecting existing literature studies on secondary legal materials. Then the data collected is then analyzed using qualitative methods that are supported by deductive logic in response to all legal problems that exist in this paper.

4. Results And Discussion

4.1 Formulation Policy Against Religious Offenses and Insult to God in Current Positive Law

Indonesian criminal law as a legal system which is an adoption of Dutch law in determining a criminal act or the violation of an act is to use Article 1 paragraph (1) of the Criminal Code which is known as the legality principle [5].

The current Criminal Code does not have a special chapter on religious offenses, although there are several offenses that can be categorized as religious offenses in three definitions, namely: 1) criminal offenses/offenses "according to religion"; 2) a criminal act / offense "against religion"; and 3) criminal offenses/offenses "related to religion" or "against religious life". In the Criminal Code there is also no explicit formulation of the offense against God.

The application of religious offenses in the Criminal Code is categorized as a crime against public order (see Book II Chapter V). Article 156a of the Criminal Code which is the main article stands for Article 3 jo. Articles 1 and 2 of Law No.1 Pnps Year 1965 which constitute the background for religious offenses to be included in the Criminal Code.[6]

Meanwhile, offenses related to religion are spread in several special laws outside the Criminal Code, including Article 18 paragraph (2) jo. Article 13 of Law Number 40 of 1999 concerning the Press and Article 57 jo. Article 36 paragraph (6), Article 58 jo. article 46 paragraph (3) of Law Number 32 Year 2002 concerning Broadcasting.

The current criminal law formulation policy that regulates religious offenses is the Criminal Code and special laws outside the Criminal Code (Press Law and Broadcasting Law). However, it contains a weakness, namely that religious offenses are categorized as crimes against public order.

4.2 Formulation Policy against Religious Offenses and Insult to God in the Future

The Criminal Code currently in effect in Indonesia is a criminal code book which is a legacy of the Dutch East Indies era government. Therefore, the desire to have a national KUHP has been initiated for a long time and has become something that is coveted. This desire was then "translated" with the holding of a National Law Seminar and held in 1963. The national law seminar was the first legal reform seminar, and among them resulted in a decision in the form of a resolution that urged the government to immediately form a national KUHP to replace the KUHP (WvS) Dutch heritage [7].

As a manifestation of the penal reform policy, it is normal for the Criminal Code concept to review the policy of the Criminal Code inherited from the Dutch era which places religious-related offenses as part of the offense against "public order". From various inputs, especially from Alm. Prof. Oemar Senoadji, finally agreed to make a special chapter on "crimes against religion and religious life" in the concept of the Criminal Code. Such policies can also be seen in the conclusions and recommendations of the Symposium "The Influence of Culture and Religion on Criminal Law" in Bali in 1975[8].

Efforts to reform the National Criminal Law are still ongoing and up to the 2019 Criminal Code Bill. From several formulations in the Draft Criminal Code, it appears that these reform efforts, in addition to trying to absorb national thoughts and socio-cultural values on a human basis, Indonesian nature and traditions, which are reflected in Pancasila and the 1945 Constitution, also try to adapt to universal / international tendencies.

Regulations regarding religious offenses included in the 2019 Criminal Code Bill can be found in CHAPTER VIII entitled "Criminal Actions against Religion and Religious Life". The provisions are as follows:

Article 304

Every person in public who expresses feelings or commits an act of enmity or blasphemy against the religion adopted in Indonesia shall be punished with imprisonment of up to 5 (five) years or a maximum fine of Category V.

Article 305

- (1) Any person broadcasting, showing, pasting writings or pictures, or broadcasting a recording, including disseminating it through information technology facilities containing the Crime as referred to in Article 304, with the intention that the contents of the text, picture or recording are known or more. It is known that the public is sentenced to imprisonment of 5 (five) years or a maximum fine of Category V.
- (2) If any person as referred to in paragraph (1) commits said act in carrying out his profession and at that time it has not passed 2 (two) years since the sentencing decision which has obtained permanent legal force for committing the same Crime, then he may be sentenced to addition in the form of revocation of rights as referred to in Article 86 letter f.

Article 306

Any person who publicly incites in any form with the intention of negating a person's belief in any religion practiced in Indonesia shall be punished with imprisonment of up to 4 (four) years or a maximum fine of Category IV.

Article 307

- (1) Anyone who by Violence or Threats of Violence disturbs, obstructs, or dissolves a religious meeting shall be punished with imprisonment of 2 (two) years or a maximum fine of Category III.
- (2) Any person who with Violence or Threats of Violence disturbs, obstructs, or disbands a person who is carrying out religious services or ceremonies shall be punished with imprisonment of up to 5 (five) years or a maximum fine of Category V.
- (3) Any person who makes noise near the building where the worship is held while the worship is in progress shall be subject to a maximum fine of Category I.

Article 308

Anyone who publicly commits insult to a person who is running or leading an organization of worship shall be punished with imprisonment of up to 2 (two) years or a maximum fine of Category III.

Article 309

Any person who defiles or illegally damages or burns the building of a place of worship or any object worn for worship, shall be punished with a maximum imprisonment of 5 (five) years or a maximum fine of Category V.

Furthermore, efforts to embody the formulation of criminal law policies, policy makers (legislators) should conduct comparative studies with other countries. According to Rene David and Brierley in Barda Nawawi Arief [9] the benefits of comparative law are:

- a. Useful in historical and philosophical legal research;
- b. It is important to understand better and to develop our own national laws;
- c. Helping in developing understanding of other nations and therefore contributing to creating a good relationship / atmosphere for the development of international relations.

The opinion of Rene David and Brierley shows that legal comparison is not only useful in legal research, but also can be a means for developing national law and strengthening international cooperation. There is a comparison with the legal systems of other countries, so that the similarities and differences will be known, so that they can be used as material for consideration or input into the national legal system.

Through a comparative approach or a comparative approach both regarding the comparison of legal systems between countries, as well as comparisons of legal products and legal character across countries, this study compares legal products related to the formulation of religious offenses in several countries so that the comparison with the formulation will be seen in Indonesia.

Several countries have implemented rules regarding religious offenses in their positive laws, including the following:

1) Armenian Criminal Code

In Armenia there is no special chapter on religious offenses. Offenses related to religion are scattered in several articles, namely:

- a. In Chapter 19 (Crimes against constitutional human rights and freedoms of citizens):
 - Violating human rights and freedoms based on reasons of nationality, race, sex, language, religion, politics or other views, social origins, wealth or other status (regulated in Article 143 Breach of citizens' legal equality)

- Obstructing the right to carry out religious ceremonies or legal activities of religious organizations (regulated in Article 160. Hindrance to the right to exercise freedom of conscience of religion);
- b. In Chapter 33 (Crimes against peace and human security), there is Article 392 which regulates crimes against the security and peace of a person based on religion.

2) Latvian Criminal Code

In Latvia there is no special chapter on religious offenses. Offenses related to religion are scattered in several articles in Chapter XIV: Criminal Offences against Fundamental Right and Freedoms of a Person, which include:

- a. Violation of equal rights of people based on their attitudes towards religion (Section 150. Violation of Equality Rights of Persons on the Basis of their Attitude towards Religion);
The bottom line:
Directly or indirectly, limiting the things or choices of a person based on the basis of religious attitudes, except for activities in institutions of religious sects / groups, or
Committing an offense against someone's religious taste or
Inciting hatred in relation to people's attitudes towards religion or towards atheism
- b. Interfering with religious ceremonies (Section 151. Interference with Religious Rituals).
The bottom line:
Intentional interference (interference) with religious rituals, if it is not against the law and is not related to violations of personal rights.

3) Polish Criminal Code

The scope of religious offenses regulated in Chapter 28 (Offences against freedom of Conscience and Religion), includes:

- a. Limiting citizens' rights to religious membership (Article 192);
- b. Publicly insult, ridicule, demean groups or individuals of a religious affiliation / membership, or carry out active attacks (Article 193);
- c. In carrying out religious rituals and functions, abusing religious freedom to damage / harm the interests of the Republic of Poland (Article 194);
- d. In taking advantage of one's religious beliefs, misleading others or causing disturbance of public order (Article 195);
- e. Forcing other people to carry out religious activities / ceremonies or to take part or not participate in religious activities / ceremonies (Article 196);
- f. Intentionally disturbing funeral services, desecrating corpses, ashes or resting places of the dead, or destroying bodies / graves / other resting places (Article 197);
- g. Hurting the religious feelings of others by insulting objects for worship or places of religious ceremonies (Article 198).

Based on the aforementioned provisions, the formulation of religious offenses has been regulated in detail and in detail in the Draft Law on the Criminal Code (RUU KUHP) 2019. The formulation of criminal law defines crimes against religion and those related to religion or life religious.

5. Conclusion

Based on the discussion that has been described, then the conclusions can be formulated as follows: 1) Currently the formulation of criminal law policies against religious offenses are

contained in criminal code and special laws outside the criminal code. Need a regulation that set clearly to strengthen regarding religious offences such as Criminal Actions Against Religion and Religious Life, and 2) Trought a comparative approach regarding the comparison of legal systems will related to the formulation of religious offenses in Indonesia.

Reference

- [1] I. Amin, "KEBIJAKAN FORMULASI HUKUM PIDANA TERHADAP PENANGGULANGAN DELIK AGAMA DALAM RANGKA PEMBAHARUAN HUKUM PIDANA," *Ius*, vol. 2, no. 6, pp. 526–537, 2014.
- [2] Mudzakkir, "Tindak Pidana Terhadap Agama Dalam Kitab Undang- Undang Pidana (Kuhp) Dan Undang-Undang Tentang Pencegahan Penyalahgunaan Dan / Atau," Pusat Perencanaan Pembangunan Hukum Nasional BPHN Kementerian Hukum dan Hak Asasi Manusia, Jakarta, 2010.
- [3] A. H. Zulkarnaen, K. Kristian, and M. R. Aridhayandi, "Kebijakan Formulasi Delik Agama dalam Kitab Undang-Undang Hukum Pidana yang Baru," *Al-Ahkam J. Ilmu Syari'ah dan Huk.*, vol. 3, no. 1, p. 27, 2018, doi: 10.22515/al-ahkam.v3i1.1338.
- [4] R. H. Soemintoro, *Metode Penelitian Hukum dan Jurimetri*. Jakarta: Ghalia Indonesia, 1990.
- [5] Hanafi, "Ladahan Filosofis Kebijakan Formulasi Kejahatan Terhadap Jenazah dalam Pasal 180 KUHP," *Huk. dan Keadilan Voice Justisia*, vol. 3, no. 1, pp. 73–95, 2019.
- [6] N. Nurdin, "Delik Penodaan Agama Islam Di Indonesia," *Int. J. Ihya' 'Ulum al-Din*, vol. 19, no. 1, p. 129, 2017, doi: 10.21580/ihya.18.1.1745.
- [7] Soedarto, "Perkembangan Ilmu Hukum dan Politik Ilmu Hukum," *Masal. Huk.*, vol. 17, p. 6, 1987.
- [8] B. N. Arief, *Delik Agama dan Penghinaan Tuhan (Blasphemy Di Indonesia dan Perbandingan Berbagai Negara*. Semarang: Badan Penerbit Universitas Diponegoro, 2008.
- [9] B. N. Arief, *Perbandingan Hukum Pidana*. Jakarta: PT RajaGrafindo, 2003.

Directions of Indonesian Islamic Law in the New Normal Era

Abidin¹
{abidin@iainpalu.ac.id¹}

Institut Agama Islam Negeri Palu, Palu, Indonesia¹

Abstract. There is a kind of anxiety in society after the government announced a pandemic Covid-19 in the era of new normal (*al ta'ayusy*) that the era of living side by side (not at peace) with pandemic Covid-19. While activities must return to normal. This fact requires a new Islamic law based on the integration of science, religion and culture using a multidimensional methodology through finding common ground. The research objective is to determine the content and methodology of the direction of Indonesian Islamic law in the new normal era. The results showed that it turns out that it is necessary to change Islamic law in Indonesia from the normal period to the new normal period in activities. In normal times: without masks, hand sanitizer and physical distancing consider to be halal while in the era of new normal it turns to be haram. The consideration of its haram without masks, hand sanitizer and physical distancing is understanding of the integration of science, religion and culture towards the pandemic in the new normal era which is rational. Methodological approaches used in the is multidimensional form of theology, *fiqh*, epidemiology, health, environment, economics, and sociology.

Keywords: Direction, Islamic Law, Indonesia, Multidimensional, New Normal

1. Introduction

This research is carried out to urge an immediate policy on the direction of Islamic law in the new normal era towards the activities of Indonesian society. This research's trend is due to the anxiety of many people after the Indonesian government announced the Covid-19 pandemic in the new normal.[1] (*al-ta'ayusy*) era, namely the era of coexistence (not peace) with Covid-19. Meanwhile, the economy, religious, and other social activities must continue to go on. Religious people must be able to perform worship again at their place of worship. The employees must immediately enter the office again. Students must immediately return to their learning environment. Anyway, everyone should get back to their routine. Therefore, there is no other way, all of us must live side by side with Covid-19 even if it remains hostile. We must commit to having a precautionary attitude in all sectors of life by putting health protocols above all to prevent the transmission of Covid-19 which can lead to death. [2]. The author assumes that the Indonesian people are unable to consistently maintain the Covid-19 protocol in the new normal era, especially in the fact that in society there are types of thinking based on religious postulates and explaining everything from a theological or *fiqh* perspective. This type of thinking is called *al-bayan* which gave birth to a religious tradition that only believes in religious' view in viewing the Covid-19 pandemic as something that you need not be afraid of. So that people like this tend not to wear masks, not doing physical distancing, and don't use hand sanitizers. Understanding like this during the Covid-19 pandemic, many were indicated by Covid and died. [3]The inconsistent attitude of

the community in enforcing the Covid-19 protocol is due to the absence of a formal new Islamic law that uses considerations of integration of science, religion, and culture through a multidimensional approach by finding common points. Also, there is a lack of government (institutional) commitment to enforcing the COVID-19 pandemic health protocol. President Jokowi said that "there are not fewer people who do not adhere to health protocols but more because people are not disciplined in wearing masks, hand sanitizers and physical distancing on various fronts.[4]

From the description above, the main focus of this research is what is the direction of Indonesian Islamic law in the new normal era and how the new Islamic law methodology in determining the direction of Indonesian Islamic law in the new normal era.

2. Literature Review

This topic is interesting because no one has written scientifically about the direction of Indonesian Islamic law in the new normal era. The writer's wish in this topic is the change in the status of the old Islamic law to the status of the new Islamic law regarding the use of masks, hand sanitizers, and physical distancing. Activities without masks, without hand sanitizers, and physical distancing in the new normal era are halal according to old Islamic law because that era was normal (the Covid-19 pandemic had not yet occurred), but after the Covid-19 pandemic occurred, activities without masks, without hand sanitizer, and physical distancing are haram according to the new Islamic law.

Several literary explanations about the justification for changing Islamic law, include:

1. لا يَنكُرُ تَغْيِيرُ الْأَحْكَامِ بِتَغْيِيرِ الزَّمَانِ (the law inevitably changes due to changing times). [5]
2. Kaidah fikih yang mengatakan تَغْيِيرُ الْفَتْوَى بِحَسَبِ تَغْيِيرِ الْأَزْمَنِ وَالْأَحْوَالِ وَالنِّيَّاتِ وَالْعَوَاءِ (change of fatwas due to changing times, places, circumstances, intentions, and habits). [6]
Ibn Qayyim argued that the principles and basis of Islamic law are wisdom and benefit for mankind, both in the life of the world and the hereafter.
3. Islamic law in the sense of *fiqh* (understanding) is dialectical, meaning that Islamic law is always ready to undergo reconstruction and deconstruction. [7]

What has been known from the changes in Islamic law in responding to the Covid-19 pandemic in the new normal era is that there are only four central MUI fatwas regarding the Covid-19 pandemic. MUI Fatwa No. 14 of 2020 concerning the implementation of worship which confirms that Friday prayers are allowed at home. Fatwa No.17 of 2020 concerning prayer guidelines for health workers who treat Covid-19 patients. The fatwa confirms that Muslim health workers who are tasked with caring for Covid-19 patients wearing PPE are still obliged to perform *fardhu* prayers in various conditions and according to their abilities. Fatwa No. 23 of 2020 concerning the use of zakat, *infaq*, and alms assets to tackle covid-19, including overcoming the covid-19 outbreak and its effects are all efforts aimed at preventing the spread of covid-19. Fatwa No. 28 of 2020 concerning the guidance for *takbir*, *kaifiat* and Eid prayers in the congregation can be carried out at home. Likewise, the fatwas and views of the two major Islamic organizations, namely Nahdlatul Ulama and Muhammadiyah, issued fatwas and guidelines that strengthen MUI's fatwas. [8]

From the explanation of the MUI fatwa, Islamic organizations, and several other views above, it is clear that there has been a direction of Indonesian Islamic law in the new normal era due to the reason for the Covid-19 pandemic, but in terms of changing Islamic law from Islamic law on the grounds of integration of science, religion and culture has not become the main discussion of previous writings. This paper focuses on the direction of Indonesian Islamic law in the new normal era based on the integration of science, religion, and culture using a multidimensional methodology through the search for common points. Techniques like this can produce new changes in Islamic law that are more beneficial and harmonious.

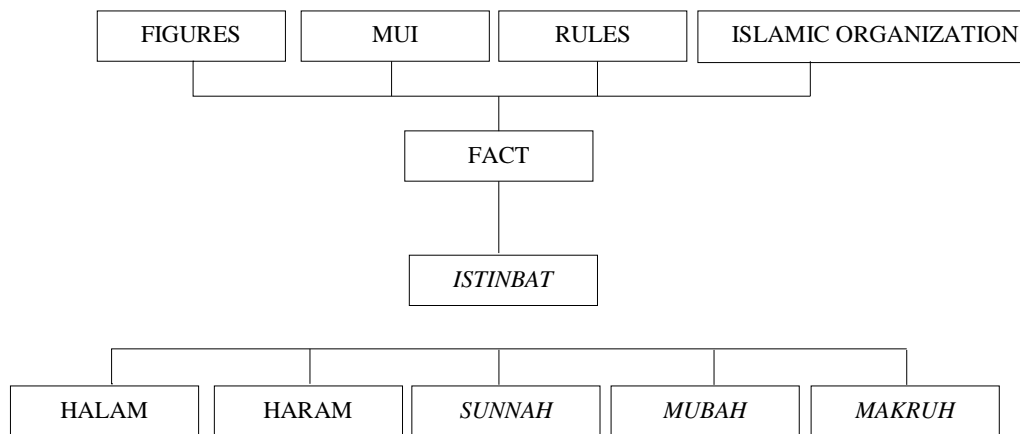


Figure 1 Changes of Islamic Law Scheme

3. Methods

This type of research is descriptive, which displays not only the questions that exist in the object of research but also on other variables related to the problem. The participants of this study were more directed to the analysis of observations, interviews, mapping, and analysis of literary texts, secondary.

Data analysis, online FGD. The unit of research analysis is text material relating to the direction of Indonesian Islamic law in the new normal era. The type of data needed is qualitative data. The ways to do this research are 1. Observations to the general public, the government, the Indonesian Ulama Council, an Islamic community organization. Observations on the general public took a sample of Jakarta as the center of the capital city of Indonesia, a multi-ethnic center, education center, business center, and a religious center. The purpose of observing the general public is to get information on people's behavior about whether or not they obey the Covid-19 protocol. Observations on the government by taking samples from several Ministry offices in Jakarta to obtain information about government policies in enforcing the Covid-19 protocol in the new normal era. Observations to the central Indonesian Ulama Council in Jakarta to obtain information about the Covid-19 protocol fatwa in the normal New era. Observations to Islamic organizations by taking samples of central NU and Muhammadiyah to obtain information about Islamic mass organization policies in enforcing the Covid-19 protocol in a new normal era. 2. Interview with the figures by taking a sample of three people whom the author deems competent in explaining the direction of Indonesian Islamic law in the new normal era. 3. The mapping of literary texts is carried out from various readings related to the direction of Indonesian Islamic law in the new normal era. 4. FGD is conducted by inviting participants who can contribute to the content of the research object.

The instruments used in observations, interviews, and FGDs were online via google forms, WhatsApp, zoom meeting, and video calls because coordination was easy during the covid-19 period. The function of this instrument is to provide input about the object of research. The added value of the instrument is to strengthen the argument besides literature.

The research was carried out starting from determining the title, determining the framework, determining the google form content, determining the literature, determining individuals and groups (organizations) that are eligible to be given Google Form filling, to collecting the results of Google Form filling. The length of this study was 1 month. The data collection situation was during the Covid-19 epidemic in the new normal era. Questions are asked to individuals and groups via WA and answered by filling in the google form then the answers are sent to the author via WA as well.

The data collection technique is done qualitatively by using observation, participant observation, in-depth interviews, FGD, and existing data (manuscripts, textbooks, memes, online news). Data analysis through data management processes (transcription, reduction through thematic classification, trends, frequency, and research objectives). Data presentation with tables, interview excerpts, summary. The level of analysis used is through restatement, description, interpretation. The analysis technique uses content analysis, critical discourse analysis, semantic analysis, and symbolic analysis.

4. Results and Discussion

4.1 The main question I is about the direction of Indonesian Islamic law in the new normal era

Islamic law requires science, religion, and culture. *Maslahat* Islamic law can be achieved in the implementation of the integration of science, religion, and culture. Between science, religion, and culture, they should go hand in hand (harmoniously), not contradictory. So, it is hoped that the three of them will no longer appear friction or feud, but remain within their respective territories. This integration relationship will be the way to form the civilization that all parties dream of. So, for that, the real struggle of Islamic law is to build the integration of science, religion, and culture.

The word science (science) itself comes from the word science, *scientia*, *scine* which means knowledge. The word is synonymous with the word logos which means knowledge. According to Sudjana, science can be interpreted as knowledge that aims to find truth based on facts or natural phenomenans [9]. The word religion (religious) can be viewed in three meanings at once, 1) religious is a belief in the unseen which is the way of life for humans, 2) in religious there are rules, norms, and values, including worship that must be carried out solemnly and with care, 3) that the rules, norms, and values in religion grow and develop in human life, society, and culture [10].

While culture (culture) is the work, taste, and creation of humans/society. The work produces technology and material (material culture) that humans need. The sense which includes the expression of the human soul, including religion, ideology, spirituality, and art. Meanwhile, creativity is a mental ability, the ability to think of people, resulting in philosophy and science. All works, tastes, and copyrights are controlled by the initiative that determines its use to suit the interests of most of the whole of society [11]. Thus, understanding the definition between science, religion, and culture, where the three are entities integrated within the individual/society. Science is a theory or concept or idea of how we make something, while culture is a step, tool, and identity in creating something, while religion is a soul/spirit / moral / intuition in providing a definite direction. So that the three of them complement each other in forming a civilization that has a strong, advanced (technological) and moral philosophy. A civilization that is formed not only physically but also spiritually.

This is the direction of Indonesian Islamic law in the new normal era, namely combining or integrating science, religion, and culture. People must continue to pray as a religious symbol, still uphold togetherness as a symbol of *gemeinschaft*, but people must also make efforts by wearing masks, wearing hand sanitizers, and physical distancing as symbols of science. Islamic law places great importance on individuals and togetherness built by individuals in a culture (*gemeinschaft*). Prophet Muhammad said: *قال وسلم عليه الله صلى الله رسول أن عنه الله رضي الخدري سنان بن سعد سعيد أبي عن* (From Abu Sa'id, Sa'ad ibn Sinan al-Khudri RA, verily the Prophet SAW said: no may do actions that can endanger yourself and harm others) [12].

As for the contextuality of this hadith in the new normal era, it is recommended that we continue to work, but we must first think about whether the work can harm ourselves and others or not. If it can be dangerous, then a way must be found so that it is not dangerous. For example, we work with a cough and sneeze frequently. This can endanger ourselves or others, so preventive steps according to the hadith, the person concerned does not have to go to work or if he has to work, he has to wear a mask and be diligent with hand sanitizers.

However, currently, some people belong to the OTG group (people without symptoms), namely people without complaints, but they have been in contact with clusters indicated as covid-19 so that they have the potential to transmit the coronavirus. So, those concerned in order not to harm others must pay attention to health protocols, at least wearing a mask, wearing a hand sanitizer, and physical distancing. Rasulullah SAW said: *قال عنه الله رضي هريرة أبي عن* (From Abi Hurairah RA he said: that Rasulullah SAW said: "whoever harms others, Allah will pay back harm to him and whoever troubles or troubles others Allah will make it difficult for him) [13].

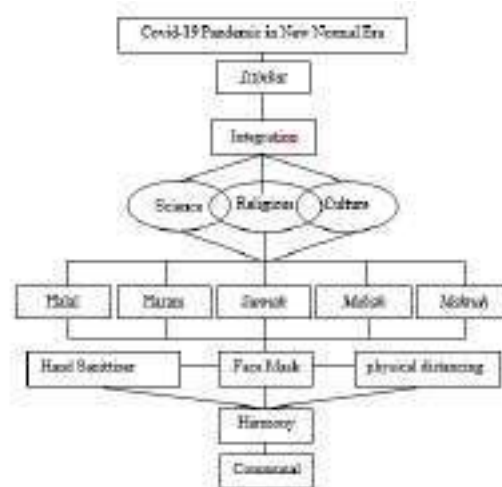


Figure 2. The Direction of Islamic Law in Indonesia in New Normal Era

Many people think that mosques and other places of worship are places for people to pray and draw closer to Allah, so there is no need to apply health protocols. In the context of the new normal, there must be aware of all levels of society, whether they enter the mosque or the market or to a large crowd anywhere. Referring to the above hadith, the health protocol must be prioritized so that any possible entry of a dangerous coronavirus is rejected as much as possible, following the rules of *al-dharār yudfā'u bi qadril imkān* (as much as possible damage must be rejected).

In the end, it enters the level of *al-dharār yuzālu* (damage must be removed). If all people can be disciplined in adhering to the above hadith along with the rules taken from it, slowly but surely the chain of the spread of the coronavirus can be broken. To carry out the above hadith, hand washing soap should be provided in a crowded place and running water. If possible, masks are also provided so that all people who enter mosques, markets, and other gathering places wear masks.

4.2 The second main question is how the methodology of the direction of Indonesian Islamic law in the new normal era

As explained in the first question above, the direction of Indonesian Islamic law in the new normal era is the implementation of the integration of science, religion, and culture. To make it happen, the methodology that must be used is multidimensional in the form of approaches to theology, jurisprudence, epidemiology, health, environment, humanities, hermeneutics, economics, sociology, and others by looking for common points.

The style and methodology of science, dealing with the physical, empirical, and rational world, mean that it must be real (acquired knowledge). Because science is real, according to Mehdi Golshani, finding the answer must be in the real world and through experimentation, observation, and theoretical reasoning. These observations will produce a rational abstraction which is then called a theory. For a theory to be accepted, it must be tested empirically using existing facts. If the truth of a theory is proven empirically, then it will be called scientific truth. However, if the theory is not tested by empirical facts, it will only become a hypothesis. And this hypothesis then becomes an open way for science to make a marriage between deduction and induction [14].

Because science is not fully correct for certain entities, because the nature of science is to develop, experience renewal, and revise the obsolete. But it must be admitted, as objectively as in science, but still, the role of the subject is needed, the subject ratio is still there. This is what Barbour said that empirical data can be interpreted depending on the researcher. This means that each individual can interpret the empirical data in different ways according to their expertise, experience, and background knowledge. Therefore, Barbour offers a theory of scientific justification with intersubjective validity [15].

Furthermore, culture (culture). Whatever is born from human activities will become a cultural object. In essence, culture is part of the humanities. Where the humanities itself has a paradigm that is contrary to science. If science emphasizes objectivity, the humanities emphasize subjectivity. Two things are the opposite. Culture (culture) is flexible or dynamic, can change from time to time and from place to place. In the view of Nurcholis Madjid, for example, that culture that is religiously based will still face changes [11]. These changes occur especially in paradigms, as religion and science also experience this. This certainly reminds us of the cultural stages classified by Van Peursen, namely: 1) mystical, where humans behave based on the influence of supernatural powers, 2) ontologically, humans begin to realize and distance themselves from these occult influences which then result in an assessment of the objects around them, and the last stage is 3) functional, where humans do not just assess objects, but also find a function of knowledge for themselves [14].

Therefore, there is a separate methodology in studying the humanities sciences, namely using the hermeneutic approach. By using hermeneutics, a researcher can find the complete message of an event, as well as text. Hermeneutics seeks to discover existing discourses at that time because it cannot be denied that the shift in discourse causes episteme. So, from there, a researcher can explain or communicate a complete message that becomes reliving the meaning desired by the message maker or from the incident [16].

Then religion as a source of knowledge in religion is the revelation (perennial knowledge) whose truth is non-negotiable. However, finding truth in revelation certainly still requires a methodology to be able to produce what message wants to be conveyed and is meant in the revelation. Justification regarding this methodology can be extracted from various approaches that are commonly used, for example in Islam, which recognizes the *Bayani*, *Burhani*, and *Irfani* approaches. The *Bayani* approach, which also refers to the textuality of a text, is not the only method of thinking recommended by the Qur'an, because there is also a rational approach called the *Burhani* method, plus the *Irfani* method which prioritizes inner experience [17].

Likewise, in the principles of *fiqh* as a branch of religious studies. The *fiqh* scholars have agreed (have agreed) that the methodology of determining law can use *qiyas*. *Qiyas* (which later became known as a wide analogy) in this case is a comparison that equates a new problem law with a problem law similar to what has happened earlier [18]. Which in this case certainly requires a high role of the reason (rationality) in finding polarization towards this. This means that even though the area of religion is known for its revelatory authority, the role of the human ratio is still used in capturing an essence.

Revelation offers an absolute truth because it is placed as a guide for life. However, the truth itself can be achieved through an interpretive process following the intellectual dynamics of a *mufasssir* [19]. Thus, the meaning of faith (belief) should not be interpreted as final, but as a first step for the departure of doubts. Doubt not what he believes, but doubt whether his faith is true faith.

In other words, even though religion is subjective, it will be absurd if there is a claim from a person or group that feels truer than other people/groups. So, to avoid acute subjectivity, objectivity in religion through empirical research is needed. If this is the case, then between science, culture, and religion the three of them do not rule out the possibility of entering into a new paradigm that has been considered taboo in each domain. The paradigm shift experienced by science, culture, and religion is nothing but a way to bring the three of them together at a common point, that the three of them can run harmoniously and integrate. As stated by Golshani, the paradigm is a common area where all views from various backgrounds in this world can enter and compete to color and dominate each other, including in the paradigm of positivism, empiricism, and religion [9]. As mentioned earlier, that is where the meeting point between science, culture, and religion.

If we refer to Barbour on the map of relations, there are at least four typologies that exist, namely conflict, independence, dialogue, and integration [20]. First, conflict, the view that religion and science are two opposites, so one must choose between the two. Second, independence, namely efforts to avoid conflict by giving areas to each of these domains which are then used as strategic steps to respond to a conflict. Third, dialogue, this typology is a constructive effort between science and religion by raising considerations or exploring parallels/harmony. Fourth, integration is a more extensive and systematic effort to find harmonious relations that religion and science contribute to each other [20]. Of course, in this case, a suitable typology to offer in paradigm development is the type of dialogue or integration. Because both of them do not close the possibility of a harmonious relationship. Although this cannot be ascertained as the final paradigm in the development of science. Because until now, the discourse on the relationship between science, culture, and religion continues to look for more appropriate forms of interaction. According to Barbour, for the occurrence of integration, of course, what is most needed is no longer objective or subjective, but intersubjective validity. Intersubjective is a scientific mental position that can dialogue between the objective world and the subjective as well as in the scientist is facing the complexities between science, religion, and culture. Although the intersubjective test proposed by Barbour is taken from the approach of religious phenomenology, this cannot be separated from the context of discussing how science and humanities work. Because both the

object and the subject each play a role in scientific activities. Where the data found (although it must be objective) cannot be said to be completely independent of the interpretation of the researcher/observer (requires subjectivity). Because creating a concept does not just exist from nature, but because of the creativity of the researcher [21].

From this dialogue-integration typology that uses intersubjective testing, the approach makes between science, culture, and religion one-unit, albeit different in the realm. If viewed from an Islamic point of view, for example, the concept of truth is only owned by God. While the verses of God we know into two parts, namely the verse *al-kauniyah* (which is the universe and its contents, including human culture), and the verse *al-qauliyah* (written in the Qur'an). The two verses of God in the form of *kauniyah* and *qauliyah* are none other than the blue-print of God or the so-called qadarullah or the power of God. Thus, the natural phenomenon (object of scientific study) does not stand alone without its relevance to the Hand of God. Therefore, when a person studies or meditates on this natural phenomenon he can know God and strengthen his faith. This is what Barbour argues that religion significantly influences attitudes toward human action motivation.

Furthermore, in the Islamic perspective, science is sacred with the following characteristics: 1) science considers the physical world as a creature of God, while the task of the intelligent person is to find out how it works. 2) science is always looking for the union that underlies the order of creation through a holistic approach. 3) science accommodates revelation and intuition to complement the understanding of reality through experimentation and theoretical reasoning. 4) science views the universe as having a meaning that extends beyond man and is connected to the purpose of existence. 5) science integrates knowledge with value.[19]

Next about culture. The object of cultural knowledge born of human work, taste, and invention cannot be said to be a stand-alone entity. Because man and his creativity that give birth to culture is nothing but a creative sub-media of God's revelations, as God created this universe.

In this case, Nurcholish Madjid explains religious and cultural relations. According to him, religion and culture are two areas that can be distinguished but cannot be separated. The proof is that most cultures are based on religion; it has never happened otherwise. Therefore, religion is primary and culture is secondary. Culture can be an expression of religious life; therefore, it is a sub-ordinate of religion, and never the other way around [11].

Similarly, what Abdurrahman Wahid meant, although between religion and culture have their independence, but the two have overlapping areas. The overlap between religion and culture will occur continuously as a process that will enrich life and make it not arid [22]. That is where the idea of Islamic Indigenization ala Abdurrahman Wahid can be accepted by the Indonesian people with its distinctive culture. When religious with all the doctrinal tools they have dialectic with the various cultures that exist in society, then that is where there is a need to mutually change the traditions they have. This means that there is a process of negotiation that sometimes results in a change in the form of each tradition, but remains on the independence of each.

Thus, of the three entities; that is, science, culture, and religion should not be interpreted as something separate, although the three are different, in reality, they can unite. By using a dialogue-integrative paradigm or approach or another term with a negotiation approach, a stable paradigm is achieved that can unite the three.

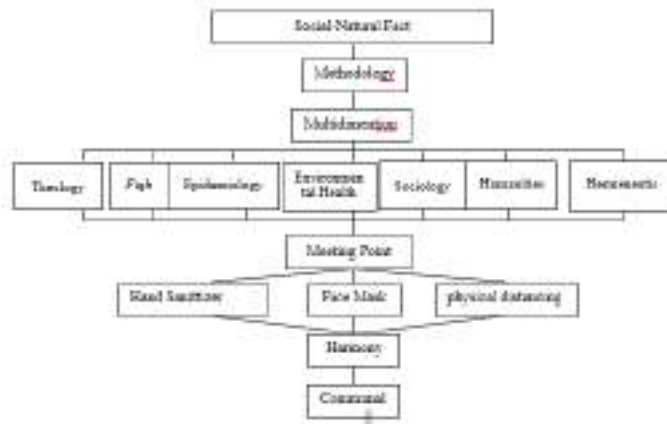


Figure 3. Methodology of The Directions of Islamic Law in Indonesia in New Normal Era

5. Result and Discussion

So, the covid-19 pandemic in the New normal era in Indonesia is not a punishment that makes people pessimistic, but must be understood as a disaster, which can make people optimistic to always find a way out. New normal is a period of working side by side (not getting along) with a pandemic. This means that we must continue to be active in worship and *muamalah* but at the same time remain consistent in avoiding the Covid-19 pandemic. For this reason, an understanding and implementation of the integration of science, religion and culture is needed by finding common ground. This is possible because science, religion and culture each accept rationality and dialectics even though they have different levels. The ability to understand and implement the integration of science, religion and culture is the direction of Indonesian Islamic law in the new normal era.

To be able to create an integration of science, religion and culture, a multidimensional methodology is needed through approaches to theology, jurisprudence, epidemiology, health, environment, hermeneutics, economics, sociology and culture by finding common ground.

6. Conclusion

The problem in this paper is how the direction of Indonesian Islamic law in the new normal era and how the methodology of Islamic law in determining the direction of Indonesian Islamic law in the new normal era.

First, it turns out that the direction of Indonesian Islamic law in the new normal era is the integration of science, religion and culture. In this way, Islamic law (*fiqh*) is increasingly showing its flexibility. Likewise, legal products that arise from the integration of science, religion and culture can facilitate, encourage harmony, moderation, work creativity, away from being extreme, and getting closer to the real goal of Islamic law, namely the benefit of society.

Second, it turns out that harmonizing the integration of science, religion and culture requires a multidimensional approach methodology in the form of theological, jurisprudence, epidemiology, health, environment, economics, sociology, and hermeneutics by looking for common points in determining the direction of Indonesian Islamic law in the new normal era.

As a result of the research, this paper suggests that all human activities in the new normal era should be implemented based on the integration of science, religion and culture using a multidimensional approach methodology.

References

- [1] F. Selamat, "Memprediksi new normal yang sesungguhnya," *Kompas.com*, 2020.
- [2] S. Qalyubi, "Prinsip New Normal Dijelaskan Rasulullah 14 Abad Silam," *Republika.co.id*, 2020.
- [3] E. Wishnubrata, "Menyongsong New Normal, Apa yang Bisa Kita Lakukan?," *Kompas.com*, 2020.
- [4] R. E. dan B. N. I. Lumbanrau, "No Title," *BBC News Indonesia*, 2020. .
- [5] A. A. an-Nadawi, *Al Qawaid al-Fiqhiyyat, Mafhumuba, Nasyiatuha, Tathawwurubah, Dirasat Muallifatiha, Adillatuha, Muhimmatuha, Tatbiqatuha*. Damaskus: Dar ar Qalam, 1994.
- [6] I. Q. Al-Jawziyah, *I'lam al-Muawwaqqi'in Rabb'an al-Alamin*. Beirut: Al-Fikr, t.th.
- [7] A. Abdullah, "No Title," 2020.
- [8] TIM MUI, "Fatwa-fatwa MUI Pusat," *mui*, 2020. <https://tirto.id/isi-lengkap-fatwa-mui-tentang-sholat-jumat-saat-pandemi-covid-19-fFlw>, <https://mui.or.id/berita/27674/fatwa-penyelenggaraan-ibadah-dalam-situasi-terjadi-wabah-covid-19/>, <https://mui.or.id/produk/fatwa/27748/fatwa-no-17-tahun-2020-pedoman>.
- [9] Hidayatullah, "Relasi Sains, Budaya dan Agama Sebuah Upaya Pendekatan Paradigma yang Menyatukan," *J. Al-Maiyyah*, vol. 11, no. 1, 2018.
- [10] D. Muhaemin, *Kawasan dan Wawasan Studi Islam*. Jakarta: Kencana, 2007.
- [11] A. dan Abd Hakim and Jaih Mubarak, *Metodologi Studi Islam*. Bandung: Remaja Rosdakarya, 29, 2000.
- [12] *HR. Ibnu Majah No 2340 dan 2341*. .
- [13] *HR al-Tarmidzi dan Ibnu Majah*. .
- [14] J. S. Suriasumantri, *Filsafat Ilmu Sejarah Pengantar Populer*. Jakarta: Sinar Harapan, 2005.
- [15] I. G. Barbour, *Issue in Science and Religion*. New York: Harper Toorchbooks, 1966.
- [16] F. B. Hardiman, *Melampaui Positivisme dan Modernitas*. Yogyakarta: Kanisius, 2012.
- [17] M. D. Rahardjo, *Metodologi Studi Al Quran*. Jakarta: Gramedia, 2009.
- [18] A. A. B. Philips, *Asal Usul dan Perkembangan Fiqh terjemahan Fauzi Arifin*. Bandung: Nusamedia, 2005.
- [19] Zubaedi, *Islam dan Benturan Peradaban*. Yogyakarta: Ar-Ruzz Media, 2007.
- [20] I. G. Barbour, *When Science Meets Religion*. New York: Harper SanFrancisco, 2000.
- [21] F. Capra, *The Tao of Physics: An Exploration of The Parallels Between Modern Physics and Eastern Mysticism*. New York: Bantam Books, 1977.
- [22] A. Wahid, *Pergulatan Negara, Agama dan Kebudayaan*. Jakarta: Desantara, 2001.

Resettlement Policy for Communities Affected by Natural Disaster in South Lampung Regency

Thio Haikal Anugerah¹, Muhammad Akib², H.S. Tisnanta³
 {thio.haikal97@gmail.com¹, akib97@yahoo.co.id², eronymus.soerjatisnanta@fh.unila.ac.id³}

Faculty of Law, Lampung University, Indonesia¹, Faculty of Law, Lampung University, Indonesia²,
 Faculty of Law, Lampung University, Indonesia³

Abstract. Resettlement in the context of disaster management is a policy that has a broad impact on the affected community on legal, social and economic aspects. This article focuses on problems in implementing the resettlement policy for victims of the tsunami in South Lampung which occurred in December 2018. By using the socio-legal approach, the results of the study indicate that the resettlement policy for communities affected by the tsunami in South Lampung was carried out based on the Regent Decree No. B/613.1/VI.02/HK/2019. This policy was carried out as an effort to recover from the tsunami that occurred. In its implementation, this policy has an impact on at least three aspects of the life of the community concerned, namely the legal impact, social impact and economic impact both before, during the process, and after the construction of new housing.

Keywords: Resettlement, Natural Disaster, South Lampung

1 Introduction

The Sunda Strait Tsunami disaster that occurred at the end of 2018 has left enormous grief and loss for the Indonesian people. According to Eduardo Rodriguez-Oreggia, natural disasters have an impact on two things, namely physical impacts and social impacts [1]. He further said that there is a positive correlation between natural disasters and increased socio-economic vulnerability in a family or community, where this vulnerability ultimately makes the recovery process for the disaster even more difficult. In the tsunami disaster in South Lampung, it was recorded that at least 426 people died, 7,202 were injured, and 23 people were declared missing [2]. From an economic perspective, the tsunami disaster caused losses of more than 200 billion rupiah [3]. Responding to this problem, the government as a stakeholder should take action in order to minimize potential losses due to this natural disaster.

With regard to disaster management, the Indonesian state actually has a legal instrument in the form of Law Number 24 of 2007 concerning Disaster Management. Where it is stated in the law that disaster management is the responsibility of the government and local governments. In addition, it is also stated in the regulation that disaster management is carried out on the basis of humanity, justice, equality in law and government, balance, harmony and harmony, legal order and certainty, togetherness, environmental preservation, and science and technology, which means that its implementation presupposes holistic disaster management.

Returning to the tsunami issue as previously described, there were 6,999 people who were forced to flee due to the natural disaster of the tsunami [4]. Responding to this problem, the local government of South Lampung Regency has implemented a resettlement or resettlement policy. During the resettlement process, people affected by the disaster were temporarily asked to live in shelters (temporary housing). By cooperating with several parties such as mass organizations and the TNI, the South Lampung Regional Government has prepared 537 shelters [5].

With regard to this resettlement policy, Jamie Draper and Catriona Mckinnon[6] stated that in carrying out the resettlement policy, there are at least two stages that must be considered, namely the decision-making stage and the implementation stage. At the decision-making stage, the participation of the parties who will be affected by the policy is a core element that ethically must be realized. Meanwhile, at the implementation stage, it is important to pay attention to the provision of needs, resources and services that need to be provided to affected parties. In essence, this resettlement policy is a momentum for the welfare of parties affected by natural disasters, aka not just restoring what once existed, but making people live in a much better condition.

2. Methods

Based on this background, this paper is intended to examine the resettlement policy held for parties affected by natural disasters in South Lampung. This study seeks to examine the implementation of the resettlement policy for those affected by the tsunami disaster in South Lampung by analyzing whether the resettlement policy was implemented by considering the legal, economic, social, cultural, and human rights aspects of the parties affected by the tsunami disaster. This research is a legal research that uses an approach in which a policy is studied not only in terms of text, but also a deepening of the context that includes all processes, from the formation of laws to the operation of laws [7].

3. Result and discussion

Resettlement policy for tsunami-affected communities in South Lampung

The natural disaster of the Sunda Strait tsunami that occurred at the end of 2018 made the Regional Government of South Lampung Regency as the organizer of the government in the area to take disaster management measures. According to Law Number 24 of 2007 concerning Disaster Management, it is stated that the implementation of disaster management includes three parts, namely pre-disaster, emergency response, and post-disaster. Where there is a paradigm shift in disaster management with the existing laws, which only emphasized issues of emergency response.[8]

In the pre-disaster section, disaster management is carried out before the occurrence or occurrence of a disaster, while in the emergency response section and the post-disaster section, it is the implementation of disaster management carried out after a disaster occurs. In its implementation, the implementation of disaster management consists of a series of policy aimed at disaster management, where in the context of tsunami disaster management in South Lampung, actions or steps that have been taken by the South Lampung Regional Government are one of them by establishing a resettlement policy for victims who were affected or affected by the tsunami.[9] The resettlement policy referred to here is a policy of building permanent

or permanent housing in a new place for all communities affected by the tsunami in South Lampung due to the destruction or damage to their previous dwellings.

According to the Collins Dictionary, the definition of resettlement is the process of moving a group of people to another place due to conditions that make it impossible for these people to remain in the area where they once lived.[10] If examined further, it can be seen that this resettlement policy is an embodiment of one of the specific strategies in the 2015-2019 National Disaster Management Plan with a vision to build back better and safer or built back better and safer. Where this particular strategy emphasizes on better and safer community living conditions after the post-disaster recovery process. Even though, this policy is in a post-disaster framework or stage, in its implementation it is related to the emergency response stage or phase.

With regard to the implementation of disaster management at the emergency response level, the implementation includes: quick and precise assessment of location, damage and resources; determining the status of a disaster emergency, rescuing and evacuating the affected community; fulfillment of basic needs; protection for vulnerable groups; and the immediate restoration of vital infrastructure and facilities. On the other hand, at the post-disaster level, the implementation of disaster management includes: rehabilitation and reconstruction. Where rehabilitation consists of a series of activities which include: improving the environment in the disaster area; repair of public infrastructure and facilities; providing assistance for community housing repairs; psychological social recovery; health services; reconciliation and conflict resolution; social, economic and cultural recovery; restoration of security and order; restoration of government functions; and restoration of public service functions. Meanwhile, reconstruction consists of a series of activities covering: reconstruction of infrastructure and facilities; rebuilding of community social facilities; revival of community socio-cultural life; application of appropriate design and use of better and disaster-resistant equipment; participation and participation of social institutions and organizations, the business world and the community; improvement of social, economic and cultural conditions; increasing the function of public services; or improvement of primary services in society.

In practice in the field, implementation of the resettlement policy takes a long time, and in that long span of time the government and related parties assume responsibility for meeting the necessary needs of victims of natural disasters. Jamie Draper and Catriona Mckinnon[6] stated that in implementing the resettlement policy, there are two important stages that need to be considered, namely the decision-making stage and the implementation stage. At this stage of decision making regarding resettlement policies, things that need to be considered are community participation, social aspects, economic aspects, legal aspects, and cultural aspects. On the other hand, at the implementation or implementation stage, things that must be considered for policy administrators are the fulfillment of basic needs for affected parties as long as the occupancy remains unoccupied. For more details, please look at the flow chart below:

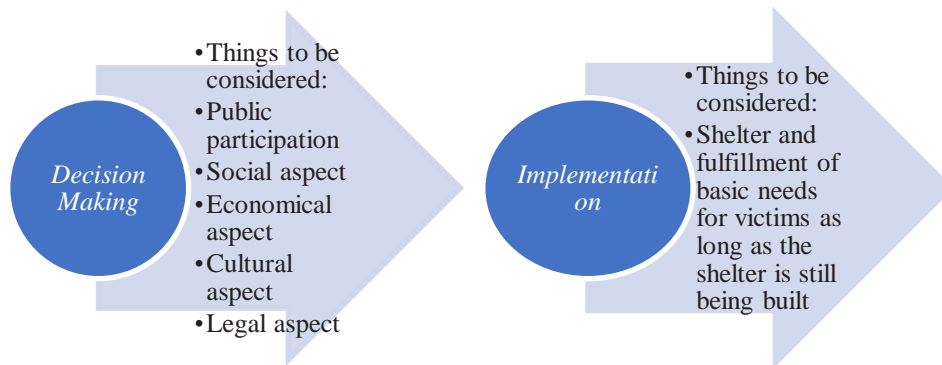


Figure 1. Resettlement Policy within Disaster Management Framework

At the decision making stage, community participation is a crucial matter that must be considered by the government. This is because this policy is essentially intended for the people affected by the disaster, so that the government as the organizer of the policy should invite these people to participate in implementing this policy. Community participation is carried out based on five principles, namely: *Participants are representatives of the population; emphasis is placed on understanding the issue at hand and the entirety of their significances; a range of values and points are taken into consideration; consensus and common ground are sought; and policy and decision-making are influenced from the ground up* [11]. Public participation in this resettlement policy can be pursued through a series of activities, namely: providing information to disaster-affected communities regarding this policy, listening to responses and opinions of disaster-affected communities on resettlement policies, the government and the community looking for solutions to problems related to resettlement policies, and conical on the agreements between the government and the people affected by this policy [12]. In addition, in community participation, another important factor that determines the success of a policy is its relation to the public policy communication process. Good communication will undoubtedly produce good responses from the public who are the targets of the policy.

With regard to social, economic and cultural aspects at the stage of decision making in the resettlement policy, this is closely related to the need to conduct a social impact assessment by the policy administrator which is generally called a social impact assessment (SIA). Social Impact Assessment according to Frank Vanclay is an analysis process (which predicts, evaluates, and reflects) and overcomes the consequences that arise, whether desired or undesirable in the community environment which is the object of planning (both in a policy and projects) or other social changes that arise in the process in order to create a sustainable and just community environment [13]. Broadly speaking, SIA consists of four stages, namely scoping, forecasting impact, mitigation, and evaluation and monitoring.

At the scoping stage, there are three aspects that need to be considered, namely the identification of the main issues that form the basis for determining the affected components. The second aspect is determining the area to be studied, and the third aspect is an estimate of how long the impact will last [14]. At the impact prediction stage, there are also three aspects that need to be studied, namely, who is affected, what kind of impact will it take, and how long it will last [14]. Furthermore, at the mitigation stage, the impacts that have been assessed in the previous stage are examined whether mitigation measures can be taken for these impacts. In the last stage, an evaluation or assessment of the existing impacts of all alternative

locations that will be used for resettlement development is carried out and assesses whether the specified mitigation design is appropriate and monitors whether its implementation is effective and efficient [14]. In the study of the social impact or SIA, this consideration of the social, economic and cultural aspects of the affected community will be analyzed in depth, so that in the process a better quality of life is created for the people affected by the disaster when they inhabit their new settlements.

Finally, with regard to legal aspects, generally this relates to what legal instruments are used, and the scope of authority. In the context of resettlement policy, although this policy is based on a series of disaster management measures. However, the implementation of this policy has links to other legal regimes, such as the spatial planning legal regime and the regional government legal regime. At the implementation stage, things that need to be considered besides the implementation of resettlement are the fulfillment of basic needs for people affected by natural disasters as well as temporary housing for them to occupy while the resettlement has not been completed.

Based on the discussion described in the previous section, the resettlement policy for tsunami-affected communities in South Lampung can be analyzed in two parts or points of view, namely in the decision-making section, and in the implementation or implementation of the resettlement policy itself. In the decision-making section, it will be examined whether the resettlement policy in the tsunami-affected communities in South Lampung involves community participation or not, whether this resettlement is carried out by considering the economic, social, and cultural aspects of the tsunami-affected community in the future, and what legal instruments are used. in carrying out this policy. Furthermore, at the implementation stage, it will be examined whether the resettlement policy for the community affected by the tsunami in South Lampung was met with their basic needs during the resettlement policy process.

The resettlement policy for communities affected by the tsunami in South Lampung was carried out based on Regent Decree No. B/613.1/VI.02/HK/2019, with regard to decision making, in the aspect of public participation regarding resettlement policies in communities affected by the tsunami disaster in South Lampung, the regional government of South Lampung only carried out a part of the entire series of public or community participation as described in the previous discussion. The Regional Government of South Lampung only provided information that there would be construction of permanent housing for some of the residents affected by the tsunami disaster.

Then with regard to legal aspects, as we know that law as the basis for implementing policies is necessary for the people to carry out the arrangement of state life, and organizing various interests of a legal product is important so that there is no collision of interests.[15] The regional government of South Lampung district in response to the natural disaster of the tsunami that occurred at the end of 2018, at the normative level, has issued at least 17 Regent Decrees and 1 Regent Regulation issued in response to the disaster.

Furthermore, in terms of considering social, economic and cultural aspects, in implementing the resettlement policy for the communities affected by the tsunami disaster in South Lampung, the organizers claimed to have conducted a study but whether the policy had carefully considered the social, economic and cultural aspects of the affected community The disaster in their new residence cannot be ascertained until now. This is for at least two reasons. The first reason is the unclear or transparent results of studies conducted by the organizers. The second reason is that the resettlement development progress has only just begun and has not yet been completed. So that the effectiveness of the new residence has not been tested.

At the implementation level or at a practical level, the Regional Government of South Lampung Regency has carried out a series of disaster management measures in an emergency response, starting from the evacuation of tsunami victims to the construction of temporary shelters. For tsunami victims whose houses were badly damaged, the South Lampung Regency Government implemented a resettlement policy and prohibited the victims from rebuilding their houses in their original places [16].

While the resettlement process for new housing for tsunami victims has not been completed, the Regional Government of South Lampung Regency has been asked to stay temporarily in temporary housing. The problem is, regarding the information on how long they will stay in shelters, and when they can occupy the shelter, it remains unclear. Especially because permanent housing will be built in the area that is used as a shelter, the victims are confused about where they will stay during the construction of permanent housing.[17] This indicates that there is inadequate planning and that victims are not involved in participating in the policy.

Further problems later, in implementing this policy, there are new problems such as the absence of land assets,[18] and others [19]. Not to mention, because the resettlement process was carried out in stages for local people who were still waiting for their turn to build Hun tap, they had to live in shelters that were in poor condition. Such as inadequate public bathrooms, and temporary shelters that do not have titters so that water floods in when it rains which results in flooding in the shelter area. Some tsunami victims even admit that they did not receive any assistance at all, because coincidentally they were not recorded [20].

References

- [1] E. Rodriguez-Oreggia, A. de la Fuente, R. de la Torre, and H. A. Moreno, "Natural Disasters, Human Development and Poverty at the Municipal Level in Mexico," *J. Dev. Stud.*, 2013, doi: 10.1080/00220388.2012.700398.
- [2] "Update Tsunami Selat Sunda 426 orang Meninggal Dunia, 7202 luka-luka," 2018. <https://nasional.kompas.com/read/2018/12/28/15102481/update-tsunami-selat-sunda-426-orang-meninggal-dunia-7202-luka-luka-dan-23> (accessed Jun. 25, 2020).
- [3] "Hitungan Sementara Kerugian Akibat Tsunami Selat Sunda Capai Rp.202 M," 2019. <https://www.tribunnews.com/regional/2019/01/16/berdasarkan-hitungan-sementara-kerugian-akibat-tsunami-selat-sunda-capai-rp-202-m> (accessed Jun. 25, 2020).
- [4] "Infografis Badan Nasional Penanggulangan Bencana," 2019. <https://bnpb.go.id/uploads/24/2019-01-22-infografis-selat-sunda-1.jpg> (accessed Jun. 25, 2020).
- [5] "Pemkab Lamsel Siapkan 537 Unit Hunian Sementara Korban Bencana," 2019. <https://www.lampost.co/berita-pemkab-lamsel-siapkan-537-unit-hunian-sementara-korban-bencana.html> (accessed Jun. 25, 2020).
- [6] J. Draper and C. McKinnon, "The ethics of climate-induced community displacement and resettlement," *Wiley Interdiscip. Rev. Clim. Chang.*, 2018, doi: 10.1002/wcc.519.
- [7] H. P. Wiratraman, "Penelitian Socio-Legal dan Konsekuensi Metodologisnya," 2000. <https://herlambangperdana.files.wordpress.com/2008/06/penelitian-sosio-legal-dalam-tun.pdf>.
- [8] B. D. Anggono, "Harmonisasi Peraturan Perundang-undangan di Bidang Penanggulangan Bencana," *J. Mimb. Huk. Fak. Huk. Univ. Gadjah Mada*, vol. 22, no. 2, p. 1, 2012, [Online]. Available: <http://mimbar.hukum.ugm.ac.id/index.php/jmh/article/view/295%0Ahttp://mimbar.hukum.ugm.ac.id/index.php/jmh/article/download/295/150>.
- [9] "Pemerintah Segera Bangun Rumah Untuk Korban Tsunami Di Lamsel," 2019. <https://tirto.id/pemerintah-segera-bangun-rumah-untuk-korban-tsunami-di-lamsel-dfjU> (accessed Jun. 26, 2020).
- [10] "Resettlement," 2020. <https://www.collinsdictionary.com/dictionary/english/resettlement>

- (accessed Jun. 26, 2020).
- [11] T. Berman, *Public participation as a tool for integrating local knowledge into spatial planning: Planning, participation, and knowledge*. 2016.
 - [12] J. L. Creighton, "The public participation handbook : making better decisions through citizen involvement," *J. Ratchasuda Coll. Res. Dev. Pers. With Disabil.*, 2005.
 - [13] H. A. Becker and F. Vanclay, *The international handbook of social impact assessment: Conceptual and methodological advances*. 2003.
 - [14] Dyah and G. Pratiwi, "Penerapan Metode Social Impact Assessment dalam Pelaksanaan Tanggung Jawab Sosial Perusahaan (Studi Kasus Pelaksanaan CSR di Artha Graha Peduli) Penerapan Metode Social Impact Assessment dalam Pelaksanaan Tanggung Jawab Sosial Perusahaan," Indonesia University, 2012.
 - [15] S. Oktapani, "RAKYAT INDONESIA BERDASARKAN UU SJSN DAN UNDANG-UNDANG BPJS POLITICS OF LAW THE FULFILLMENT OF THE RIGHT TO HEALTH FOR THE INDONESIAN PEOPLE BASED ON THE," vol. 8, no. 1, 2020.
 - [16] "Geliat Kehidupan Warga Lampung Selatan Pasca Tsunami Selat Sunda," 2019. <https://regional.kompas.com/read/2019/03/18/11050521/geliat-kehidupan-warga-lampung-selatan-pasca-tsunami-selat-sunda?page=all> (accessed Jun. 26, 2020).
 - [17] "Huntara di Desa Kunjir Mulai Dibongkar," 2020. <https://www.lampost.co/berita-huntara-di-desa-kunjir-mulai-dibongkar.html> (accessed Jul. 10, 2020).
 - [18] "Tak Punya Aset, Pemkab Kesulitan Bangun Huntara," 2019. <http://www.radarlamsel.com/tak-punya-aset-pemkab-kesulitan-bangun-huntara> (accessed Jun. 25, 2020).
 - [19] "Penyintas Tsunami di Sukaraja Lamsel Minta Tambahan Sanitasi," 2019. <https://www.cendananews.com/2019/04/penyintas-tsunami-di-huntara-sukaraja-lamsel-minta-tambahan-sanitasi.html> (accessed Jul. 10, 2020).
 - [20] "Warga Diminta Tetap Menempati Huntara Di Waymuli Timur," 2020. <https://www.lampost.co/berita-warga-diminta-tetap-menempati-huntara-di-way-muli-timur.html> (accessed Jul. 10, 2020).

Islamic Political Thought in Indonesia in The Post-Truth Era

Jubair Situmorang¹
{jubairsitumorang68@gmail.com¹}

Institut Agama Islam Negeri (IAIN) Ternate, Indonesia¹

Abstract. The political dilemma of Islam stems from the existence of fundamental problems in the political life of Muslims that are theological, such as the relationship between religion and politics in Islam. However, some are purely political, namely concerning the strategy of the political struggle itself in the complex background of Indonesian political life with multiple political interest groups. Until now, among Muslims, there are three courses regarding the relationship between Islam and politics. The first course stated that Islam is not merely a religion in the Western sense. The second course maintains that Islam is a religion in the Western term that has nothing to do with state affairs. The third course rejects the notion that Islam is a complete religion and furthermore that there is a constitutional system. These thoughts show a fundamental difference in the actualization of religious beliefs into political action. The marginalization of Islamic politics reached its peak with the enactment of a single principle which meant the weakening of Islamic political movements which were formalistic and legalistic and encouraged some of them to reformulate the meaning and strategy of Islamic politics further. With the narrowing of the room for movement for Islamic politics in a prim form, it is used as an opportunity to enter the political sphere through other avenues that are considering still very open. They think it is necessary to accommodate the government's idea to erode suspicion between Islam and the country. The reality of Islamic politics that is seen as failing to motivate Muslims, especially young intellectuals, is to seek new political formulations so that they can play a role in the country. One of them is reorienting the meaning of Islamic politics, which has been elaborated in legalistic and formalist styles. The post-truth era changes various paradigms because everything is seen situational, which is triggered by a lack of trust in science, social and economic inequality, and a decline in social capital. It means that facts as part of the truth or ignorance of the truth are lost and what develops is the blurring of the difference between the truth and the lies. This situation also occurs in political life in Indonesia, where the fact of the new political orientation is more towards substantive and integrative politics. It means that the new approach prioritizes the content of Islamic values as a source of inspiration for political activities as well as mutual acceptance and adjustment between Muslims and the country.

Keywords: Political Thought, Muslim, Post-truth

1 Introduction

Substantially, Islamic politics is the confrontation of Islam with power and the country that creates political behavior and political culture oriented to Islamic values. The attitude of the behavior and political culture that uses Islamic adjectives stems from a moral and doctrinal concern for the integrity of the Islamic spiritual community [1].

In dealing with power and the country, political Islam in Indonesia is often in a dilemma. The dilemma faced concerns the tug-of-war between the demands for self-actualization as determinant as the majority group and the reality of political life which is not always conducive to self-actualization. As a consequence, political Islam is facing several strategic choices, and each of which has consequences in itself.

In the reform era, this phenomenon may repeat itself. The role of Islamic groups, both Islamic leaders and Islamic students in pushing the reform movement is very large. However, in subsequent developments, the reform movement was not always under the control of Islamic groups. The controllers of reform and national political life will be in the party or political interest group that controls the sources of political power. In modern times, the resources of political power are not only based on the times but also materials, ideas, and information.

The dilemma of Islamic politics is often exacerbated by the inability to get out of the dilemma itself. This thing is partly due to the lack of integration between political enthusiasm and political knowledge. High political morale that is not accompanied by extensive and in-depth knowledge of political developments often results in the neglect of strengthening political tactics and strategies. Two things are indispensable in practical politics and political games. The political dilemma of Islam stems from the existence of fundamental problems in the political life of Muslims that are theological, such as the relationship between religion and politics in Islam. However, some are purely political, namely concerning the strategy of the political struggle itself in the complex background of Indonesian political life with multiple political interest groups.

Islamic political pluralism is a reflection of the plurality of Islamic society. Meanwhile, the pluralism of the Islamic community itself is a logical consequence of the Islamization process in an archipelagic country, which differs in intensity from one place to another. In the context of relations between regions that were not easy in the past, it is possible to develop Islamic groups or organizations that have their characteristics and identities. The group which later crystallized into various organizations, apart from having a common point of view, they also has a specific cultural dimension that differentiates it from other Muslim groups. At some level, this cultural commitment has developed a sense of group solidarity among Muslims that overcomes their term of religious solidarity. The cultural dimension of various Islamic groups makes it difficult for them to unite in political life.

Political Islam in Indonesia in general has not succeeded in achieving political effectiveness. One of the bases for political effectiveness is leadership. The leadership of political parties has not been able to put into function the party as a medium for articulating the political interests of Muslims. There are at least three factors that cause this political ineffectiveness and other things

can also be called the problems of political Islam. First, there is overestimation. Many Islamic party leaders are concerned about the power they have or the political affiliation of what is called the myth of humanity. Second, it is external, namely the intentional destruction of external political forces. Third, there are differences in views between party leaders regarding the relationship between religious beliefs and political action.

On top of that, the fundamental problem of Islamic politics is the difficulty in realizing unity, both on the scale between Islamic parties and on the scale of intra-one Islamic parties. Islamic parties are prone to conflict and party conflicts are prone to internal engineering.

These various problems must be able to be resolved by Islamic parties in the current reformation era. The existence of a complete amalgamation may not be realistic, except perhaps between Islamic parties originating from the same family. Another alternative available is a coalition so that only a few Islamic parties will participate in the elections. The presence of political parties serves to carry out the political continuity of a country and society [2].

The recent emergence of Islamic parties has generated a separate debate if it is not a matter of controversy. In the view of some circles, this phenomenon is seen as a manifestation of the re-emergence of Islamic politics, or what is mistakenly termed "Islamic politicization". The first assessment is positive, because like other religions, Islam cannot be separated from politics. The second judgment, if the term is properly understood, it is negative. The term "politicization" (of anything) is always part of pejorative or manipulative engineering. You can imagine what would happen if this was imposed on something that had a divine nature (divine) such as Islam.

It is not known exactly what is meant by some who see the rise of Islamic political life today as a phenomenon that can be labeled Islamic politicization. However, if you look at the main indicator used as the basis for this assessment, namely the emergence of several political parties that use Islamic symbols and principles or which have major supporters of the Islamic community, it is not wrong to say that what is meant is the phenomenon of the re-emergence of Islamic political power. In the course of this thing that the possibility is always open to "politicize" the parts which form the basis of the ideology of these parties.

Nowadays among Muslims, there are three courses regarding the relationship between Islam and politics. *The first course* maintains that Islam is not merely a religion in the western sense, which only concerns the relationship between humans and God, and on the opposite that Islam is a religion that is perfect and complete with arrangements for all aspects of human life included state life.

The second course believes that Islam is a religion in the Western sense, which has nothing to do with state affairs. According to this tradition, the Prophet Muhammad was just an ordinary messenger like the previous apostles, with the sole task of inviting humans to return to a noble life by upholding noble character; and the Prophet never intended to establish and head a nation.

The third course rejects the opinion that Islam is a complete religion and that in Islam there is a constitutional system. But this school also rejects the notion that Islam is a religion in the Western sense which only regulates the relationship between humans and their Creator. This school maintains that Islam does not have a constitutional system, but there is a set of ethical values for state life. However, throughout the history that has been passed until now, it seems that

Islamic political thought continues to run "in parallel" between integrated, symbiotic, and secularist.

The marginalization of Islamic politics reached its peak with the enactment of a single principle which also meant the weakening of Islamic political movements that were formalistic and legalistic, encouraging some of them to reformulate the meaning and strategy of Islamic politics further. With the narrowing of the space for political Islam in its formal form, it has become an opportunity to enter the political sphere through other avenues that are still considered very open. They think it is necessary to accommodate the government's idea to erode suspicion between Islam and the country. The reality of Islamic politics that is seen as failing to motivate Muslims, especially young intellectuals, is to seek new political formulations so that they can play a role in the country. One of them is reorienting the meaning of Islamic politics, which has been elaborated in legalistic and formalistic styles.

The post-truth era changes various paradigms because everything is seen situational, which is triggered by a lack of trust in science, social and economic inequality, and a decrease in social capital. As a result, facts as part of the truth or indifference to the truth are lost, which develops precisely the blurring of the differences between the truth and the lies [3].

This situation also occurs in political life in Indonesia, where the truth of the new political orientation is more towards substantive and integrative politics. It means that the new approach prioritizes the content of Islamic values as a source of inspiration for political activities as well as mutual acceptance and adjustment between Muslims and the country [4].

From the description above, the objective of this research is to analyze Islamic political thought in Indonesia in the post-truth era.

2 Literature Review

2.1 The Typology of Islamic Political Thought

The political history of the Indonesian Muslim community is an inseparable part of the political history of the Indonesian nation from the early decades of independence to the contemporary, even though not all Indonesian Muslim communities have fought for the aspirations of the Muslim community. This thing is inseparable from different understandings in interpreting the holistic nature of Islam.

There is an assumption that religion as a transcendental instrument in understanding the world, Islam is seen as not just a religion. Islam is often perceived as a comprehensive civilization, civil society, or associated with the religion and the country. The relationship between Islam and politics in Indonesia is like a sentimental journey because it involves fears of tense old hopes but still has to be discussed and carried out for various reasons and needs [5] .

Islamic teachings do not have to be formalized in the form of an Islamic state, but there is a certainty in the formation of a socio-political system that reflects conformity with Islamic values.

The implementation that is emphasized is substantive, not formalistic. The political relationship between Islam and the country in Indonesia in its journey cannot be separated from the side of antagonism and confusion with one another. In social life, the relationship between religion and politics has a connection, but from different perspectives. On the one hand, society has a fundamental interest so that religion is not contaminated by political interests, because if religion is under political domination, religion will easily be misinterpreted and misused. Religion should be the direction and direction of how politics is carried out. It is not on the contrary that religion is legitimized to justify things that are contrary to humanitarian principles. Even religion is delegitimized as something that does not have any function in political life. As a result, religion is no longer a liberating force for various oppressions and injustices. On the other hand, religion can be misused and eventually develop into an oppressive and cruel power.

Broadly speaking, it can be divided into three paradigms, namely integral's, symbiotic, and secular. In the view of the integral political paradigm, religion and politics are united, where Islam is a religion that is perfect and complete with arrangements for all aspects of human life including political life and the country. Therefore, in-state, Muslims must return to the practice of the political life of Islamic state administration practiced by the Prophet Muhammad, and the four leaders (*Khalifah*). Should not imitate the constitutional system developed in a secular (western) country. In this paradigm perspective, political sovereignty is exercised based on divine authority because it originates and is in the hands of God [6].

Meanwhile, the symbiotic paradigm views that religion and politics have a reciprocal relationship that needs each other. In this case, religion needs the country because, with the country, religion can develop. On the other hand, the country also needs religion because state religion can develop in the guidance of spiritual ethics and morals. Up to this point, there is some caution not to emphasize the black-and-white relationship between Islam and politics.

The secular paradigm considers religion and politics to be two different entities, in which politics or the country did not make religion a specific instrument. In the Islamic context, this view rejects religious intervention or interference in political and constitutional matters. Religion is a private matter that has nothing to do with political activity [7].

From several studies, it is known that the typology of Islamic political thought in Indonesia as expressed by Bahtiar Effendi and M. Syafi'i Anwar as quoted by Din Syamsuddin - especially during the New Order era - formed at least three schools, namely: [8], namely formalistic, substantivistic and fundamentalism.

In the context of the explanation above, Bahtiar Effendy explained that there are at least two spectrums of political thought among Muslims. First, they think that Islam should be the basis of the state, *shari'ah* must be accepted as the state constitution, the concept of a nation-state is contrary to the concept of the *ummah* which knows no political and regional boundaries, and the concept of democracy is not the same as the *syûra* principles and others. His conception of thought is formalistic. The model of government or political power resides in one leader or caliphate which transcends geographic and demographic known as the nation-state concept. Second, the idea that Islam does not have a standard pattern of state theory or political system that must be implemented by Muslims [9].

3 Methods

This research is structured using a descriptive-analytical research method, where the authors take and focus attention on the problems that become research questions. The results of this study are then processed and analyzed for conclusions. This method aims to obtain objective exposure to a problem through the analysis process. Furthermore, the authors conducted a literature study. Library research itself is an activity of observing various literatures related to the subject matter discussed, whether in the form of books, journals, or writing that are helpful, so that it can be used as a source in research.

4 Result and Discussion

4.1 The Development of Islamic Politics in Indonesia

The change in the pattern of Islamic politics from the politics of formality to the politics of substantialize has implications for the development of Islamic politics in the next period. So that the politics of substantialize began to take root in Indonesian political culture, even though Islamic parties emerged fighting for political formality, but still the struggle for Islam as the state ideology would be increasingly difficult to realize because the secular ideology of Pancasila has taken root in the political system in Indonesia.

In the current context, it is complicated to say that an Islamic party is a forum for the aspirations of Muslims because Islamic parties are already fragmented. The tendency is now more towards the individual interests of Islamic politicians, not the interests of the *ummah*. So it can be said that the pattern of the Islamic party movement is moving towards a pragmatic direction.

Political figures (including Islamic politicians) both try to use religious symbols as a means of power struggle, sometimes cynically but generally through a rational process. When someone starts to realize that they are members of political groups colored by religious identity, and then the individual will assume that their interests are closely related to the welfare of their (*ummah*) religion. Such conditions are happening to the Islamic political elites today in Indonesia.

4.2 The Prospect of Islamic Politics in Indonesia Viewed from the Relationship between Islam and the State in the Post Truth Era

Islam is a monotheistic religion that was spread by the Prophet Muhammad SAW. Al Quran and Sunnah are sources or guidelines for people to carry out social and political relations. Thus, Muslims generally believe in the holistic nature of Islam as a divine instrument for understanding the world. Islam is often seen as more than just a religion, for that view states that Islam does not recognize the dividing wall between the spiritual and the temporal, but rather regulates all aspects of life.

Meanwhile, the Country has the power to force and the State is an autonomous entity such as institutions and institutions. It could be said that the State is something that is far away, even

foreign, the most distant collection of humans that can easily turn into hostile relations. [10]. It means that the Country can use coercive force for the interests of certain parties, and the Country may be used by political elites for personal gain.

The problem now is how we can provide a suitable meeting point for the relationship between Islam and the State in Indonesia. First, it is recognized that long before this country was formed and independent, Islam was present as a very dominant factor in political life, with the existence of Islamic kingdoms, such as the Islamic sultanate. So, long before Indonesia existed, there was already an Islamic power in the form of a kingdom and a sultanate that had implemented Islamic law as state law in several matters, such as marriage, inheritance, and others. Islam and politics cannot be separated, because a person's political behavior is influenced by religion. But Islam can be separated in the sense that the country must be neutral towards religion where the country is not hostile or supportive of a particular religion.

The first is an accommodative strategy of justification for state power that often does not reflect Islamic idealism with the consequence of accepting blasphemy from "hardline" Muslims. *The second is an isolative-oppositional strategy*, namely rejecting and separating from state power to build its strength, with the consequence of losing its supporting factor, namely the power of the state itself, which is then controlled and utilized by other parties. *The third is an integrative-critical strategy*, namely integrating oneself into state power, but still being critical of the abuse of power in a struggle from within. However, this strategy is often faced with the hegemony of the state itself, so that the effectiveness of its struggle is questioned.

4.3 The Reformulation of Indonesian Islamic Politics

When the marginalization of Islamic politics reached its peak with the enactment of a single principle, which meant the weakening of Islamic political movements that were formalistic and legalistic, prompted some of them to reformulate the meaning and strategy of Islamic politics further. With the narrowing of the space for political Islam in the formal form, it can be used as an opportunity to enter the political sphere through other avenues that are considered still very open. They think it is necessary to accommodate the government's idea to erode suspicion between Islam and the country. The reality of Islamic politics that is seen as failing to motivate Muslims, especially young intellectuals, is to seek new political formulations so that they can play a role in the country. One of them is reorienting the meaning of Islamic politics, which has been elaborated in legalistic and formalist styles. The new political orientation is more towards substantive and integrative politics. It means that the new approach prioritizes the content of Islamic values as a source of inspiration for political activities as well as mutual acceptance and adjustment between Muslims and the country.

It is not easy to unite perceptions among Muslims, because internally, there are differences of opinion on how to bridge political relations (Islam) with the country. The debate continues today to the two poles. A first pole is a group that wants a formal link between Islam and the country either in the form of an Islamic state or a state that applies Islamic teachings. A second pole is a group that strongly opposes the connection between Islam and the country in any form because the two are formally and substantially different [11]. Regardless of different perspectives, Islamic political ideas in their development have given Muslims a new awareness of a country that is more

oriented towards functioning Islamic values to solve social problems such as ignorance, poverty, unemployment, and social and economic underdevelopment.

Such a paradigmatic shift in Islamic politics makes the political framework of the flow, namely politics based on the tendency of the level of religious appreciation and practice to be no longer relevant to explain the constellation and dynamics of Islamic politics in Indonesia. The fact is that the groups categorized by Geertz as *santri* do not choose and support political parties that are based on Islam or labeled Islam. The political strategy developed by Islamic political thinkers in the post-truth era today is more inclusive, integrative, and diversified. During its development, the change in the paragraph on Islamic politics had an impact on the pattern of relations between Islam and the country which began to melt away, becoming more accommodative and integrative. It is not surprising that the Islamic *santri* group now does not only use parties labeled Islam as a vehicle for articulating the constructed political paradigm. The truths that have been received so far are automatically deconstructed when the facts of people's lives are no better. Post-truth politics makes the truth accepted so far considered a justification for untruth, but is indoctrinated as Islamic teachings, and this situation has led to this new political orientation more towards substantive and integrative politics. It means that the new approach prioritizes the content of Islamic values as a source of inspiration for political activities as well as mutual acceptance and adjustment between Muslims and the country.

5 Conclusion and Implications

Islamic political thought in Indonesia has had up and down, and it starts from symbolist to substantive, this thing has happened because of the breadth of Islam that can be understood from various points of view. So it is not uncommon for clashes between Islam on the one hand and the country on the other. The post-truth era has resulted in the emergence of a new paradigm, where post-truth justification creates a new, more substantial awareness that is no longer dichotomist. Even though at the same time political ideas of division between Islam and the country have emerged, but more for a moment that occurred during the general election or regional head election.

References

- [1] Abdullah, Taufiq.: Islam dan Masyarakat. Jakarta: Pantulan Sejarah Indonesia (1987)
- [2] bhihara, Abu Bakar.: Pengantar Ilmu Politik. Yogyakarta: Ar-Ruzz Media (2010)
- [3] Kalpokas, I.: A Political Theory of Post-truth, Switzerland: Palgrave Macmillan (2019)
- [4] Jamhari (ed.): Ensiklopedi Tematis Dunia Islam: Dinamika Masakini (Islam Indonesia). Jakarta: Ichtiar Baru Van Hoeve (2002)
- [5] Al-Bahnasawi, Salim Ali.: Wawasan Sistem Politik Islam. Jakarta: Pustaka Al-Kautsar (2006)
- [6] Hering, B.B. (ed.): Studies on Indonesia. Townsville: Center for Southeast Asian Studies, James Cook University (1989)
- [7] Jamhari (ed.): Ensiklopedi Tematis Dunia Islam: Dinamika Masakini (Islam Indonesia). Jakarta: Ichtiar Baru Van Hoeve (2002)

- [8]Situmorang, J.: Model Pemikiran & Penelitian Politik Islam. Bandung: Cv. PustakaSetia (2014)
- [9]Keyes, R.: The Post-truth Era: Dishonesty and Deception in Contemporary Life. New York: St. Martin's Press (2004)
- [8]Piscatori, James P. (ed.): Islam in the Political Process. New York: Cambridge University Press (1983)
- [9]William Liddle, R.: Pemilu-Pemilu Orde Baru: Pasang Surut Kekuasaan Politik. Jakarta: Grafiti (1985)
- [10]Surwondo.: Pemikiran Politik Islam. Yogyakarta: LPPI UMY (2001)

Philosophy of Fala Raha Ternate Culture in Election of Moloku Kie Raha

Baharuddin¹, Jubair Situmorang²
 {dr.baharabd1972@gmail.com¹, jubairsitumorang68@gmail.com²}

Institut Agama Islam Negeri (IAIN) Ternate, Indonesia¹, Institut Agama Islam Negeri (IAIN)
 Ternate, Indonesia²

Abstract. Fala Raha is the philosophy of the Sultanate of Ternate. The cultural philosophy of Fala Raha is the basic understanding of the Ternate community which is applied in the government structure of the Ternate sultanate, four generations, four symbolic lines, four political powers, four initial communities, four government institutions. Decentralization of post-conflict local elections for regional heads, which is one of the pillars of the democratic party in the regions, has a great contribution to the efforts to realize democracy and good governance in the regions. Direct pemilukada provides positive and elegant. The reality on the ground is that this is not something that is easily realized, but positive efforts to achieve this goal must be carried out considering the importance of realizing positive political morale in the implementation of local politics. The purpose of writing is the application of the philosophy of Fala Raha (four houses) in the government structure in the process of regional head elections, with a decentralization theory approach. The result of this journal is to present post-conflict local elections based on local wisdom.

Keywords: Philosophy of Fala Raha, Decentralization, Pemilukada.

1 Introduction

Direct regional head elections will strengthen and generate genuine political participation because they are really directly involved in the local political process. The Ternate Sultanate, the Bacan Sultanate, the Jailolo Sultanate and the Tidore Sultanate, are four sultanates known as moloku kie raha (four large mountains). The sultanate which has a high value philosophy shows that the cultural level in the Ternate, Bacan, Jailolo and Tidore societies has a high level. The Sultanate of Ternate was one of the more advanced sultanates, this can be seen from the civilization of the Ternate people. Fala Raha (Four Houses) is a philosophical meaning contained in culture.

Fala Raha, the cultural philosophy which is the basis for the understanding of the Ternate people applied to the government structure of the Sultanate of Ternate, is still preserved until now. Fala Raha is not only a division structure or forming the kolano concept, but reflects a good understanding of both being political as it is written in the stories of North Maluku motology. Kolano is the concept of the designation of an elected leader who is physically and mentally qualified where initially this agreement was formed in order to strengthen the fabric of cooperation between each momole. Momole is the

name of the village leader (head of the clan). fala raha is one aspect of the formation of the sultanate concept which in its manifestation is the basis of the constitutional concept in the Sultanate of Ternate.

The momole era is a phase before the kolano concept in the history of the formation of the Sultanate of Ternate. Where are the four momoles, namely Tobona's momole, Toboleu's momole, Foramadiahi's momole and Tabanga's momole. [1] The analysis of the socio-political structure in Fala Raha is a big concept from the process of forming the four sultanates. Fala Raha is a big concept from the process of forming four sultanates in North Maluku. Fala Raha can be divided into one, four lineage structure, two, four symbolic heritage structure, three, four political power structure, fourth, early Ternate community structure, five, early Ternate four community structure, six, four main clan structure and seventh, structure four government institutions, that is called the Fala Raha concept.

2 Methods

This research is structured using a descriptive-analytical research method, where the authors take and focus attention on the problems that become research questions. The results of this study are then processed and analyzed for conclusions. This method aims to obtain objective exposure to a problem through the analysis process. Furthermore, the authors conducted a literature study. Library research itself is an activity of observing various literatures related to the subject matter discussed, whether in the form of books, journals, or writing that are helpful, so that it can be used as a source in research.

3 Result and Discussion

The legend of the four daughters which became the story of the formation of four sultanates in North Maluku (Moloku Kie Raha). Namely a native who married a celestial woman who has four (4) children. Three people are born on earth (sahajat, Buka and Darajat). The fourth child was born in the sky (Mashur Malamo).

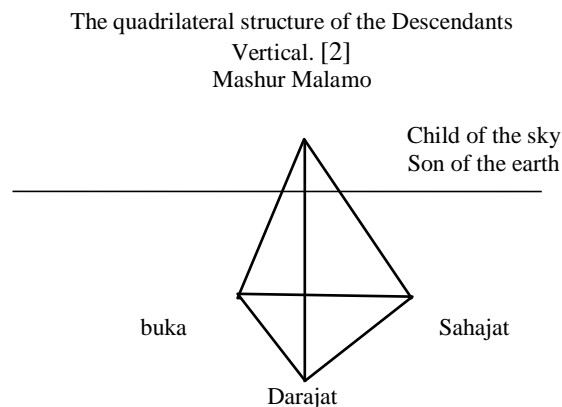


Figure 1.

3.1. The Structure of the Four Symbolic Inheritances

The structure of the division of the four symbolic inheritances has undergone a transformation from form to context in the distribution of symbolic inheritance. The transformation that occurs from the meaning of the forms that exist in the offspring into the form of an inherited context [3].

The quadruple structure of 2 and 3 symbolic heritage and sultanates

M M (Chair) Ternate

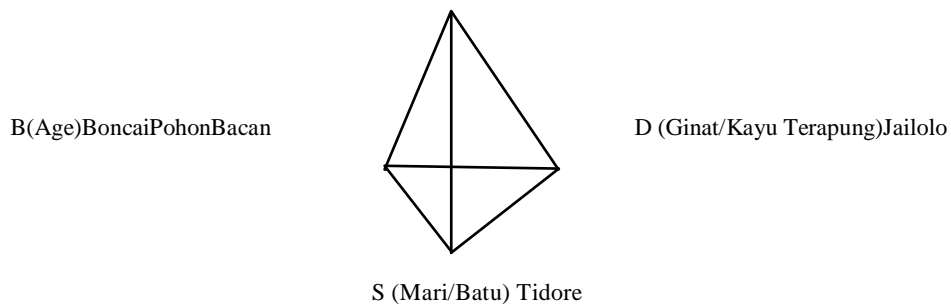


Figure 2.

3.2. Early Community Structure Ternate

History of the establishment of the Sultanate of Ternate, in the division of four is more horizontal or has the same and equal rank. The establishment of the Ternate agreement in the system from Momole Kolano to the Sultan. The sultans in history have four early communities (momole), namely the Tobona momole, Toboleu momole, Foramadiahi momole, and Tabanga momole.

Horizontal quadruple structure I early community of
Ternate [4]

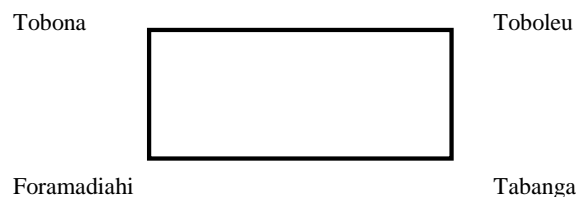


Figure 3.

3.3. Structure of the Four Geopolitical Units

Geopolitical unity is a form of transformation from the forms of the previous four structures. Where in the previous four structure is the concept of elaborating the myth of the

seven daughters which is the foundation of the beginning of the story. The form of this transformation into a concept or system of government that is political in nature, this geopolitical unit is known as Moloku Kie Raha (Four Mountains of Maluku). [5]

Every mountain or island is joined horizontally, and there is no meaning that one is superior or higher in rank than the other. This concept is in accordance with the pattern of the four jakob sumardjo, where this four pattern directs our view of the philosophical values contained in the titles carried by the four powers.

Jailolo as Jiko Ma-Kolano (Ruler of the Sea Bay), Tidore, Kie Ma-Kolano (Ruler of Land / Mountain), Bacan, Dehe Ma-Kolano, and Kolano (Ruler of the Cape) Ternate, Alam Ma-Kolano (Ruler of Thrones/Nature). The titles carried by the four sultanates are seen as a horizontal structure, this can be seen that the duties and obligations of the four sultanates are different, both in terms of statistical and geopolitical concepts, in fact the four are seen as a complementary mixture and there is no room for misunderstandings, let alone until the dispute.

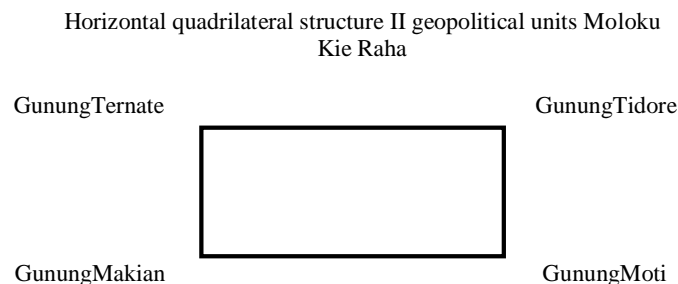


Figure 4.

3.4. Structure of the Four Main Clans

The structure of the four main clans, the structure of the transformation into aspects of government. In the structure of the Ternate sultanate, it was clear that there were four main clans that became the four determinants and held high positions in the Sultanate of Ternate, namely the Tomaito clan, the Tomaidi clan, the Marsaoli clan, and the Tomagola clan. This four-clan Ternate structure is known as the Fala Raha (Four Houses).

3.5. Structure of the four symbols of government

Gam Raha (Kampung Empat) is a Ternate sultanate institution whose job it is to legalize a sultan. Gam Raha as an institution in the government of the Sultanate of Ternate, has four components, namely Soa Sio, Sangaji, Vice Heku, and Vice Cim. In the government agency of the Ternate sultanate, it can be seen that there is an amalgamation of two different elements where Soa Sio and Sangaji represent elements of the sultanate, while Heku and Cim represent elements of society. This concept is reflected in the philosophy of Kusu-Kusu Se Kano-Kano (Leader and People).

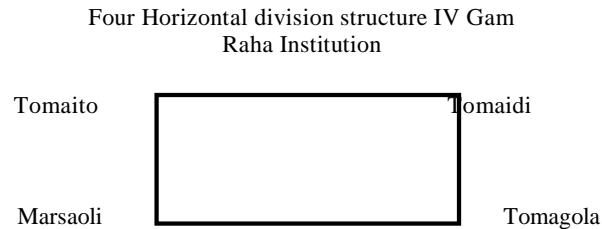


Figure 5.

From the discussion of the four concept of the division of the structure, illustrated that the meaning of the four that exist in the elements of culture Maluku North, clearly visible concept unitary state of Indonesia, in the division of the structure of government and the system of government as opinion Prof. Yakob sumarjo about four pattern underlying custom rules in North Maluku.

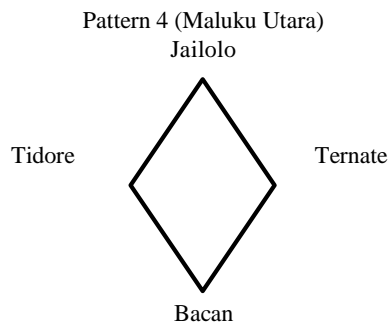


Figure 6.

Theories of democracy and regional head general election in Indonesia generally and especially in the province of North Maluku, many influenced and dominated theories of the West. Figures or expert political theory and democracy local or decentralization many developed by Western scientists, for example Smith, Dennis, rondenelli, Sabir, cheema, Nick devas and others. It is appropriate opinion purwo Smith that scientists West often put Indonesia as an object of the study incredible important resulting theories of recognized in the global level. Like Clifford Goetz, Benedict Anderson, Harold Crouch, Collin Brown, aniel S. Lev etc. they are scientists the West [6].

Don't miss also Muhammad yusus from Pakistan obtaining the Nobel Prize, conducting research in the region sub the Stone, Malang related to the system *arisan*, developed into gramenne the Bank. This shows that the local wisdom real a lot of life and owned by the state Indonesia just yet many explored and used by the local community is concerned. Local wisdom or local knowledge that put cultures good local and positive for developed in order to overcome the problem of the community.

In the perspective of theoretical, local elections which is one of the pillars of Democratic party in the area has the contribution of great to attempt embodiment of democracy and good governance in the area [7]. Decentralization believes able to provide the best way to improve the welfare of the people. The implementation of decentralization has the advantage a few things such as:

first, the decentralization a means of education political teach people much about the importance of the role of political debate in the selection, leadership in a local democracy. As a means of political education. Election directly give examples positive and elegant that need to be continued be grown by all the elements involved. Reality in the field this is not something that is easy to realize, but positive efforts to achieve this goal should keep implemented in view of the importance realize the moral political positive in the implementation of local politics.

Second, the decentralization is training in leadership political will result in political leaders who will result in political leaders enough in decision-making, consultation public and various dimention quality improvement local democracy. Many evidenced in amerka States that is that pretty much the President of previously served governor in the state. This kind of this does need to be developed because of experience in Indonesia training political leadership at positions strategic not so feel especially happen promotion political leadership of the local to the National. Although for the position of representative institutions training political leadership is more perceived rather than on the position of executive leadership.

Third, with the decentralization the political stability can be awake for participation great in political through local democracy. Even the confidence to the government will increase social harmony, spirit togetherness and political stability can be maintained and improved. Assumption is basically the greater the space participation public in pilkada directly means meet the needs of the participation of public that it takes all levels of the implementation of democracy. Local elections directly is one of the implementation of decentralization politics. General election directly believed to be a lot of produce impacts positive in the end boils down to the public welfare area.

General election head of the immediate area is part of the implementation of decentralization area is believed to be a lot of bring positive impact for administration local government, such as the increase in political participation true, the selection leadership local political Democratic, growing supply leader adequate for the National level. development political culture strong to sustain political culture National the availability of certainty increase in the welfare of the people of the area [8].

4 Conclusion

Diverse cultural, social, political, enrich the values of the philosophy of science. Society of North Maluku have experienced this since the first up now this pattern system in everyday life. Philosophy fala Raha transformation in four pattern integrated the concept of mythology ternate. In the status of society ternate work together and interdependence. Philosophy society ternate not apply only the past but to present this philosophy life kontemporor society of North Maluku and became the door to get to know the structure of the culture user community.

References

- [1] Amir, Sarifudin.: Ternate Ecology, structural analysis of the "seven daughters" myth in the Ternate culture of North Maluku. LIPI. Cibinong Bogor (2011)
- [2] Amal M, Adnan.: Spice Islands, History of North Maluku 1250-1950 Popular Literature Gramedia. Jakarta (2002)

- [3] Ahmad Mahdi.: Ternate-Indonesian-English Dictionary. UPI-Press Bandung Muluk, Khairul MR 2007, Decentralization and Local Government, Bayu Publishing, Malang (2011)
- [4] Marijan, Kacung.: Direct Piikada: Political Risks Economic Costs, Economic Accountability and Local Democracy (2007)
- [5] Lee Myungsuk.: Conceptualizing the New Governance: A New Institution of Social (2003)
- [6] Prasajo, Eko.: Community Participation in Regional Government Administration, Pratikno, Crucial Matters in the Revision of Pilkada (2007)
- [7] Indonesian Center for Law and Policy Studies, Regional Head Election (2005)
- [8] Rondinelli, JR. Nellis and G. Shabbir Cheena.: Decentralization in Developing Countries (1983)
- [9] Robertson, D.: Dictionary of Politics, Penguin Books, Londonha (2000)
- [10] Sartini.: Menggali Local Wisdom of the Archipelago as a Philosophical Study. In the journal Philosophy, August. 2004 Vol. 37 No.2 (2004)
- [11] Smith, T.M.: Decentralization, Tradition and Change in Indonesia, Transaction Publisher, new Brunswick. USA Coordination, Indiana University, Bloomington Indiana (1990)
- [12] Sumardjo, Yakob.: Aesthetic Paradox. Sunan Ambu. Bandung (2011)

Legal Protection of E-Wallet User in Digital Transaction

Sunaryo¹, Hanifah Nuraini²
 {sunaryo.1960@fh.unila.ac.id¹, hanifahwinartin10@gmail.com²}

Faculty of Law Lampung University, Bandar Lampung, Indonesia¹, Post Graduated Faculty of Law
 Lampung University, Bandar Lampung, Indonesia²

Abstract. Digital payment system combines technological element that has characteristic of effectiveness and efficiency in commercial transaction. Electronic wallet is an electronic service that is used to collect digital payment funds and store payment data. As a digital payment system, e-wallet is categorized in a micro scale payment which designed to serve small payments with high frequency. In practice, e-wallet has some risks such as malfunction, duplication of devices, repudiation. The risks are departing on the problem of digital e-wallet system performance that requires involvement by many stakeholders, so the complexity in business interactions and the system manage its risks. Legal protection of e-wallet users through legal arrangements creates interoperability in digital performance e-wallet payment system to give better digital payment. The right interoperability can optimize stakeholder capabilities in coordinating with each other. The effectiveness of coordination is built by system standardization in regulation instrument that can guarantee e-wallet legal protection.

Keywords: E-wallet, Legal Protection, Digital Transaction

1 Introduction

Digital transactions confront two parties with buyer and seller interests within information technology framework. Trading interests available for goods and services carried out with particular payment instrument. The payment instrument commonly used is cash payment as the rupiah exchange rate. However, the use of cash payment would causes some problems, especially high cash handling, robbery/theft, practicality and deployment of counterfeit money [1]. That risk eventually led to a renewal of payment instruments known as digital payment model or electronic payment [2].

The digital payment system is an innovation to designed facilitate access payments in digital transaction. Awais Ahmed said the digital payment system is a third party that helps transfer fund from payer to recipient [3]. This function then can make differentiates among digital payments and conventional payments. Cash or conventional payments tend not to require intermediaries in carrying out payment transactions and only reach some particular transaction services. Meanwhile, digital payment positions the system or operator as a third party in the transaction. This is intended that information technology can help payment performance more quickly and flexible. One of the types of digital payments available in Indonesia is Electronic wallet.

Electronic wallet (e-wallet) is defined as a software application that allows users to store payment instrument data, make digital payments and to be used for various types of digital transactions [4]. E-wallet applications are based on the type of data storage which called as server based. Digital payments using software like e-wallet can make an easier for users to access payments for payments to persons (P2P) and payments to business (P2B) [5]. Easiness of access refers to transaction efficiency without cash and speed up payment process.

E-wallet is a digital payments system that connect the rights and duty of the parties when carrying out transactions. These right and duty are emerged because of an agreement. For example, in a purchase contract, the buyer needed to pay a price to get the goods provided by the seller. This duty is carried out by the buyer using an e-wallet. Furthermore, e-wallet must be forward payments by transferring funds from the buyer to the seller. This case arises legal relationship between the buyer and the e-wallet and the e-wallet and the seller. The three parties establish an interconnection in a digital payment agreement. That's agreement occurs when the user registers an account into e-wallet application and the buyer is automatically deemed to have agreed to any terms of e-wallet. The substance of these provisions includes matters relating to the implementation and application of e-wallets including provisions regarding protection and management of risks or particular problems.

The risk of using e-wallet can happen because of the complexity of the interconnection of e-wallet systems. The complexity is due by many payment instruments involved. Some types of risks that can arise in the e-wallet application include fraud risk, technology risk, credit risk, reputation risk, and liquidity risk [6]. The quantity of risk places the management risk function and role into very important position. The function and role of management risk in e-wallet providers is becoming important with the existence of various risks that have the potential losses to impact the users of e-wallet services [6]. This research will discuss the construction of e-wallet user protection from law perspective. Reviewing the legal position in e-wallet management system which includes technological and economic elements, as well to analyse the effectiveness of risk management through standardization of the e-wallet system.

2. Literature Review

With the above focus area in view, the existing literature on the subject was studied, that is displays certain analyzes of the development and protection of e-commerce related to digital payments purse. Some of this previous research can also be a reference for renewable research that is concerned with e-wallet legal protection studies.

- a. The Mobile Wallet Ecosystem - A Challenge for Retail Banks? [10]
Technological innovation, recent regulatory initiatives and mass consumers "changing expectations are quickly re-shaping the payments" sector, paving the way to a more open environment where even non-banking players see a huge opportunity to gain momentum and disrupt the incumbents, namely the financial institutions. This paper contributes to provide a better understanding of the mobile wallet ecosystem, also analyzing a set of four business cases so to identify potential sources of competitive advantage for retail banks in a market characterized by an increased non-bank competition. Mobile wallet platforms can be a powerful tool for banks to cope with the customer-centric approach. The structure of the paper analyse the recent trends in the financial services industry, involving the entry of new players (Fintech); the evolution of payments in the market; the concept of ecosystem applied to the new payment landscape; and it outlines the banks' roles in the new mobile payment environment.

b. Legal Protection for Consumers in E-Commerce Transactions [5]

E-commerce is a form of trade that has special characteristics in transactions, namely the use of internet technology media without bringing together sellers and buyers. Research conducted by Bagus Hanindyo Mantri in his thesis resulted in the conclusion that The Act Number 8 Year of 1999 concerning Consumers Protection has not been able to protect consumers in e-commerce transactions due to the limited understanding of business actors who are only specifically in Indonesia and the limitations of regulated consumer rights. Legal protection for consumers should regulate matters including legal protection from the perspective of business actors, consumers, products and transactions.

3. Methods

The type of research used in this article is normative legal research with the object of clinical legal research [7]. The clinical legal research study begins with describing the legal fact of e-wallet application, then looks for solutions to legal protection problems through critical analysis of existing legal norms, and then finds concrete laws to solve problems related to risks and their prevention. In this study, the author uses conceptual approach [8] and statute approach [9] that departs from the views of jurists or doctrines. This conceptual approach will provide an overview of the mechanisms for implementing e-wallets. Meanwhile, in order to obtain a normalization description of a legal issue, it is necessary to examine the approach of the relevant legislation, such as the Indonesia Civil Law, the Banking Law, the Consumer Protection Law and the Bank Indonesia Regulations. The type of data used is secondary data, consisting of laws and regulations related to legal protection, contract law, and regulations related to the digital financial service provider sector. Meanwhile, secondary data is obtained through literature regarding theory, expert opinion, and journals regarding legal protection and electronic transaction activities.

4. Result and Discussion

Mobile payment is one of the digital payment models in Indonesia. Types of mobile payments vary depending on their functions and uses. Mobile payment is different from mobile banking even though it has similar facilities, namely as mobile money, mobile transfer and mobile wallet. Mobile payments can be used via mobile devices without requiring a bank account. That's make everyone who has a mobile device can use mobile payments without a bank account. One of the mobile payment facilities is a mobile wallet which is implemented through an e-wallet application [11]. In other words, e-wallets can only be used with intermediaries for telecommunications technology or other electronic devices.

The integration of telecommunication technology (cell phones) and payment is a complex process and requires coordination of various players and stakeholders. Every stakeholder has their respective roles according to their competency spectrum. That stakeholder including customers, financial service providers (FSPs), payment service providers (PSPs), merchants, transmission networks, mobile devices, regulators, product standardization, trusted service managers, and application development [6]. This coordination

including several aspects including economic aspects, legal aspects, and information technology and telecommunication aspects.

Based on economic perspective, it means that customers (consumers) and merchants control an important role in the digital payment system. This can be happened because main of e-wallet implementation desire and interests of the transactors. Without the interest consumer transaction e-wallets is meaningless. In the application of e-wallets, there are digital payment technology that must be supported by technological aspects by existing on wireless networks, the availability of digital financial services and digital payment services. Information technology and telecommunications networks are actualized with digital payment technology features through cellular devices. On the next level, law becomes the central connector between the interests of transactors and operators of the digital e-wallet system. The law step to connect these relations to establish regulations and standardize systems and products.

4.1 Digital Payment System of Operation E-wallet in Indonesia

The implementation of E-wallets in Indonesia is based on the interests of the micro payment business. These business interests is to accommodate people's daily transaction needs. In addition, the trend of using smartphones is also a factor in the development of e-wallets. Metasearch site iPrice Group and App Annie [12] one of data analysis company noted that the development of e-wallet applications in Indonesia increased by about 50% from the fourth quarter of 2017 to the second quarter of 2019.

E-wallets are built from the interconnection between stakeholders that form the structure of the digital system. Called as a digital system structure because the process of transmitting and processing e-wallet data is carried out by wireless networks and electronic devices. For example, consumers who want to buy products with an e-wallet application will be met with a Payment Gateway User Interface in the form of an order checkout display. Furthermore, the payment gateway through a digital network transmits checkout information to the e-wallet organizer. After the information is received, the e-wallet organizer confirms the payment by displaying token column or the pin. By entering the e-wallet pin number, the nominal information paid will be sent to the seller's mobile payment or acquirer. The balance that goes to the seller's account shows the successful transfer of buyer's funds through the digital network.

Refers to the Smart Card Alliance categorizations, there are several mobile payment models that can be applied in Indonesia, namely operator-centric models (such as mytelkomsel, myIM3), bank-centric models (such as Go Mobile by CIMB, BNI Mobile Banking, JakOne Mobile etc.), peer to peer models (such as Gopay, Ovo, Shopee pay) and the collaboration models (Sakuku, Dana, Jenius etc.). The exact models for the application of an e-wallet type of mobile payment is the peer to peer and collaboration models.

In the peer to peer models, independent service provides mobile payments between customers or between customers and agents. The peer to peer model is an innovation created by the payment industry newcomers who are trying to find ways to process payments without the use of existing wire transfers and bank card processing networks.

- a. Scenario 1: Providers distribute contactless cards / devices to customers and point of sale equipment (hereinafter written POS) to agents in a closed loop model.
- b. Scenario 2: Provider deploys a mobile payment application to activate NFC mobile devices.

- c. Scenario 3: A peer to peer service provider using an existing online application. No POS equipment required

Meanwhile, the collaboration models integrate the roles between banks, cellular operators and other stakeholders in mobile payment services, including third parties who can potentially control and supervise the deployment of mobile applications. This model includes two possible scenarios:

- a. Scenario 1: A mobile operator partner with one bank collaborates to offer m-payment services to a particular bank
- b. Scenario 2: The representation of Industry associations mobile operators and financial institutions negotiate and set standards for applications that are on the secure element on mobile devices that allow several types of cards from different banks to be used.

The peer to peer model is found in the e-wallet type of close loop system, it means the use of e-wallets is limited to transactions for products presented by the platform concerned. For example, in using Gopay, consumers can use the Gopay e-wallet only on features or services belonging to the Gojek platform such as Gofood, Goshop, Gosend and so on. This type of e-wallet is made by a fintech company to facilitate the flow of digital service transactions in one ecosystem. This is different from the collaboration model which is able to integrate several types of transactions, both credit and debit, in one application. Some of the types of transactions referred to include digital transaction services in an open loop system. Consumers can function e-wallets like conventional wallets, which are digital fundraising services that can be used as digital payment instruments. E-wallet Dana, for example, consumers can use it for transaction services that are not limited to applications. This means that digital money in the Dana application is not closed, but more flexible. Because this type of e-wallet was not born from a fintech company that had previously provided certain digital services. The two types basically reflect the form of e-wallet use in Indonesia. Although different, both the peer to peer model and the collaboration model have their respective advantages. The advantages presented by each model will depend on the preferences of the people as users.

4.2 Legal relation of the parties for E-wallet Operation

Electronic transaction with digital payments is form of the law that configurations a legal relation between the parties. The law is meant an action that appear from the agreement as a legal relation between two or more legal subjects in the field of property law. The question is whether the actions of someone who connect to digital payment technology like e-wallet can be called as a legal agreement? When technology is not a legal subject.

Digital payment agreement with e-wallet involves a system structure. Collaboration among individual subjects and the system puts the concept of agreement at a uncertain point. This happens because the system is formed by combination of tools and technology that obscures the interaction between legal subjects. For example, buyers who use e-wallets will believe that themselves interacting with digital application technology without understanding that e-wallet are formed by a legal entity that is required to the legality of operate. Thus, the law in the operation of e-wallets can fulfil the requirements of the agreement if the e-wallet issuer is a licenced as legal entity.

Provisions regarding the legality of e-wallet operation are stipulated in national regulations through Bank Indonesia Regulation 18/40/PBI/2016 (herein after written as PBI PPTP). This regulation states that in order to operate an e-wallet, the issuing company must obtain a licence from Bank Indonesia. One of the main requirements for obtaining this permit is to legalize the e-wallet company in the form of a legal entity that is officially registered with

the Ministry of Law and Human Rights [13]. This provision implies the reach of the agreement in use of digital e-wallet payments.

The commitment to implementing the e-wallet digital payment system creates a legal relationship between the parties involved. The following is a scheme of legal relation among consumers, e-wallet providers, merchants, which is possible with issuers and acquirers.

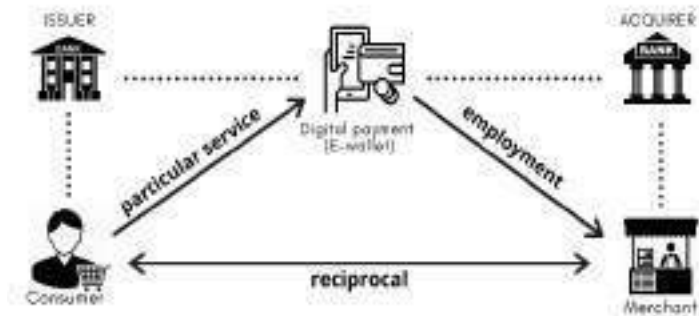


Figure 1. Legal relation in Operating E-wallet

In the relation between the e-wallet provider and the user or account owner, the fundamental responsibility of the provider is to offer a guarantee that the electronic money is holds can be used as a means of payment for affiliated merchants. The object of this type may be possible to be complete with the employment contract or more specifically a particular services provision contract. [14]. E-wallet operators will take action in the form of digital payment services where the e-wallet provider will get a fee for the service they do. Particular service provision contracts are coordinative, meaning that users and e-wallet operators coordinate with each other through features on digital devices. Apart from the agreement for the provision of certain services, the relation between users and operators of e-wallets in terms of form can be classified as a standard contract. This agreement is created when someone agrees to bind themselves to an agreement that has been established by the other party [15]. In other words, dealing in the standard contract will occurs when someone input their data to the e-wallet application, and for a moment, that person's status changes to an e-wallet user. This situation is interpreted as a form of user deal with all provisions set by the e-wallet operator.

It's different with the relation between e-wallet providers and merchant. In this relation, merchant retail must already have collaboration with e-wallet providers to be able to use e-wallet facilities as an alternative consumer payment. The cooperation makes merchants an affiliated party with e-wallets. The right contract to fulfil this act is a employment services contract. According to Abdulkadir Muhammad, the implementation of employment agreement is the realization or fulfilment of the rights and duties that have been agreed upon by the parties so that the agreement can achieve these goals [16]. In essence, this contract will regulate action in business activities between merchants and e-wallet providers.

Furthermore, the relation between e-wallet providers and issuer banks (consumer-owned banks) and/or acquirer banks (banks with merchant accounts) is related to the funds transfer from bank accounts that are converted to be electronic money into digital payment instrument accounts or bank accounts of other parties. Funds transfer between bank accounts is optional. This mean the use of the top up balance feature in the e-wallet application can be done in various ways, not only by transferring via bank accounts. This is because e-wallets have similar characteristics with electronic money. Funds stored in e-wallets are not bank deposits,

because the value of money deposited by users to e-wallet service providers is not placed in bank account [17].

This function of e-wallets in this case is limited to storing electronic money and storing data on payment instruments. This act can be complemented by an employment contract. The electronic money storage comes from the user's bank account. In other words, the relation between issuers, e-wallet providers and acquirers requires employment contracts to link each other. Without cooperating with banking institutions, e-wallet operators cannot function properly.

The relation between the issuer and the consumer is as well as the acquirer and the merchant, both of which concern the relation between the customer and the banking company [18]. The appropriate contract to fulfil this action is the banking contract in general. And for the main legal relation between consumers and merchants will be bound by an agreement called a reciprocal contract [14].

Sequence of legal relation will lead to the agreement purpose of the parties. In achieving this purpose, each party involved cannot be separated from legal responsibility. Legal liability is closely related to errors, omissions or omissions in the implementation of the agreement [19]. The interconnection of digital payment agreements between consumers, e-wallet providers and merchants provides will give protection for the implementation of transactions for any problems that occur through guarantees of legal liability. Each party is responsible for the obligations it carries. Violating the agreement means being responsible for the consequences of losses suffered by the other party. The ideal and appropriate form of agreement can optimize the protection of the implementation of the agreement through the guarantee of legal liability.

4.3 The construction of legal protection for e-wallet operations

Besides providing various benefits and conveniences for users, e-wallet digital payment system actually also has various potential risks. The weakness of using e-wallets lies in the acceleration of the digital system itself. The adopting of digital systems into payment instruments will combine several methods of electronic payment systems by connecting to each other via the internet, including credit card networks, debit cards, electronic money and e-wallets based on stored values, smart cards or other technologies [17]. Digital interconnection then creates potential system risks which are very different from conventional payments.

The risk of implementing e-wallet has an impact on users and service providers. Types of risk that occur include fraud risk, technology risk, credit risk, liquidity risk, reputation risk, money laundering risk, and regulatory compliance risk. This risk arises because of vulnerabilities in e-wallets that can pose threats in the form of network hacking, data theft, virus infections, illegal transactions, and abuse of authority. To reduce the risks that arise, mitigation and prevention efforts through standardization of digital payment systems need to be carried out massively and systematically. The details of risk analysis that can occur in e-wallet operations will be explained in the table below.

Table 1. The risk of E-wallet Operations

Risk category	Risk	Form of vulnerability
Money Laundering	Failure to comply with recording, screening and reporting	The funds used for digital transactions are the proceeds of money laundering

	requirements intended to detect financial crimes, prevent illegal cross-border payments and prevent terrorist financing	
<i>Fraud</i>	Failure to prevent or obstruct unauthorized transactions, interception of confidential information or other fraudulent activities caused by weak networks and systems.	Fake transactions by third parties that steal user data
<i>Compliance</i>	Failure to comply with consumer protection laws and other regulations	Making digital payment instruments a tool for money laundering and / or illegal transactions
<i>Credit</i>	Possible losses from failure to verify funds sender, fund recipient or e-wallet organizer	Change the transaction scanning machine settings (such as POS and NFC scanner) with the intention of stealing customer data and committing fake transactions
<i>Liquidity</i>	The theft of funds by third parties occurs as a result of the easier use of e-wallet services in conducting financial transactions	The number of transactions that move funds from one financial institution to another
<i>Technology</i>	Failure to protect information due to adoption of unclear technology, spam, theft of services, theft of services and content, and software piracy	Network and system hacking results in transaction failures, data stolen, and lost funds
<i>Reputation</i>	Negative consumer experience can reflect an organizer's bad reputation or reduce the level of public trust	Poor risk management services, inadequate access to complaint mechanism.

The types of that risks, require appropriate risk management measures to minimize losses. Risk management actions are carried out by risk mitigation that is focused on reducing the potential for risk [20]. An effort that can be taken to reduce risk are by creating regulator standards that determine the term of operation. The regulatory standards must accommodate the interest of service provider and e-wallet users. This standardization is also intended to create a smooth, safe, efficient and reliable payment system that emphasizes the fulfilment of the prudential principles and adequate risk management while still taking account into national interest and consumer protection.

International Organization for Standardization or what is called ISO is a federation of national standards around the world that relies on the ISO committee to create particular standards. ISO 12812 is document that contains requirements, standards and recommendations for the implementation of digital payments [21] is divided into five documents. The object of ISO 12812 regulation relates to the mechanism for implementing a digital payment system, including payment by e-wallet. ISO 12812 basically contains about:

- a. Facilitate and promote interoperability between the different components or functions building mobile financial services;
- b. Build a safe environment so that consumers and merchants can trust the service and allow the mobile finance services providers to manage their risks;

- c. Promote consumer protection mechanisms including – fair contract terms, rules on transparency of charges, clarification of liability, complaints mechanisms and dispute resolution;
- d. Enable the consumer to choose from different providers of devices or mobile financial services – including the possibility to contract with several mobile financial service providers for services on the same device;
- e. Enable the consumer to transfer a mobile financial service from one device to another one (portability);

Standards set by ISO 12812 can serve as guidelines for implementing mobile payments for all digital payment company developers in the world. This guide was created to assist digital platforms in structuring a quality digital system. By setting this international standard, it is hoped that digital payment service developers will be able to build reliable and trusted technology capabilities. Risk management, complaint mechanisms and consumer protection are among the prerequisites for international standards that must be met by digital payment providers including e-wallet operators. ISO 12812 is a provision that establishes standards for the development and implementation of digital payments, but its nature is not binding and coercive. In other words, ISO does not require every digital payment provider to implement the standards it sets. ISO standardization is manifested in the form of certification to implementing companies that have met the requirements. This certification serves to increase the brand of digital products and increase consumer trust.

In Indonesia, the standard of reliable e-wallet operation is embodied in normative policies in the form of regulations. This normative policy is an implementation of legal protection for e-wallet users. Legal protection for e-wallet users in digital payment activities is carried out in two forms, namely preventive protection and repressive protection. Preventive protection, namely through rules set by the government and in the form of an agreement between the e-wallet provider and the user. Repressive protection is an effort to protect the law through dispute resolution in court as well as alternative dispute resolution [22].

The standard of implementing an accountable and reliable e-wallet is implemented by fulfilling an adequate and quality operational system. The requirements for realizing the quality of the operational system are listed in Article 18 of the PBI PPTP which essentially requires the operator to fulfil:

- a. Effective and consistent risk management
- b. Information system security standards
- c. The operation of processing domestic payment transactions
- d. Consumer protection

System security standards by e-wallet operators can be met by implementing data security and information on payment instruments, optimizing systems and procedures for activation and use of e-wallets and implementing fraud detection systems. This standard is mandatory and must be fulfilled by e-wallet service providers. The mandatory phrase in a Bank Indonesia Regulation is intended to demand that operators apply ideal security principles. The application of this ideal security principle is necessary in terms of overcoming and reducing risks arising from system vulnerabilities or weaknesses such as fraud risk, credit risk and technology risk.

The relation between organizers and consumers often creates unreal bargaining [23] the imbalance in this relationship is caused by the presence of asymmetric information and power imbalances. In this case, e-wallet operators have a more dominant position than consumers. Bank Indonesia consciously understands this condition. Therefore, in order to maintain and

regulate the smooth operation of the digital payment system, Bank Indonesia in accordance with its authority stipulates a special regulation regarding consumer protection for payment system services in Bank Indonesia Regulation Number 16/1 / PBI / 2014 (hereinafter written as PBI 16/2014)

PBI 16/2014 provisions were created to accommodate consumer protection principles that apply as international standards. These principles include the principles of fairness and reliability, transparency, protection of personal data and the effective handling and resolution of consumer complaints (complaint mechanism). The implementation of consumer protection principles by the organizers is expected to create a balanced bargaining position between e-wallet operators and consumers, which is the embodiment of the principle of equality in the agreement. In addition, consumer protection for digital payment system services can also prevent various risks, such as reputation risk, compliance risk, fraud risk, and etc.

5 Conclusion

Digital transactions combine the functions of information technology with people's economic activities. Digital payment systems are promoted as digital transaction innovations to create payment system updates that reflect technological sophistication via mobile devices. E-wallets are a form of digital payment that exists in Indonesia. The use of e-wallet which is very easy and practical makes it much in demand by the public. However, behind its simplicity, e-wallets also have a several risks that can potentially harm users. These risks include fraud risk, technology risk, credit risk, liquidity risk, reputation risk, money laundering risk and compliance risk. To overcome this risk, a well-standardized digital payment system policy is needed. Standardization is carried out to create an accountable and reliable operational quality for e-wallet operations. The digital payment system policy is set out in the form of a Bank Indonesia Regulation. In this regulation, the standardization of the digital e-wallet payment system includes matters such as licensing, determination of quality risk management, information system security standards, and compliance with the principles of consumer protection for payment system services.

References

- [1] A. Hidayat, A. Firmansyah, F. Aulia, and Dkk, "Upaya Meningkatkan Penggunaan Alat Pembayaran Non Tunai Melalui Pengembangan E-Money," 2006.
- [2] S. Sumanjeet, "Emergence of payment systems in the age of electronic commerce: The state of art," in *1st South Central Asian Himalayas Regional IEEE/IFIP International Conference on Internet, AH-ICI 2009*, 2009, vol. 3, no. 3, pp. 18–40, doi: 10.1109/AHICI.2009.5340318.
- [3] A. Ahmed, A. Aziz, and M. Muneeb, "Electronic payment system: A complete guide," *J. Multidiscip. Sci.*, vol. 1, no. 2, pp. 1–17, 2019, doi: 10.33888/jms.2019.121.
- [4] G. Sameer, N. Marie-Claude, and R. Kausik, "Gauging the disruptive potential of digital wallets," *McKinsey on Payments*, vol. 8, no. 21, pp. 3–11, 2015.
- [5] B. H. Mantri, "PERLINDUNGAN HUKUM TERHADAP KONSUMEN DALAM TRANSAKSI E-COMMERCE," 2007.
- [6] R. Untoro, A. Trenggana, and K. Dewi, "Pemetaan Produk Dan Risiko Pembayaran Bergerak (Mobile Payment) Dalam Sistem Pembayaran Di Indonesia," *Pemetaan Prod. Dan Risiko Pembayaran Berger. (Mobile Payment) Dalam Sist. Pembayaran Di Indones.*, pp. 1–74, 2013.

- [7] Bachtiar, *Metode Penelitian Hukum*, no. 1. 2018.
- [8] D. L. Sonata, "Metode Penelitian Hukum Normatif dan Empiris: Karakteristik Khas Dari Metode Meneliti Hukum," *Fiat Justicia*, vol. 8, no. 1, pp. 15–35, 2014, doi: 10.25041/fiatjustisia.v8no1.283.
- [9] M. H. Hakim, "Pergeseran Orientasi Penelitian Hukum: Dari Doktrinal Ke Sosio-Legal," *Syariah J. Huk. dan Pemikir.*, vol. 113, no. 2, p. 105, 2016, doi: 10.18592/sy.v16i2.1031.
- [10] A. E. Omarini, "Fintech and the future of the payment landscape: The mobile wallet ecosystem - A challenge for retail banks?," *Int. J. Financ. Res.*, vol. 9, no. 4, pp. 97–116, 2018, doi: 10.5430/ijfr.v9n4p97.
- [11] S. M. Pandey and M. Crowe, *Choosing a Mobile Wallet : The Consumer Perspective*. 2017.
- [12] S. A. E. Mahani, "Profil Digital Payment Di Indonesia: Peluang dan Resiko," 2019.
- [13] *Lampiran Surat Edaran Bank Indonesia Nomor 18/41/DKSP Perihal Penyelenggaraan Pemrosesan Transaksi Pembayaran*, vol., no. 2016, pp. 1–47.
- [14] Ernawati, "Analisis Perjanjian Kerjasama Pemberian Jasa Layanan Atas Uang Tunai Antara PT. Bank ICB BUMIPUTERA, Tbk dengan PT. ALPHA EMS," 2013.
- [15] H. Nuraini, "Disparitas Putusan Pengadilan Mengenai Klausula Baku yang Dilarang Dalam Perjanjian Konsumen," 2019.
- [16] S. R. Ilhami, "Pelaksanaan perjanjian kerjasama antara pt. serasi autoraya dengan audi variasi," *J. online Mhs. Fak. Huk.*, vol. II, no. 1, pp. 1–15, 2015.
- [17] R. USMAN, "Karakteristik Uang Elektronik Dalam Sistem Pembayaran," *Yuridika*, vol. 32, no. 1, p. 134, 2017, doi: 10.20473/ydk.v32i1.4431.
- [18] C. S. Rosul, "Hubungan Hukum Penyelenggara Payment Gateway dan Konsumen dalam Sistem Pembayaran Elektronik," *Jurist-Diction*, vol. 2, no. 5, pp. 1611–1630, 2019.
- [19] T. Pangaribuan, "Permasalahan Penerapan Klausula Pembatasan Pertanggungjawaban Dalam Perjanjian Terkait Hak Menuntut Ganti Kerugian Akibat Wanprestasi," *J. Huk. Pembang.*, vol. 49, no. 2, p. 443, 2019, doi: 10.21143/jhp.vol49.no2.2012.
- [20] Mitigasi Risiko Pembiayaan Pada Bank Perkreditan Rakyat Syariah (BPRS) SAFIR Cabang Curup Kabupaten Rejang Lebong, "Ika Gustin Rahayu, Hendrianto," *Al Falah J. Islam. Econ.*, vol. 3, no. 2, pp. 2–22, 2018.
- [21] P. Forum, "Mobile and Digital Wallets: US Landscape and Strategic Considerations for Merchants and Financial Institutions," 2018.
- [22] J. Musfirotin, "Perlindungan Hukum Terhadap Transaksi Uang Elektronik Berdasarkan Fatwa No.116/DSN-MUI/XI/2017 Tentang Uang Elektronik Syariah Oleh Bank Syariah," *Jurist-Diction*, vol. 3, no. 1, p. 187, 2020, doi: 10.20473/jd.v3i1.17632.
- [23] P. Smith, "Coping with the death of the bargain without burying the spirit of the law: A 'foundational' approach to comparative law and its application to adhesion contracts in Louisiana," *LA. Law Rev.*, vol. 76, no. 4, pp. 1277–1337, 2016.

Implications Transformation Fund Village Regulation About Corona Virus Disease (Covid-19) To New Perspective Social In Village Communities

Nitaria Angkasa¹
{nitariapasa@gmail.com¹}

Universitas Muhammadiyah Metro, Lampung, Indonesia¹

Abstract: The priority for the use of village funds is currently undergoing extraordinary changes, based on the provisions instructed by the central government, so that the central government, local governments and village governments take action by changing the regulations and priorities of village funds to help the community. The problems that will be discussed in this article are how the forms of social change that occur in rural communities as a result of the COVID-19 outbreak and its implications, as well as how changes in priority regulations for village funds in helping villagers affected by the COVID-19 outbreak. The method used in this research is empirical norms by conducting literature reviews or literature reviews or social facts. The results showed that the forms of social change that occurred in rural communities, first to the social itself, second related to the work of rural communities, and the third to the economy of rural communities. The form of regulatory changes in the response to COVID-19 is the Minister of Health Regulation Number 6 of 2020 concerning Amendments to Permendes and PDTT Number 11/2019 concerning Priority for the Use of Village Funds in 2020, this was carried out on the mandate of Perpu Number 1 of 2020 concerning State Financial Policy and Management Financial System Stability Corona Virus Disease 2019 (COVID-19) and / or in the Context of Facing Threats that Endanger the Nation.

Keywords: Implications Regulation, Funds Village, COVID-19 and Social Change

1 Introduction

With the passing of Law Number 6 of 2014 concerning Villages, villages are given a great opportunity to take care of their own governance, including financial management, and carry out development to improve the welfare and quality of life of rural communities. The implementation of village governance is expected to encourage increased capacity and independence through community participation in utilize resources to achieve community welfare. Implementation is manifested in the form of a government system that regulates long-term development plans, village policies and regulations as well as sources of development financing.[1] Therefore, it is necessary to have a firm and consistent arrangement regarding the budget for village development costs both at the national and regional levels. Regional authority to regulate the proportion of village development budgets is very important as a form of siding with the village community.[2]

The implementation of village autonomy encourages the government and village communities to be more independent in regulating and managing village households, including in this matter regulating and managing the Village Income and Expenditure Budget (APBDesa), Village Original Income (PADesa) as a source of budget revenue or income

villages play a very important role in village development, and for the implementation of Village autonomy. The Village Revenue and Expenditure Budget (APBDesa) is an integral part of the village household and development policy tools. In supporting the implementation of development in the village, it is necessary to ascertain costs that come from various sources, both government, private and local communities.[3]

The roles and responsibilities accepted by the village have not been balanced with adequate Human Resources (HR) both in terms of quantity and quality. The amount of funds that must be managed by the village government has a high enough risk in its management. Therefore, the government, provincial governments, and district / city governments help empower village communities by assisting in planning, implementing and monitoring village development. Even though the funds owned by a village are very large, if it is not properly regulated in planning and its users, it will result in the funds being wasted or not being able to provide maximum results for the village head.[4] According to Sukasmanto, the process of implementing the village budget is influenced by several factors, namely: transparency, accountability, community participation, effective governance, responses to developing aspirations in the community, and being prepared professionally.

The priority for the use of village funds is currently undergoing extraordinary changes, this is based on the provisions that have been instructed by the central government. This was done because the world is currently experiencing an economic and development crisis caused by the Corona Virus Disease (COVID-19) outbreak. The COVID-19 outbreak not only destroys the world's economy but kills every human being exposed to the virus. This is due to the Corona Virus outbreak which is increasingly increasing the number of victims who are exposed, even those who die in each country. The latest data obtained from Wordometers, 3.1 million cases or more, with 951,030 recovered and 217,094 died. While in Indonesia itself, there are 9,511 people affected by the corona virus, with this data that Indonesia must find the right steps to reduce the number of people affected by the coronavirus. In addition, those who are at the forefront of handling cases of this coronavirus outbreak are the medics, the TNI / Polri and other parties involved.

Thus, the government changed all regulations and rules relating to the use of village funds and village officials made changes to the Village Revenue and Expenditure Budget (APBDesa) which was set in the previous fiscal year to help people who lost their jobs due to the COVID-19 outbreak. The assistance was given directly to the community in the form of direct cash assistance (BLT). The budget comes from the Village Fund which is prioritized to help people who have lost their jobs, because if this is not done by the government, the community will revolt and even many victims who die not because of COVID-19 but from starvation.

Even though this is a form of extraordinary social change felt by the Indonesian people, especially rural communities. The changes range from regulations, priorities, even to the daily lives of village communities who are not allowed to leave the house and must maintain their distance by the government. Based on this, the authors are interested in conducting research in the perspective of social changes that have occurred due to COVID-19 and the form of government responsibility in dealing with this problem by changing the priority regulations for village funds that have been set. The issues that will be discussed in this article are what are the forms of social change that have occurred in rural communities due to the COVID-19 outbreak and its implications, and what are the forms of changes to the priority regulations for village funds in helping rural communities affected by the COVID-19 outbreak.

2 Research Methods

This research is a research using literature review. Literature review or literature research is research that examines, reviews or critically assesses knowledge, ideas, ideas or findings contained in an academic-oriented literature, and formulates and constructs contributions theoretical and methodological for a particular topic. The focus of the literature review is to find various ideas, principles, propositions, theories, or laws that are used to examine and analyze as an effort to answer the research questions formulated.[5] The method of analysis in research with this literature review is descriptive analysis, in which the interpretation of ideas or information / data is carried out regularly and then given a clear explanation so that it can be understood properly.

3 Discussion

3.1 Forms of Social Change Occurring in Village Communities Due to the Outbreak of COVID-19 and its Implications

In its most concrete sense, social change means that most people are involved in group activities and group relationships that are different from what they have done or what their parents have done before. Society is a complex network of relationship patterns in which all people participate with their respective degrees of relatedness.[6] These relationships change and behavior changes at the same time. Individuals are faced with new situations to which they must respond. These situations reflect certain factors such as technology, new ways of looking for income, changes in place of residence, and new innovations, new ideas, and new values. Thus, social change is a change in how people work, raise their children, educate their children, organize themselves, and seek a deeper meaning in life. Social change can also mean a restructuring in the basic ways in which people in society engage with one another regarding governance, economy, education, religion, family life, recreation, language and other activities.

In modern society, the role of law in social change is more than just theoretical interest. In many areas of social life, such as education, racial relations, housing, transportation, energy use, and environmental protection, law has been recognized as an important instrument of change. In the United States, the law has been used as the primary mechanism for enhancing the political and social position of blacks (blacks). Since the 1960s, courts and Congress have abrogated the racial caste system embedded in law and which has been practiced for generations. The Old Order has been swept away by legislation, including the Civil Rights Act of 1964 and the Voting Rights Act of 1965, followed by billions of dollars in commitments to social welfare programs.[7]

Based on the results of research by conducting interviews, 48 percent of respondents admitted that their social life was disrupted due to the COVID-19 corona virus. The social changes experienced by society today have had a profound impact on social, habitual and economic conditions. Village communities who are accustomed to cooperative life and strong social interactions are trying to find a way out to continue socializing even though there is a physical distancing policy. The use of digital technology is the answer that makes rural communities now begin to depend on their interactions through cyberspace, but not all village communities have technology and able to imply it. This happens because it is impossible for

someone to be able to be alone continuously. After the COVID-19 corona virus pandemic ended, holding a meeting was a direct reaction to the people's longing to meet. Where many places will be enlivened with gathering activities.

Physical distancing and PSBB policies led to the enactment of WFH. There are many adjustments that people need to make in undergoing WFH. Where discipline is an important value to live a more productive WFH. Meanwhile, there are a number of people who think that WFH makes work more relaxed. That shouldn't be the case, keep doing the habit of getting up early and preparing yourself like working in an office. Meanwhile, for women, it was not easy to undergo WFH. In fact, it is even more tiring than working in an office. Women have to take care of household needs, look after children, as well as do work that is usually done in the office. But on the other hand, entrepreneurs and the government can observe how WFH is a new pattern in carrying out work activities in the future.

Someone's plans for vacations are disturbed and even changed. Tourism is the third sector affected by the COVID-19 corona virus pandemic. Automatically, hospitality has decreased in visitors. Some hotels have eliminated buffets or buffets due to the absence of visitors. This means that spending on restaurant raw materials in hotels is reduced, which has an impact on the lower class economy. So, what about the economic sector? Specifically, this survey does not explain the economic downturn. Rather, it shows the changing style of consumers who rely on digital options. As many as 24 percent of respondents were forced to change their conventional shopping habits online. So that there has been an increase in online shopping activities among the public. Online shopping is not new. However, not all levels of society rely on this option as a shopping activity. The increase in online shopping activities has an impact on economic players who have to prepare digital options suddenly. Not only providing delivery services, but various shopping activities and transactions are also carried out online. Due to urgent factors, making digital services unsatisfactory.[8]

Every crisis there will be a new normal. There will be a change in norms. But there will be an immediate reaction when meeting up. Many companies and governments will understand the impact of WFH. Online shopping will continue and become a new habit, "said Iwan Murty as CEO and Founder of RB Consulting. When the physical distancing and PSBB policies end, it doesn't mean that people will return to their original state. In fact, there are several new habits that emerge and have an impact on life. economy, where the community will maintain some of their online habits, so that business people must finalize their digital options to make them stronger and able to provide satisfying services to consumers.

The changes that have occurred in rural communities due to the outbreak of COVID-19 as mentioned above, as a whole cannot keep up with the development of the times in such a way. Many village people are clueless about making technological developments that are believed to be able to help in their interactions, it turns out that in the village community it cannot be fully utilized. However, this use can be carried out by a young age which can imply the technology. The foregoing is a form of social change that has occurred in rural communities due to the spread of COVID-19.

3.2 Forms of Changes to Village Fund Priority Regulations in Assisting Village Communities Affected by the COVID-19 Outbreak.

Law Number 6 of 2014 concerning Villages, villages are given a great opportunity to manage their own governance, including financial management, as well as carry out development to improve the welfare and quality of life of rural communities.[9] The implementation of Law Number 6 concerning Villages is in line with the National Development Program as stated in the 2015-2019 National RPJM, which is "Building

Indonesia from the periphery by strengthening regions and DESA within the framework of the Republic of Indonesia". As a follow-up, the 2015 APBN-P has allocated Village Funds of ± IDR 20.776 trillion for 74,093 villages spread across Indonesia, and in the following years it will continue to grow, even reaching more than 1 billion for each village.[10]

In addition to the Village Fund, according to Article 72 of Law Number 6 concerning Villages, villages also manage finances derived from Village Original Income and other Transfer Income in the form of Village Fund Allocation (ADD); Share of Regency / City Taxes and Levies; and Financial Assistance from Provincial / Regency / City APBD.[11] In addition, the village government is expected to be more independent in managing the government and its various natural resources, including financial management and village property.[12] The village has so big a role, of course, accompanied by a big responsibility. Therefore, the village government must be able to apply the principles of transparency and accountability in light of village financial management.

The large amount of funds provided to the village, the various amounts of reporting and the existence of critical points in village financial management, of course, also demands a great deal of responsibility by the Village Government Officials.[13] Therefore the Village Government must be able to apply the principle of accountability in the management of village finances, where all the end of the activities of the village administration must be accountable to the village community in accordance with the provisions so that good village governance can be realized (Good Village Governance).[14] To be able to apply the principle of accountability, various supporting resources and facilities are needed, including competent human resources and adequate and reliable information technology support. However, seen from the inadequate condition of the Village Human Resources, many parties are concerned about the implementation of this Village Law. There are risks that must be anticipated so that what is feared does not occur.

Another obstacle is that the village does not yet have procedures and support for facilities and infrastructure in managing its finances, and the community is not yet critical of managing the village income and expenditure budget.[15] The amount of funds that must be managed should not be a disaster, especially for village government officials. The phenomenon of regional officials being caught in legal cases should not be repeated on the village government scale.[16] Village Government officials and the Village Consultative Body (BPD) must have an understanding of laws and regulations and other provisions, and have the ability to carry out accounting and / or bookkeeping. Therefore, as mandated in Law Number 6 concerning Villages, the Government in this case the Ministry of Home Affairs, the Ministry of Finance, the Ministry of Villages for Disadvantaged Areas and Transmigration, the Provincial Government, Regency / City and District Governments are expected to be more effective in their respective roles in conduct supervision and guidance in managing village finances.[17]

However, this has changed with the policy issued by the Ministry of Villages, Development of Disadvantaged Areas and Transmigration (Kemendes PDTT) changing the priority of using village funds in the midst of the COVID-19 pandemic. Previously, more village funds were provided for two major activities, village development and community empowerment, but now this has changed to address the impact of Covid-19 in villages. Through direct cash assistance (BLT) provided to village communities affected by COVID-19. However, this BLT is not something that will fill the empty space of existing assistance, starting from the family hope program (PKH), non-cash food assistance (BPNT), and the pre-employment card program.

The policies carried out by the Ministry of PDTT are in accordance with the mandate of Perpu Number 1 of 2020 concerning State Financial Policy and Financial System Stability for

Handling the 2019 Corona Virus Disease (COVID-19) Pandemic and / or in the Context of Facing Threats that Endanger the National Economy and / or System Stability Finance and Presidential Regulation Number 54 of 2020 concerning Posture Changes and Details of the State Budget for Fiscal Year 2020 and PMK 35 / PMK.07 / 2020 concerning Management of TKDD FY 2020 in the context of Handling the Covid-19 Pandemic and / or facing a Threat that Endangered the Economy National.

With this mandate, the village government in particular must make changes to the Village Revenue and Expenditure Budget (APBDesa) which was set in the previous budget year. This is in accordance with the Instruction of the Minister of Home Affairs No. 3 of 2020 concerning the Prevention of Corona Virus Disease 2019 (COVID-19) in Villages through APBDes. With this change in regulation, it is certain that the village head and his apparatus must form a legal product as an explanation that will cover these changes, namely in the form of village regulations.

The first allocation of village funds is to make villages responsive to COVID-19 by strengthening the village level in preventing the spread of the COVID-19 virus. With village funds, said Anwar, villages must mitigate so that their residents are not exposed to the virus, in addition to being ready to handle if there are residents who are indicated to be infected with COVID-19. The second priority of village funds is for villages to make village cash labor intensive. This is because the COVID-19 pandemic has made rural people lose their jobs in cities, so they have to return to their villages. This has made the poverty rate in the village increase. The use of the third village fund, Anwar continued, was direct cash assistance for villagers. Anwar explained that the cabinet meeting mandated the high wave of unemployment, it was decided that 30 percent of the village fund allocation was used for direct cash assistance.

This change in the authority of village funds was strengthened by the issuance of Village Ministerial Regulation Number 6 of 2020 concerning amendments to Permendes Number 11 of 2019 concerning priorities for the use of village budgets. In addition, Permendes 6/2020 also accommodates the integration of a Mendes circular letter related to the role of villages in handling COVID-19. This change integrates from a circular issued, namely E-Circular Letter Number 4 of 2020 concerning village cash labor intensive, Circular Number 8 2020 concerning COVID-19 ladder Villages, and Circular Letter Number 11 of 2020 concerning Direct Cash Assistance for rural communities.

4. Conclusion

Based on the description above, the conclusions that the author can give in the article are as follows:

1. The form of social change that is felt by the village community as a result of the COVID-19 consists of several things: first on the social itself, which means that village people who usually uphold the value of mutual cooperation and gather with community members, with this COVID-19 can't be done. Second, with regard to jobs, village people who usually work in trade, farming and gardening and so on, currently the community cannot do this. Third, changes to the economy, with the implementation of a lockdown, people cannot carry out activities as usual to get sustenance for the sake of making daily needs available, with the COVID-19 outbreak, people can only accept assistance from the government.

2. The form of regulatory changes made by the government by changing the priority of using village funds to help the community through Direct Cash Assistance. This is based on Permendes No. 6 of 2020 concerning Amendments to Permendes and PDTT No. 11/2019 concerning Priority Use of Village Funds in 2020. This was carried out under the mandate of Perpu Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (COVID-19) Pandemic and / or in the Context of Facing a Dangerous Threat National Economy and / or Financial System Stability and Presidential Regulation Number 54 of 2020 concerning Posture Changes and Details of the State Budget for Fiscal Year 2020 and PMK 35 / PMK.07 / 2020 concerning Management of TKDD FY 2020 in the context of Handling the Covid-19 Pandemic and / or facing threats that endanger the national economy.

References

- [1] M. Sofiyanto, R. M. Mardani, and M. G. Salim, "Pengelolaan Dana Desa Dalam Upaya Meningkatkan Pembangunan Di Desa Banyuates Kecamatan Banyuates Kabupaten Sampang," *J. Ris. Manaj.*, vol. 000, no. November 2016, pp. 124–135, 2017.
- [2] L. N. Fahri, R. Yulianti, U. S. Raya, and U. Khoiriah, Siti, Meylina, "Pengaruh Pelaksanaan Kebijakan Dana Desa terhadap Manajemen Keuangan Desa dalam Meningkatkan Efektivitas Program Pembangunan Desa," *J. Ilm. Bid. Ilmu Adm. Negara*, vol. 66, no. 1, pp. 63–72, 2017.
- [3] R. D. Sari and O. I. Novi, "Pengaruh Pendapatan Asli Desa, dan Alokasi Dana Desa Terhadap Belanja Desa dan Kemiskinan," *Univ. Muslim Nisant. Al-Washliyah*, vol. 2, no. 2, pp. 1–15, 2018.
- [4] M. A. LILI, "Pengelolaan alokasi dana desa dalam upaya meningkatkan pembangunan ekonomi masyarakat di desa magmagan karya kecamatan lumar," *Artik. Ilm. Ekon. dan Bisnis Univ. Tanjungpura*, vol. 1, no. ekonomi, pp. 5–19, 2018.
- [5] M. Abdul Kadir, "Hukum Dan Penelitian Hukum.," *Bandung PT. Citra Aditya Bakti.*, vol. 8, no. 1, p. 52, 2015, doi: 10.25041/fiatjustisia.v8no1.283.
- [6] M. N. Aziiz, "Faktor-Faktor yang Mempengaruhi Akuntabilitas Dana Desa," *J. Akunt. Aktual*, vol. 6, no. 2, pp. 334–344, 2019, doi: 10.17977/um004v6i22019p334.
- [7] R. M. Moonti and Y. Kadir, "Pencegahan Korupsi Dalam Pengelolaan Dana Desa," *J. IUS Kaji. Huk. dan Keadilan*, vol. 6, no. 3, p. 430, 2018, doi: 10.29303/ius.v6i3.583.
- [8] A. Mustanir and D. Darmiah, "Implementasi Kebijakan Dana Desa Dan Partisipasi Masyarakat Dalam Pembangunan Di Desa Teteaji Kecamatan Tellu Limpoe Kabupaten Sidenreng Rappang," *J. Polit. Profetik*, vol. 4, no. 2, pp. 225–238, 2016.
- [9] K. Shuha, J. Akuntansi, F. Ekonomi, and U. N. Padang, "ANALISIS PENGELOLAAN DANA DESA (Studi Kasus pada Desa-deso Selingkungan Kecamatan Lubuk Alung Kabupaten Padang Pariaman)," *Univ. NEGERI PADANG*, 2018.
- [10] Y. Jamaluddin, A. Sumaryana, B. Rusli, and R. A. Buchari, "Analisis Dampak Pengelolaan dan Penggunaan Dana Desa terhadap Pembangunan Daerah," *JPPUMA J. Ilmu Pemerintah. dan Sos. Polit. Univ. Medan Area*, vol. 6, no. 1, p. 14, 2018, doi: 10.31289/jppuma.v6i1.1520.
- [11] Achmad Fauzi, "Tata Kelola Dana Desa dalam Rangka Implementasi Undang–Undang Nomor 6 Tahun 2014 Tentang Desa di Kabupaten Sidoarjo Achmad," *JKMP (Jurnal Kebijak. dan Manaj. Publik)*, vol. 53, no. 9, pp. 1689–1699, 2013, doi: 10.1017/CBO9781107415324.004.
- [12] U. Khoiriah, Siti, Meylina, "Analisis Sistem Pengelolaan Dana Desa Berdasarkan," *J. Masal. Huk.*, vol. 66, no. 1, pp. 20–29, 2017.
- [13] F. Karimah, C. Saleh, and I. Wanusmawatie, "Pengelolaan Alokasi Dana Desa Dalam Pemberdayaan Masyarakat," *J. Adm. Publik*, vol. 2, no. 4, pp. 597–602, 2014.
- [14] J. Jumaiah and W. Wahidullah, "Pembenahan Pengelolaan Keuangan Dana Desa: Studi Kasus Desa Sengonbugel," *Media Ris. Akuntansi, Audit. Inf.*, vol. 19, no. 1, p. 19, 2019, doi:

- 10.25105/mraai.v19i1.3307.
- [15] M. S. R. Nurhayati, "PENGELOLAAN DANA DESA DALAM PERSPEKTIF HUKUM ISLAM," *iqtishaduna J. Ilm. Mhs. Jur. Huk. Ekon. Sayriah*, vol. 01, no. 01, pp. 68–80, 2019, doi: 10.1017/CBO9781107415324.004.
 - [16] P. S. S. Anantha and I. K. Sudiarta, "Pengelolaan dana desa sebagai upaya pembangunan desa di desa pererenan, kecamatan mengwi, kabupaten badung," pp. 1–16, 2017.
 - [17] F. Sri Wahyuni Nur, "Peningkatan transparansi, akuntabilitas, dan partisipatif melalui pengelolaan alokasi dana desa di desa tellumpanuae kabupaten maros," *J. Dedik. Masy.*, vol. 3, no. 1, pp. 1–9, 2019.

The Ideas of Founding Fathers Choose The Presidential System As The Government System In Indonesia

Yusdiyanto¹
{yusdiyanto@gmail.com¹}

Constitutional Law Departement, Faculty of Law, Universitas Lampung, Indonesia¹

Abstract. Constitutional experts in Indonesia have explained that in every government structure sometimes adopts a presidential, parliamentary and sometimes mixed system. The government is pushing for amendments to the 1945 Constitution which initially aimed to reduce and rearrange the presidential government system. In practice, the amendment results raise several problems, namely the relationship between the executive and legislature tends to be "tangled", the two parties often do not understand their functions and authorities. This research method uses literature study in the field of constitutionality, with a historical approach and descriptive analytic research specifications. The results show that the Indonesian government system formulated by the founding fathers in the 1945 Constitution is a presidential system, with the following reasons: a) The agreement on a presidential system of government was formed from a process of debate in formulating the 1945 Constitution; b) There is an emphasis on power and responsibility in the hands of the President as head of state and head of government. c) The willingness to run the government can be carried out in a stable manner with the principle of separation of powers, and d) The President is elected based on the principle of deliberation / representation and is accountable to the assembly as the highest holder of the people. sovereignty to limit the power of the President without limitation (dictator).

Keywords: Founding Fathers, Presidential System, UUD 1945

1. Introduction

Historical experiences and debates of the founding fathers in establishing the state are an important part of the current and future the constitutional state system.

According to KC. Wheare, the birth of the constitution is:

“Constitutions, when they are framed and adopted, tend to reflect the dominant belief and interest, or some compromise between conflicting beliefs and interest, which are characteristic of the society at that time... A constitution is indeed the resultant of a parallelogram of forces-political, economic, and social-which operate at the time of it's adoption.”[1]

When the 1945 Constitution was compiled, the beliefs, values, and interests concerning an independent, united, and sovereign nation-state are the legal ideals (*rechtsidee*) of the Republic of Indonesia founders, which strongly influenced the value-function in the choice of decisions of the founding fathers and framers of the Indonesian constitution.

The constitutional design in the form of a government system is interesting to be traced and researched more seriously. Bagir Manan said the importance of questioning the presidential government system was because it had influenced and even determined the government

constitutional as the spearhead of the running of the state's wheels in all aspects of state life, especially in educating social welfare, as much as possible the prosperity of the people on the basis of social justice.[2]

The research based on the ideas of constitutional experts, namely: First, A.B. Kusuma said that the system of government according to the 1945 Constitution is using its own system, not adopting a presidential system like in the United States and it is different from a parliamentary system such as in Britain.[3] The opinion came from Soepomo's thoughts at the trial of the Investigator Preparatory Business for Indonesian Independence (BPUPKI) saying that the establishment of the Indonesian state was based on its own system. The system itself places the 5 (five) principles of Pancasila as the basis of the state and has the uniqueness of its own government system. The system itself is a system that does not imitate the governments of the United States, Britain, France, the Philippines or Brazil which uses the *trias politica* model as an implementation of the presidential, parliamentary or semi-presidential government systems.

Second, Tolchah Mansoer said that the system of government based on the 1945 Constitution is not entirely a presidential system of government. Because the presidential system means the head of government is the President, and on the other hand the President is not accountable to the House of Representatives. It means the position of the President does not depend on the House of Representative.[4] The system of presidential government must be interpreted, because the cabinet is headed by the President and not his responsibility. So, the Indonesian executive must remain accountable, even though not to the DPR but accountable to the People's Consultative Assembly (MPR).[4]

In addition, the reason for this research is based on the practice of the government system development from Indonesian independence to the present. During the two decades of the constitutional (read: President Soekarno and Soeharto) the constitutional of a presidential government was full of executive-heavy, and the political format was not democratic,[6] the product of the law has a conservative character with a positivistic instrumentalistic function,[7] law is manipulated in the interests of the authority and entrepreneurs because the President controls all lines of state power.[8] The 1945 Constitution is made sacred,[9] the concentration of the the presidential government system practice is focused on political stability in the context of national development. [9]

After the resignation of President Soeharto on 21 May 1999,[10] continued with the rejection of the People's Consultative Assembly (MPR) on speech of President B.J. Habibie, dismissal of President Abdurrahman Wahid's from the MPR Special Session has pushed the balance of relations between the President and the DPR.[11] Dismissal of President Abdurrahman Wahid due to the political conflict between the President and the DPR in 2001.[11]

These various constitutional incidents have pushed for amendments to the 1945 Constitution which aim at reducing and rearranging the presidential government system, but the results of the amendments in practice have rise some problems. As the relationship between the executive and legislature tends to be "tangled", the two parties often do not understand the functions and authorities each other.[12] The DPR often enters the territory of government, and in the end the President cannot concentrate on running the government because of the intervention by the DPR. The form of intervention can be seen from when the DPR carries out its budgetary and supervisory functions.

From the viewpoint of constitutional and the development of government systems experts, it is important to carry out this research. For this reason, the research conducted was

to explore the idea of the founding fathers choosing a presidential system as a system of government in Indonesia.

2. Literature Review

In determining the system of government in Indonesia, the founding fathers are based on the government system theory namely presidential system, a parliamentary system, and a mixed system. According to (Sarundajang, 2012), in this world, there is a system of government where is close relationship between executive power and parliament.[13] According to S.L. Witman and J.J Wuest the characteristics of a presidential system are based on the separation principles powers.[14] Meanwhile, the parliamentary government system is a government system where the parliament has an important role in government.[15] There is the idea of government system which can find parliamentary and presidential aspects or known as a mixed government system.[16] Thus, this research is based on the theory of presidential government systems, parliamentary systems and mixed government systems. Salah satu literatur yang melandasi teori ini yaitu buku yang ditulis oleh Sri Soemantri. Sri Soemantri said the 1945 Constitution produced by the founding fathers adopted a mixed government system, namely: a combination of a parliamentary government system and a presidential system of government.[5]

3. Method

The research used normative legal research. The legal research is based on literature and constitutional. The approach is historical approach.[17] The research specification is descriptive analysis. [18]

4. Discussion

4.1 The Ideas of Founding Fathers

The formulation of the Constitution starts from the formation of the Investigator Preparatory Business for Indonesian Independence (BPUPKI), [19] named *Dokuritsu Zyunbi Tyoosakai* based on *Gunseikan* Declaration Number 23, April 29, 1945.[4] As promised by the Japanese government, Prime Minister Kaiso, made in front of the Japanese parliament on September 7, 1945, BPUPKI was formed to grant Indonesian independence at a later date.[20] BPUPKI led by Radjiman Wedyodiningrat and deputy chairman of Hibangse Yosio and R.P. Soeroso. The promise of independence was inseparable from Japan's defeat in the Greater East Asian War.[21] There are two sessions of the BPUPKI, namely: 29 May-1 June 1945 and 10-17 June 1945.[22] It is from the records of the constitution formulation.

The first day of May 29, 1945,[22] Muhammad Yamin conveyed the basic idea of representing Indonesia independence, namely the color and Indonesian thought in the state constitution. Representatives not only strengthen the customary law alliance in the lower state order, but also serve as guidelines for the current nation in compiling the central and upper state governance.[23]

The composition of the central government is formed by the head of state, consisting of: a) deputy head of state, b) a ministry, and, c) the central parliamentary hall, which is divided into an assembly and a representative office for the people [23] According to Soesanto Tirtoprodjo, the idea of a government in accordance with the will of the people, it means that a People's Representative Body or Parliament is needed,[19] and the judiciary is one for the whole population and is free from the influence of government agencies.[3]

On the second day, May 30, 1945, according to Abd. Pratalykrama conveyed the principles of government is the head of state elected by the people and has a prime minister and a council of ministers. The People's Representative Body consists of the upper and lower assemblies whose members are elected by the people. [19]

On the third day of May 31, 1945, Soepomo broadly conveyed his ideas related to the intergralistic state (totalitarianism), is controlling power from other institutions over the executive branch. As a counterweight to the power of the head of state, a representative body of the people is needed, as Soepomo said:

"To ensure the leadership of the state, especially the head of state, and to continue the spirit with the Indonesian people in the composition of the Indonesian state government, a consultative body system must be established. The head of state will continue to associate with the Consultative Body so they will always know and feel the people's sense of justice. What will the form of the Consultative Body be, is one thing that we must investigate, but we should not use the individualism system".[19]

On the fourth day of June 1, 1945, Soekarno conveyed his ideas on the five basic principles proposed to become a *philosofische gronslag* or *weltanschauung* for an independent Indonesia, namely:

The people's representative bodies held there, according to the recipe of *Fransche Revolutie*. None other than what is called democracy there is just democracy; there is simply no *sociale rechtvaardigheid*, no social justice, no *economische demokratie* at all.[23]

Soekarno directly conveyed that the three foundations for an independent Indonesia were the basis for consensus, the basis for representation, and the basis for deliberation. The position of head of state, Soekarno explicitly rejected the monarchy model because monarchy was an *erfelijkheid voordertelt*, it is from generation to generation. Soekarno firmly wanted a head of state to be elected.[23] To avoid the unlimited power of the head of state that leads to totalitarianism.

Muhammad Yamin proposed the division of power into six parts, namely:

Power of the President, DPR, MPR, BPK, MA and DPA.[23] In his speech on 15 July 1945, Soepomo stated:

"The state government system is predominates the state power in the government, especially in the Head of State, concentration of power and responsibility in the hands of the Head of State".[23]

Soekarno conveyed the idea of a presidential system of government, but the President was not directly elected but through a people representatives body who appointed and dismissed the President.[24] Muhammad Hatta also gave the idea of a kinship state known as a "managing state" [25] which is based on the idea of people's sovereignty, mutual cooperation and joint efforts,[25] accountability for government power to the people,[25] state power limitation.[25]

Sukiman added that absolute stability in develop the country is carried out through its own system that is different from other systems of government.[26] The system itself means the head of state is not accountable to the House of Representatives, but the President is fully

responsible to the MPR, which convenes every 5 (five) years, and at that time of course it will be clear whether the direction taken by the Government is approved or not by the MPR.[19]

At the trial, the founding fathers wanted the formation of the Republic of Indonesia based on the life style of the Indonesian people, namely the family system. To avoid imitating the western system, that time embraced presidential, parliamentary and quasi-parliamentary systems.

Table 1. The ideas of founding fathers is:

No.	Proposer	Idea
1.	Hoesin Djajadiningrat, Soepomo, Soebardjo, Singgih, Boentaran, Soetadjo, Sastromoeljono, Soewandi, Maramis, dan Soerachman.	The Indonesian state is governed by a State Leadership Council (DPN) consisting of three people. The DPN is elected by the most votes prominent people around Indonesia.
2.	Roseno	The great leaders and regional leaders were appointed by the Dai Nippon Army. Beside it is the Parliament and the Advisory Council.
3.	Ny. Soenario	The current form of civil servant government continued with the head of state, his successor Saikoo Sakikan.
4.	Poeroebojo	The government is held by the Prime Minister (PM) appointed by the Preparatory Body for Indonesian Independence. Other Ministers are appointed by the PM.
5.	Woejaningrat	The head of state was chosen by Tyuu Sangi In
6.	Soekiman	<i>Constitutionale Monarchi</i> is the title of Maharaja, but the rank of the state is not hereditary.
7.	Soeroso	The head of state is the Maharaja who holds an office until the age of 65 years, but is not hereditary and the people may also be dismissed before the age of 65 years. The Supreme King was appointed by Dai Nippon Teikoku.
8.	Ny. Ulfah Santoso	Republic. Every Indonesian people can be elected as head of state.
9.	Pratalykrama	The Republic is chaired by a President assisted by the PM who becomes chairman of the cabinet assembly.
10.	Sanusi	Republic by the President
11.	Aris	Republic, the President is formed by the young President.
12.	Radjiman	Republic, the President is assisted by the Vice President
13.	A. Halim	Republic (Jumhuriyah) with the President (Opening Imam).

14.	S. Tirtoprodjo	Republic with the head of state elected for five years, at any time the BPR may terminate.
15.	Parada Harahap	Republic for a while (during the war)
16.	Tang Eng Hoa	Republic
17.	Abdulkadir	Republic of the head of state stakeholders.
18.	Rooslan W. Koesono	Republic.

Source: A.B. Kusuma, *Lahirnya Undang-Undang Dasar 1945*, 2004, p. 181-183

Broadly speaking, it is known that the characteristics of the state government system are decided by the formulator of the 1945 Constitution. The explanation of the 1945 Constitution contains the state government system in the form of 9 (nine) main keys,[27] is as follows:[27]

1. Indonesia is a country based on law (*rechstaat*) and not based on mere power (*machstaat*).
2. Constitutional system. Government based on a constitutional system (basic law) is not absolutist (unlimited power).
3. The highest state power in the hands of the People's Consultative Assembly (*Die Gesamte Staatsgewalt liegt allein bei der Majelis*). The sovereignty of the people is held by a body called the People's Consultative Assembly (MPR). As the incarnation of all Indonesian people (*Vertretungs organ des Willens des Staatsvolkes*). The Assembly sets the Constitution and sets out the Guidelines for State Policy. This Assembly appoints the Head of State (President) and Deputy Head of State (Vice President). This Assembly holds the highest power, while the President must carry out the direction of the state according to the outline set by the Assembly. The President is appointed by the Assembly shall submit and be responsible to the Assembly. He is the "mandate" of the Assembly and is obliged to carry out the decisions of the Assembly. The President is not "*neben*" but "*untergeordnet*" to the Assembly.
4. The President is the highest administrator of government under the Assembly. Under the People's Consultative Assembly, the President is the supreme administrator of government. In running the state government, power and responsibility are in the hands of the President (concentration of power and responsibility upon the President).
5. The President is not responsible to the House of Representatives (DPR), but beside the President is the DPR. The President must obtain the approval of the DPR to make a Law (*Gezetsgebung*) and to determine the state revenue and expenditure budget (*Staatsbegroting*). Therefore the President must work together with the DPR however the President is not accountable to the Council. It means the position of the President does not depend on the Council even though the President is not accountable to the Council, so President's position does not depend on the Council.
6. The state minister is assistant to the President; the state minister is not responsible to the DPR. The President appoints and dismisses state ministers. The ministers are not responsible to the DPR. Their position does not depend on the Council, but depends on the President. They are assistants to the President.
7. The power of the head of state is unlimited. Even though the Head of State is not responsible to the President, he is not a "dictator", it means the power is unlimited. It has been emphasized that he is responsible to the MPR. Unless, he has to pay close attention to the votes of the DPR.

And there are two main keys that are not given Roman numerals, namely:

1. The position of the DPR is strong. DPR cannot be dissolved by the President (in contrast to the parliamentary system). In addition, all members of the DPR are also members of the MPR. Therefore, the DPR can always supervise the actions of the President and if the DPR considers the President has violated the law of the state, which has been determined by the MPR, the MPR can be invited to a special trial to ask the responsibility of President.
2. State ministers are not ordinary high-ranking officials. Although the position of state ministers depends on the President, they are not ordinary high-ranking officials. Because, it is the ministers who mainly exercise government power (*pouvoir executif*) in practice. As a department leader, the minister knows the ins and outs of his work environment. Based on this, the minister has a major influence on the president in determining state politics regarding his department. Indeed, it is mean the ministers are leaders of the state.

Based on Aulia A. Rahman's research results, the system of government produced by the 1945 constitution is the presidential system of government.[28] There are at least four main reasons became the reference points for the founding fathers and the framer of the constitution for choosing a presidential system of government, namely:

First, Indonesia needs strong, stable and effective leadership to ensure the continuity of the new proclamation the existence of the Indonesian state. The nation's founders believed the strong and effective model of state leadership only created by choosing a presidential system of government. The President not only functions as the head of state but also the head of government. Second, due to theoretical reasons, namely reasons related to the ideals of the state (*staatsidee*), especially the ideals of the integralism state during the discussion of the 1945 Constitution at the BPUPKI session. The presidential system of government is believed to be very compatible with integralism. Third, at the beginning of fulfill the powers of the DPR, MPR and DPA. The choice of the presidential system is considered appropriate in fulfill this extraordinary authority. In addition, in the presidential system, the President can act more quickly in state problems solving during the transitional period. Fourth, it is a symbol of resistance to all forms of colonialism because the parliamentary system is considered as a product of colonization by the Indonesia founding fathers.[28]

From the idea of the founding fathers, when the 1945 Constitution was formulated, the character of the presidential government system was attached with the following characteristics: a) The President is a single executive who holds office for five years and can be extended again, b) Ministers are assistants who are appointed and responsible to the President, c) The MPR is determined as a locus of power that holds the supremacy of the highest state sovereignty, such Parliament in the parliamentary system, and d) State sovereignty is rests in the Indonesian people and held by the MPR as the manifestation of the entire people.

4.2 Analysis of Choosing a Presidential System

Based on the viewpoint of the founding fathers ideas, the Indonesian government system is presidential system of government as mention in the 1945 Constitution. It is reflected in the character and basic principles of presidential systems which are more dominant than parliamentary systems or mixed systems. The character of the presidential system is reflected in the articles and explanations in the 1945 Constitution as follows, namely:

- a. The President holds government powers according to the Constitution.[29]
- b. In undertake his duties, the President is assisted by one Vice President.[29]

- c. The President and the Vice President hold their position for five years, after that they can be re-elected.[29]
- d. If the President dies, resigns or fails to carry out his duties during his term of office, the President is replaced by the Vice President until the expiry date.[29]
- e. The President is assisted by state ministers.[29] The ministers are appointed and dismissed by the President.[29]
- f. The President determines Government Regulations to carry out Laws properly and in a compelling crisis, the President has the right to establish Government Regulations in substitute of Laws.[29]
- g. The President is not responsible to the DPR.[29]
- h. The state minister is an assistant to the President and is not responsible to the DPR.[29]
- i. The position of the DPR is strong and cannot be dissolved by the President.[29]
While the parliamentary principles are inherent in the 1945 Constitution before the amendment, namely:[29]
 - a. The President and Vice President are elected by the MPR with the most votes,
 - b. The MPR determines the Constitution, formulates the highest law (GBHN), the President submits and responsible to the MPR, the President is responsible to carry out the MPR decisions.
 - c. The President is the highest government administrator under the MPR.
 - d. Each law requires DPR approval.
 - e. If a draft of law does not get approval from the DPR, then the draft may not be put forward again at the DPR trial at that time.

From the character of the presidential and parliamentary government systems above along with the ideas of the founding fathers in formulating the 1945 Constitution, the choice is more competible to use a presidential government system rather than a parliamentary system or a mixed system. It is the origin of the idea of the founding fathers in determining the system of government based on the 1945 Constitution.

Based on the opinion of A. Hamid Attamimi has clearly stated that the 1945 Constitution adheres to a pure presidential system. The President positioned as state administrator who runs the state government.[30] The position of the DPR is in the representative institution and the MPR in the manifestation of people's sovereignty.[30]

The position of the MPR is not a representative institution. The MPR is an institution with fully duties in the people sovereignty, so the MPR can be considered as the people themselves. Thus all the arrangements about the relationship between the President and the MPR which contained in the 1945 Constitution cannot be considered as a form of executive and legislative relations.

Bagir Manan also emphasized the system of government adopted by the 1945 Constitution is a presidential system with some reasons, but there are also differences in interpreting the government system contained in the 1945 Constitution, especially seeing the position of the MPR. According to Bagir Manan, the characteristics of the presidential system in the 1945 Constitution are: a) there is a certainty in the President term of office, namely five years, b) the President is not responsible to the DPR, and c) The President cannot dissolve by the DPR.[31]

In addition, the perceived characteristics of the parliamentary system in the 1945 Constitution are due to the position of the MPR as a legislative body, so the President's responsibility to the MPR is considered as the responsibility of executive power to the legislature.[31] The MPR institution is not a legislator because in the 1945 Constitution stipulates that laws are formed by the President with the approval of the DPR.

Therefore, the MPR is not a legislative body, so the President's responsibility to the MPR is not the responsibility to the legislative body or the cabinet's responsibility to parliament as contained in the parliamentary system. The MPR responsibility is a constitutional effort for checking and balancing, thus according to Bagir Manan there is no parliamentary feature adopted by the 1945 Constitution. So, the Indonesian government system is formulated by the founding fathers essentially a presidential system, not intended as a mixed government system.[32] Consider the materials used by the compilers of the 1945 Constitution, it is probably the structure and formulation of the President's power as the administrator of the government will be influenced by the structure and power of the President according to the United States Constitution.[32]

A similar opinion was expressed by Jimly Asshiddiqie, the government system of the Republic of Indonesia based on the 1945 Constitution, was actually intended as a presidential system. It has in the explanation of the 1945 Constitution and in the general sense which developed so far. Although, there are overlap provision between the presidential system and elements of the parliamentary system.[33]

This is the differences interpretations of constitutional law experts regarding the system of government adopted by the 1945 Constitution, as seen from the difference in understanding of the concept of the President's responsibility to the MPR or related to the position of the MPR in the constitutional structure. The Presidential system is idealized in the 1945 Constitution does not recognize the idea of the position of Prime Minister in the Indonesian government system based on the 1945 Constitution.

Thus, from the beginning, the founding father in formulating the 1945 Constitution had idealized the presidential government system. It is reflected in the form of governmental power based on the constitution held by a President assisted by one Vice President for five years and after that can be elected to the same position for only one term of office (Article 4 paragraphs 1 and 2 jo Article 7 UUD 1945). Even in carrying out his constitutional duties and obligations, the President is assisted by ministers who are appointed and dismissed by the President and responsible only to the President (Article 17 paragraphs 1 and 2 of the 1945 Constitution).

The presidential system has been embedded in the 1945 Constitution, namely in the President (and the Vice President) fixed executive term of office, if the President is unable to be replaced by the Vice President until the end of his term of office, the President is the head of state as well as the head of government, The president and ministers are not responsible to the House of Representatives.

5. Conclusions

The idea of formulating the 1945 Constitution by the founding fathers had been directed to use a presidential system of government, with the following reasons:

- a) Agreement on a presidential system of government as established from the debate process in formulating the 1945 Constitution;
- b) The constitutional state system emphasizes power and responsibility in the hands of the President as to the state and the head of government (*concentration of power and responsibility upon the president*);

- c) The presidential system of government is chosen with the desire for the administration of government can be carried out in a stable manner, with the principle adopted by separation power by rejecting the idea of *trias politica*, and
- d) The President is elected based on the principle of deliberation / representation and he is responsible to the assembly as the supreme holder of the people's sovereignty to limit the power of the President indefinitely (dictator).

Since the beginning, the election of a presidential system by the founding father can be seen from the way it is formulated, a government system is more in line with the character of Indonesian people is a presidential system of government rather than a parliamentary system that has been practiced in Indonesia.

References

- [1] K. C. Wheare, *Modern Constitutions*. Oxford: Oxford University Press, 1966.
- [2] B. Manan, *Membedah UUD 1945*. Malang: Universitas Brawijaya Press (UB Press), 2012.
- [3] A. B. Kusuma, *Lahirnya UUD 1945*. Jakarta: Fakultas Hukum Universitas Indonesia, 2009.
- [4] M. T. Mansoer, *Pembahasan Beberapa Aspek tentang Kekuasaan-Kekuasaan Eksekutif dan Legislatif Negara Indonesia*. Jakarta: Paradnya Paramita, 1976.
- [5] S. Soemantri, *Tentang Lembaga-Lembaga Negara Menurut UUD 1945*. Bandung: Citra Aditya Bhakti, 1993.
- [6] Syamsudin Haris dan Riza Sih Budi, *Menelaah Kembali Format Politik Orde Baru*. Jakarta: Gramedia, 1995.
- [7] Mahfud MD, *Amandemen Konstitusi Menuju Reformasi Tata Negara*. Yogyakarta: UII Press, 1999.
- [8] Denny Indrayana, "Negara Hukum Pasca-Soearto: Transisi Menuju Demokrasi vs. Korupsi," *J. Konstitusi, Mahkamah Konstitusi RI*, vol. 1, no. 1, p. 103, 2004.
- [9] Sulardi, *Menuju Sistem Pemerintahan Presidensial Murni*. Malang: Setara Press, 2012.
- [10] Aidul Fitriadi Azhari, *UUD 1945 Sebagai Refolutiegrondwet*. Yogyakarta: Jalasutra, 2011.
- [11] Syamsudin Haris, *Konflik Presiden-DPR dan Dilema Transaksi Demokrasi di Indonesia*. Jakarta: Pustaka Utama Grafiti, 2007.
- [12] S. Isra, "Hubungan Presiden dan DPR," *J. Konstitusi*, vol. 10, no. 3, pp. 399–416, 2013.
- [13] M. Anangkota, "KLASIFIKASI SISTEM PEMERINTAHAN (Perspektif Pemerintahan Modern Kekinian)," *CosmoGov*, vol. 3, no. 2, p. 148, Oct. 2017, doi: 10.24198/cosmogov.v3i2.14725.
- [14] Z. R. Dewa, "Revitalisasi PKL di Kawasan Skywalk Cihampelas Kota Bandung: Antara Kebijakan dan Kenyataan," *Cosmogov J. Ilmu Pemerintah*, vol. 05, no. 01, pp. 58–70, 2019, doi: 10.24198/cosmogov.v2i2.xxxxx.
- [15] C. Elly Novati Dosen Universitas Moch Sroedji Jember Ketua Pusat Kajian Konstitusi Jl Sriwijaya No, "Demokrasi dan Sistem Pemerintahan," May 2016. Accessed: Oct. 01, 2020. [Online]. Available: <https://jurnalkonstitusi.mkri.id/index.php/jk/article/view/107>.
- [16] B. Inggris, "EKSEKUTIF Oleh I Nengah Suantra, S. H., M. H.," 2004.
- [17] P. M. Marzuki, *Penelitian Hukum*. Jakarta: Kencana Prenada Media Group, 2011.
- [18] R. H. Soemitro, *Metode Penelitian Hukum dan Jurimetri*. Jakarta: Ghalia Indonesia, 1990.
- [19] A.B. Kusuma, *Lahirnya Undang-Undang Dasar 1945*. Jakarta: Badan Penerbit Fakultas Hukum Universitas Indonesia, 2009.
- [20] A.G. Pringgodigdo, *Sejarah Pembentukan Undang-Undang Dasar Republik Indonesia*. Jakarta: Majalah Hukum dan Masyarakat.
- [21] Adnan Buyung Nasution, *Aspirasi Pemerintahan Konstitusional di Indonesia: Studi Sosio-Legal atas Konstituante Republik Indonesia*. Jakarta: Bumi Aksara, 1996.
- [22] Joenianto, *Sejarah Ketatanegaraan Republik Indonesia*. Jakarta: Bumi Aksara, 1996.
- [23] M. Yamin, *Naskah Persiapan Undang-Undang Dasar 1945*. Jakarta: Jajasan Prapantja, 1959.

- [24] S. N. R. Indonesia, *Risalah Sidang Badan Penyidik Usaha- usaha Persiapan Kemerdekaan Indonesia (BPUPKI) – Panitia Persiapan Kemerdekaan Indonesia (PPKI) 28 Mei 1945 – 22 Agustus 1945. Ed. III. Cet. 2.* Jakarta: Sekretariat Negara RI, 1995.
- [25] Armanto Riyanto, *Negara Kekuasaan vs Negara Pengurus dalam Frans M. Parera dan T. Jakob Koerkerits, eds., Opini Masyarakat: Reformasi Kehidupan Bernegara.* Jakarta: Penerbit Harian Kompas, 1999.
- [26] “No Title.” <http://www.asianinfo.org/asianinfo/indonesia/pro-history.html> (accessed Oct. 30, 2018).
- [27] R. M. A. Kusuma, *Sistem Pemerintahan (Pendiri Negara) vs Sistem Presidensial (orde reformasi).* Jakarta: Fakultas Hukum Universitas Indonesia, 2011.
- [28] Aulia Rahman, *Sistem Pemerintahan Presidentil sebelum dan sesudah perubahan UUD 1945.* Jakarta: Verbum Publishing, 2009.
- [29] S. Lubis, M. Hutabarat, and M. R. Nasution, “Undang Undang Dasar 1945,” vol. 4, no. 1, pp. 1–12, 2019, doi: 10.31227/osf.io/498dh.
- [30] A. Hamid S. Attamimi, “Peranan keputusan presiden Republik Indonesia dalam penyelenggaraan pemerintahan negara suatu studi analisis mengenai keputusan presiden yang berfungsi pengaturan dalam kurun waktu Pelita I-Pelita IV,” 1990, Accessed: Oct. 01, 2020. [Online]. Available: <http://lib.ui.ac.id>.
- [31] B. M. dan K. Magnar, *Pertumbuhan dan Perkembangan Konstitusi Suatu Negara.* Bandung: Mandar Maju, 1995.
- [32] B. Manan, *Lembaga Kepresidenan.* Yogyakarta: Penerbit Gama Media, 1999.
- [33] J. Asshiddiqie, *Konstitusi dan Konstitusionalisme.* Jakarta: Konstitusi Press, 2005.

The Perspective Of Criminal Law And Human Rights Against Euthanasia

Zulkarnain¹

{zulkarnain.policia@gmail.com¹}

Universitas Lampung, Lampung, Indonesia¹

Abstract: Euthanasia is an effort carried out to help a person accelerate his death easily due to an inability to endure long suffering and no more hope for life or cure. Euthanasia is closely related to various aspects such as legal, moral, religious and Human Rights (HR) aspects. The issue discussed in this journal is how the perspective of criminal law and human rights against euthanasia. The method used in this research is normative juridical by using secondary data, books, documents, and scientific journals. The results of this journal study concluded the perspective of criminal law prohibit and state that euthanasia is a form of crime. However, IDI Circular Letter No. 702 / PB / H2 / 09/2004 also provides an exception allowing euthanasia on condition that the court allows. While the perspective of Human Rights (HR) towards euthanasia is divided into pros and cons. According to pro euthanasia is part of the right to self determination. Meanwhile, according to the counter euthanasia is considered a violation of Human Rights (HR) because the existence of the right to life does not mean that a human being has the right to die which is basically an absolute right of God. The author provides advice to government should make special rules regarding euthanasia by observing and upholding human rights.

Keywords : euthanasia, criminal law, human rights

1 Introduction

Science and technology are growing rapidly, including in the field of health sciences or called modern health sciences. The development of science and technology in the field of health sciences has a positive impact marked by the discovery and development of equipment and drugs that are more effective in diagnosing a disease, treating patients and lengthening the patient's age in a certain time. However, although health science has developed rapidly, in reality there are also many new diseases that have emerged and were discovered and there are also some patients who have certain diseases and are difficult to cure.[1]

Another result of the development of science and technology in the health field, death is not always something that comes suddenly. Death can be made into something definite and can be determined the time and place. Euthanasia is an effort carried out to assist a person in accelerating his death easily due to the inability to endure long suffering and there is no hope for life or healing.[2]

In addition, the burden of costs borne by the patient's family for treatment is also often the reason for someone or the patient's family to ask for euthanasia. For example, on October 22, 2004, Hasan Kesuma, husband of Agian Isna Nauli, submitted a request for euthanasia to his wife on the grounds of ending his wife's suffering and also the inability to bear the burden of care costs for having a postpartum brain injury, even though the court rejected his application.

Euthanasia is an act of killing that can be done legally. Which is very closely related to various aspects such as law, morals, religion, and Human Rights (HAM).[3] In principle, death will surely be experienced by every human being but in the case of euthanasia, whether death is a Human Rights (HAM) and what is the legal basis and limits in carrying out euthanasia actions. This problem is still a debate by the world, including Indonesia. Based on the explanation that has been presented, this study tries to see how the perspective of criminal law and Human Rights (HAM) towards euthanasia.

2 Research Method

Legal research conducted is a normative legal research with a normative juridical approach which focuses on the use of secondary data research materials or materials supported by library data using secondary data, namely trying to find books, concepts, theories. and expert opinion and findings that are closely related to the subject matter to be studied.[4] The steps and / or process of writing a literature review follows several ways, namely defining the topic, writing a specific question to provide research direction, conducting research, analysis and evaluation and writing a literature review. Research activities in the literature review include activities to find relevant sources, reading and recording main thoughts, conclusions, strengths, and weaknesses of the study.

3 Discussion

3.1 Criminal Law Perspective on Euthanasia

Euthanasia is etymologically derived from Greek eu which means good and thanatos which means to die or die in a calm and happy state. Euthanasia is assistance given to someone to die peacefully at their own request. This understanding was later expanded and as "ending human life without getting sick with the aim of stopping severe physical suffering and as a way of dealing with victims who experience illness that cannot be cured anymore". This means that the act of euthanasia is intentional, whether by active or passive action, ending the life of others at the request of the person concerned. It is this help with others that distinguishes euthanasia from suicide. In suicide one does not use another person to obtain his death.[5]

In the world of medicine contained in the explanation and guidelines for the implementation of the Indonesian Medical Ethics Code, euthanasia is:[6]

- 1) Move into the afterlife calmly and safely without suffering and for those who believe in the name of Allah in the lips;
- 2) Life time will end (sakaratul maul) the patient's suffering is alleviated by giving a sedative;
- 3) End the patient's suffering and life intentionally at the request of the patient himself and his family.

From the above definitions, it can be concluded that the elements of euthanasia are as follows:[5]

- 1) Do something or don't do something;
- 2) Terminate life, accelerate death, or not prolong the patient's life;
- 3) The patient has an illness that is difficult to cure;
- 4) At or without the request of the patient and or his family;
- 5) For the sake of the patient and or his family.

Euthanasia can be divided into 4 types as follows:[7]

- a) Active euthanasia.
Active euthanasia occurs when a doctor or other health worker deliberately takes an action to end or shorten a patient's life. Active euthanasia is divided into two groups, namely:[8]
 - a. Euthanasia is active right away.
that is, it is carried out by carrying out medical actions which are expected to immediately end a patient's life such as, giving cyanide tablets or lethal injection of substances.
 - b. Indirect active euthanasia.
That is done by taking medical measures that can end the patient's life such as, depriving oxygen.
 - c. Passive Euthanasia.
Passive euthanasia occurs when doctors or other health workers intentionally do not provide any medical assistance to patients who can prolong their lives.
 - d. Voluntary euthanasia.
Voluntary euthanasia occurs as a result of the patient's own request by refusing medical measures and drugs given to him.
 - e. Non-voluntary euthanasia
Involuntary euthanasia occurs when the patient is unconscious or unable to make a choice between life and death. The decision was made by someone else who is competent on behalf of the patient (family) or the patient has previously verbally expressed a desire to die. For example, the patient is in a long coma or has severe brain damage.
 - f. Involuntary euthanasia.
Euthanasia involuntary tThis occurs when the other party ends the patient's life and opposes the patient's original wish statement. For example, the patient wants to continue to survive even in conditions of suffering, the family asks the doctor to end his life. Involuntary euthanasia is almost always considered murder.

When we talk about legal policies regarding euthanasia, in Indonesia there are no specific rules governing them. However, in general in the Criminal Code there are several legal rules relating to this euthanasia problem. This is enforced because euthanasia is a crime against life. These rules include:[9]

- 1) Article 338 of the Criminal Code
"Anyone who intentionally takes another person's life, is threatened with murder for a maximum of five years in prison."
- 2) Article 339 of the Criminal Code
"A murder that is followed, accompanied or preceded by a criminal act, which is carried out with a view to preparing or facilitating its implementation, or to free oneself or other participants from the criminal in the case of being caught red-handed, or to ensure possession of goods obtained illegally, is threatened by imprisonment for life or for a specified time, a maximum of twenty years ".
- 3) Article 340 of the Criminal Code
"Anyone who intentionally and with plans in advance take the life of another person, threatened with murder by a plan, with capital punishment or life imprisonment or for a specified time, a maximum of twenty years"
- 4) Article 304
"Anyone who deliberately puts or leaves someone in a miserable condition, whereas according to the law that applies to him or because of the agreement he is obliged to give life, care or maintenance to that person, is threatened with a maximum imprisonment of two years and eight months or a maximum fine of four thousand five hundred rupiah "

- 5) Article 344
"Anyone who takes the life of another person at the request of that person himself, who is mentioned clearly and solemnly, is sentenced to prison for twelve years".
- 6) Article 345
"Whoever intentionally encourages another person to commit suicide, helps him in the act or gives him the means for it, is threatened with a maximum prison sentence of four years if that person commits suicide".
- 7) Article 359
"Anyone who due to his mistake (negligence) causes another person to die, is threatened with a maximum of five years imprisonment or one year imprisonment".

Besides stipulated in the Criminal Code, there are also some rules for doctors in conducting euthanasia including:[3]

- 1) Circular Letter IDI No. 702 / PB / H2 / 09/2004
Stating that Indonesia as a country based on Pancasila, with the first precept is the Almighty God, it is impossible to accept the action of "active euthanasia".
The precepts of "the Godhead of the One" in the first place of Pancasila indicate that Indonesia is a country that ethically and morally noble recognizes the existence of God. Indonesia recognizes 6 religions namely Islam, Christianity, Catholicism, Hinduism, Buddhism, and Confucianism. None of the six religions allows euthanasia. Birth and death are absolute rights of God. For example in Islam which prohibits euthanasia in one of the verses of the Qur'an, which is Surah Al Maidah (5) verse 32 ".. Whoever kills a human being, not because that person (killed) another person, or not because it makes damage on earth, then it was as if he had killed a whole human. And whoever takes care of the life of a human being, then it is as if he has preserved the lives of all people ... ".
2) Indonesian Medical Ethics Code (KODEKI)
Article 7 letter (d) states:
"Every doctor must always remember the obligation to protect the lives of human beings."
In the explanation it is stated that according to religion, state law and medical ethics, a doctor is not allowed if:
a. Miscarriage (abortion provocatus);
b. End the life of a patient who according to science and knowledge is unlikely to recover (euthanasia).
3) If seen in the explanation and implementation guidelines, clearly and firmly outlined a prohibition regarding euthanasia actions. Although often doctors or other health professionals are faced with very poor patient conditions such as cancer in advanced stages with pathetic conditions and in the medical world it is predicted that there is no hope for life, but doctors and other health workers still do not have any right to ending the patient's life even with the good intention of ending the patient's suffering. Doctors and other health workers are only obliged to exert all their abilities to alleviate the suffering of patients.

Based on the values and norms that live in society, euthanasia is also contrary to human values. The human value is contained in the Pancasila (basic state) which is supposed to be the philosophy of life of the nation and the guidelines of the community in acting, as explained:

"As a value, Pancasila contains a must to be implemented. Values are ideas that serve as motivation for all humans' attitudes, behavior, and actions. Since the founding fathers of the nation have explored, discovered and believed the importance of the values of Pancasila, they hope that all Indonesian people who have chosen the freedom to determine their life goals can support the realization of these values. Thus, in order to make these values able to attract

people's attention, these values need to be formulated in a clear formula as the ideal goal of the nation. These values have been formally formulated and stipulated in the Preamble of the 1945 Constitution and are an ideal goal of Indonesian people. Formally, the values of Pancasila are values that must be accepted, supported and respected by all Indonesian people. The values of Pancasila are outlined in the Preamble of the 1945 Constitution constitute legal and moral ideas which are the hopes and dreams of Indonesian people. The values of Pancasila, as the ideals of all Indonesian people, will be able to attract all Indonesian people to realize them in their attitudes and actions in everyday life.[10]

From the explanation above, legally, euthanasia especially active euthanasia is a form of crime but in criminal theory there are also exceptions to criminal liability. As exemplified above with very poor patient conditions such as cancer in an advanced stage with pathetic conditions and in the medical world it is predicted that there is no hope for life, one way to end the suffering of patients is by performing euthanasia. What is done by the doctor is indeed a form of crime but the doctor in question is not burdened with criminal responsibility or desires and even exemption from punishment by expanding the meaning of article 48 of the Criminal Code due to the influence of force.[1]

The validity of Article 48 of the Criminal Code is enforced by referring to Circular Letter IDI No. 702 / PB / H2 / 09/2004 which also provides an exception to euthanasia on condition that the court allows such action. Permission granted by the court is limited and must be based on meeting medical requirements not for socio-economic reasons. The limitative nature is used to prevent the submission of euthanasia not arbitrarily.

3.2 Perspectives on Human Rights (HAM) Against Euthanasia

As a state of law, Indonesia recognizes and upholds Human Rights (HAM). According to the theory of natural rights, Human Rights (HAM) are the rights possessed by all people at all times and in all places as human beings which are the essential rights that a person has had since birth. This right is inherent in everyone and cannot be taken, revoked, deprived, or transferred to others for and by anyone.[11]

Described in Article 1 number 1 of Law Number 39 of 1999 concerning Human Rights (HAM) explains that Human Rights (HAM) is a set of rights inherent in the nature and existence of humans as creatures of God Almighty and is His gift which must be respected, upheld and protected by the state, law, government, and everyone for the sake of respect and protection of human dignity.

If we discuss euthanasia from the aspect of Human Rights (HAM), then it will be very closely related to the right to life which is the fundamental right of every human being. As evidenced by several people in Indonesia who submitted to court wanting euthanasia, this shows that many people feel that they not only have the right to life but also have the right to die. This has been the debate for the pros and cons.[3]

According to the pro, a human has his own right to what will happen to his life. A human has the right to determine his own destiny. The right to self-determination is a right inherent in human beings, in the sense that someone has the right to determine what will or needs to be done on him (his body). Provisions regarding the basic rights of individuals which in this case are related to the right to self-determination are contained in the International Covenant of Civil and Political Rights, namely in Article 1 "Everyone has the right to self-determination".

The presence of euthanasia as a Human Rights (HAM) in the form of the right to die, is considered as a result of the existence of the right to life. Because everyone has the right to life, then everyone also has the right to choose death that is considered pleasing to him. This explains the basic concept of Human Rights (HAM) which focuses on the right to personal freedom

which is one of the most fundamental rights for everyone because it also involves the right to self-determination (right of self determination).

The right to self-determination is also closely related to the basic rights of the patients listed in Law No. 36 of 2009 concerning Health Article 56 paragraph 1, Patient Protection, namely "Everyone has the right to accept or reject some or all of the relief measures that will be given to him after receiving and understanding information about such actions in full".

However, when viewed in the perspective of Human Rights (HAM) Euthanasia according to the counter-euthanasia people is considered to violate Human Rights (HAM) because it contradicts the right to human life because it is deliberately shortening one's life span. Where the right to life does not mean that a person has the right to die anyway because basically the right to die is an absolute right of God Almighty, God knows when someone dies and God has the right to end human life.[11]

The right to life is normatively protected in Indonesia in the 1945 Constitution of the Republic of Indonesia, namely Article 28A and Article 28 I paragraph 1. The right to life is also protected in Indonesia with the issuance of Law No. 39/1999 concerning Human Rights (HAM) and Law No. 26/2000 concerning the Human Rights Court. According to the General Explanation of Law No. 39/1999, the legal position of the Act is an umbrella of all statutory provisions concerning Human Rights (HAM). Therefore, direct or indirect violations of human rights are subject to criminal, civil and administrative sanctions in accordance with statutory provisions. UU no. 39/1999 specifically regulates: the right to life and the right not to be forcibly removed and / or not to lose a life listed in Article 4, Article 9, and Article 33 paragraph 2.

In addition, there are international rules that have been conventions by Indonesia to protect human rights, namely Law Number 12 of 2005 concerning the International Covenant of Civil and Political Rights (International Covenant on Civil and Political Rights), namely Article 6 "That every human being has the right to life, that this right is protected by law, and that no one can be arbitrarily deprived of his right of life".[12]

Regarding the right to self-determination which is the basis of the pros, these rights are not explained in detail and do not yet have clear boundaries in the International Covenant of Civil and Political Rights (International Covenant on Civil Rights and Political). These rights are mostly internally defined as the right of a nation to choose their own form of state and government. This right is closely related to political interests.

4. Conclusion

- 1) The criminal law perspective against euthanasia, especially active euthanasia conclude that euthanasia is prohibited and mis a form of crime. Although, in Indonesia there is no legal policy that specifically regulates euthanasia, but in general in the Criminal Code there are several legal rules relating to this euthanasia problem including Article 338, Article 339, Article 340, Article 304, Article 344, Article 345, and Article 359 of the Criminal Code . In addition to being regulated in the Criminal Code, there are also some rules for doctors in conducting euthanasia, including in Circular Letter IDI No. 702 / PB / H2 / 09/2004 and Indonesian Medical Ethics Code (KODEKI). However, based on Circular Letter IDI No. 702 / PB / H2 / 09/2004 also gives an exception to the permissibility of euthanasia on condition that the court allows.
- 2) The Human Rights Perspectives on euthanasia are divided into pros and cons. According to pro-euthanasia is part of the right to self-determination. Meanwhile, according to the

counter-euthanasia is considered a violation of Human Rights (HAM) because the existence of the right to life does not mean that a person has the right to die, which is basically the right to die is an absolute right of God Almighty.

References

- [1] A. Rada, "EUTHANASIA SEBAGAI KONSEKUENSI KEBUTUHAN SAINS DAN TEKNOLOGI (Suatu Kajian Hukum Islam)," *J. Din. Huk.*, vol. 13, no. 2, pp. 332–343, 2013.
- [2] L. Yudaningsih, "Tinjauan Yuridis Euthanasia Dilihat Dari Aspek Hukum Pidana," *J. Ilmu Huk. Jambi*, vol. 6, no. 1, p. 43316, 2015.
- [3] L. Badu, "EUTHANASIA DAN HAK ASASI MANUSIA," *J. Craniofac. Surg.*, vol. 8, no. 2, pp. 146–150, 1997, doi: 10.1097/00001665-199703000-00016.
- [4] M. Abdul Kadir, "Hukum Dan Penelitian Hukum.," *Bandung PT. Citra Aditya Bakti.*, vol. 8, no. 1, p. 52, 2015, doi: 10.25041/fiatjustisia.v8no1.283.
- [5] D. Rachma, K. Tsani, E. L. Simanjuntak, F. Psikologi, U. Katolik, and W. Mandala, "Sikap terhadap Euthanasia Ditinjau dari Jenjang Pendidikan pada Mahasiswa Fakultas Kedokteran," *Toxic. raw kidney-beans*, vol. 5, no. 1, pp. 81–92, 1949, doi: 10.1007/BF02153738.
- [6] M. D. B. I. Wakiran, D. C. Tomuka, and E. G. Kristanto, "Pendekatan Bioetik Tentang Eutanasia," *J. Biomedik*, vol. 5, no. 1, 2013, doi: 10.35790/jbm.5.1.2013.2602.
- [7] N. Asma, "Euthanasia dan Prospekti Pengeturannya dalam Hukum Islam dan Hukum Pidana Noor Asma Fakultas Syariah IAIN Sultan Amai Gorontalo Email: nurasmaz82@gmail.com Abstrak Key Word : Euthanasia , Hukum Pidana , Hukum Islam Pendahuluan Pesatnya penemuan teknologi," vol. 2, pp. 167–190, 2018.
- [8] A. E. Kusumaningrum, "PERGULATAN HUKUM DAN ETIK TERHADAP EUTHANASIA DI RUMAH SAKIT," *J. Spektrum Huk.*, vol. 15, no. 1, pp. 89–111, 2018.
- [9] Y. Muhammad, "PRAKTIK EUTHANASIA PASIF DI INDONESIA MENURUT PANDANGAN HUKUM ISLAM," *Director*, vol. 15, no. April, pp. 2017–2019, 2018, doi: 10.22201/fq.18708404e.2004.3.66178.
- [10] M. Arwani, "TINJAUAN YURIDIS TINDAK PIDANA EUTHANASIA BERDASARKAN HUKUM DARI BEBERAPA NEGARA (INDONESIA-BELANDA- AMERIKA SERIKAT)," *J. Chem. Inf. Model.*, vol. 53, no. 9, pp. 1689–1699, 2013, doi: 10.1017/CBO9781107415324.004.
- [11] M. Termorshuizen, "Euthanasia," pp. 45–58, 1992.
- [12] Abd. Halim, "EUTHANASIA DALAM PERSPEKTIF MORAL DAN HUKUM."

The Role of State Attorney in Returning The State Loss Against The Heritage of Criminal Actors of Corruption Through Indonesian Civil Law (Judgment Study Number 4/Pdt.G/2017/Pn Kbu)

Yulia Kusuma Wardani¹, Torkis Lumban Tobing², Nanda Kurnia Pradana³
{yulia.kusumawardani@fh.unila.ac.id¹, torkistobing@gmail.com², nandakp.fhunila@gmail.com³}

Universitas Lampung, Indonesia¹, Universitas Lampung, Indonesia², Universitas Lampung, Indonesia³

Abstract. Corruption in Indonesia is an act that is detrimental to state finances and, at the same time, damages the nation's morals. Perpetrators of criminal acts of corruption must be criminally responsible. The demand for the return of state finances by the Public Prosecutor is not stopped even though the corruption suspect dies. However, the legal process continues with filing a civil suit by the State Attorney against the suspect's heir. As in the case in Kotabumi, the North Lampung District Attorney with a superior power of attorney gave powers to several prosecutors to carry out their duties as State Attorneys to sue the heirs of the late Amiruddin Is, S.E., who was a suspect in a corruption case. This case has permanent legal force with the Kotabumi District Court Decision Number: 4/Pdt.G/2017/PN Kbu. The study in this article will focus on the powers and roles of State Attorneys and State Attorneys in Indonesia by analyzing the District Court Decision. This type of research is normative-empirical research with descriptive research type. The approach to the problem used is the applied normative (applied law approach). The data used are primary data and secondary data sourced from primary and secondary legal materials. Data analysis using qualitative analysis. The research and discussion results show that the State Attorney General's authority to sue the heirs of the perpetrators of corruption is regulated in Article 30 of the Constitution on the Attorney General's Office Jo. Article 32, and Article 33 of the PTPK Act. In the realm of private law, the prosecutor has a role as a state lawyer who represents the state outside and inside the court, both as plaintiff and defendant. As a plaintiff, the State Attorney General at the North Lampung District Prosecutor's Office succeeded in proving an illegal act committed by the late Amiruddin Is, S.E., so that the state's losses could be returned. The execution of civil decisions Number: 4/Pdt.G/2017/PNKbu is not carried out by the State Attorney but by the court through bailiffs.

Keywords: State Attorney, Lawsuit, Inheritance, Corruption

1. Introduction

Corruption in Indonesia has become an act that is detrimental to state finances and destroying the nation's morale. These acts of corruption have an impact on hampering the country's economy and development. Conceptually corruption is a person's deviant behavior outside of ethics, morality, tradition, law, and legal policies. In contrast, the meaning of corruption is rottenness, ugliness, immorality, dishonesty, bribery, and, immorality, deviation from holiness, words, derogatory or slanderous words [1]. The definition of corruption, according to Constitution Number 31, the Year 1999 Jo. Constitution Number 20 of 2001 concerning the Eradication of

Corruption (PTPK Act) is an act of enriching oneself or another person or a corporation against the law which harms state finances or the country's economy [2].

Perpetrators of criminal acts of corruption must be criminally responsible. The demand for the public prosecutor's return of state finances was not stopped even though the corruption defendant died. However, the legal process was continued with filing a civil suit by the state attorney against the defendant's heir. Specific provisions, civil liability for perpetrators of criminal acts of corruption are regulated in Article 32, Article 33, and Article 34 of the PTPK Act.

Article 33 of the PTPK Act states that if a suspect dies during the investigation, while there has been a loss of state finances, the investigator will immediately submit the case files resulting from the investigation to the State Attorney or submitted to the injured agency to file a civil suit against the heir.

Prosecutors as State Attorneys are prosecutors with special powers acting for and on behalf of the state or government in carrying out the duties and powers of the prosecutor's office in the city and state administration sector. [4] The authority of the state attorney itself is determined in article 30 paragraph (2) of Law No. 16 of 2004 concerning the Prosecutor's Office (Law on the Prosecution) in the city and state administration sector.

According to Article 30 paragraph (2) of the Prosecution Constitution, prosecutors who represent the state to recover state losses must first be based on a superior power of attorney from the injured government agency or agency. [5] These legal provisions indicate that the prosecutor, as a representative of the state or a representative of the government before the District Court, High Court or Supreme Court even outside the court, can represent the government or the state as a party to the plaintiff defendant [6].

One of the legal actions in order to save state losses by the State Attorney General was when the North Lampung District Attorney sued the heir (late) Amiruddin Is, S.E., who was a salaried officer at the Agriculture and Livestock Service Office of North Lampung Regency.

Previously, based on the results of investigations carried out by the North Lampung District Attorney's Office investigators of alleged corruption in the implementation of Employee Salary Expenditures at the Agriculture and Livestock Service Office of North Lampung Regency for Fiscal Year 2012 and Fiscal Year 2013 and based on the Audit Result Report of the Republic of Indonesia Audit Agency Representative Lampung Province Number :31/LHP/XVIII.BLP/2014 August 22, 2014, it was clear that there was a state loss due to the actions of the convicted person Supriyanta. S.E., M.M. with (late) Amiruddin Is, S.E. in the amount of Rp. 1,358,938,746.00, - (one billion three hundred fifty-eight million nine hundred thirty-eight thousand seven hundred and forty-six rupiah).

Investigators at the North Lampung District Prosecutor's Office have also legally confiscated one original certificate in the name of Amiruddin Is, S.E., dated May 14, 2014. They have received approval from the Kotabumi District Court based on the stipulation number: 246/Pen.Pid/2014/PN/Kbu. However, while still being investigated, Amiruddin Is, S.E., passed away.

Referring to Article 33 of UU PTPK, the investigator will immediately submit the case files of the Investigation Results to the State Attorney or the aggrieved agency to file a civil suit against his heirs with the Kotabumi Religious Court Decision Number 0088/Pdt.p/ 2015/PA.Ktbm October 20, 2015.

The State Attorney at the North Lampung District Prosecutor's Office finally sued the heirs (defendant and co-defendant) [7] to the Kotabumi District Court on April 19, 2017. Based on the results of the examination by the Kotabumi District Court, the defendants and co-defendants were convicted of paying compensation for the Government's losses. North Lampung area of Rp. 340,843,750 (three hundred forty million eight hundred and thirty-four thousand seven hundred and fifty rupiahs) jointly and severally punishing the defendants and co-defendants.

Based on the description above, the problems to be examined in this study are as follows:

1. What is the authority of prosecutors as state lawyers in recovering state losses to the heirs of perpetrators of corruption?
2. What is the role of the state attorney's attorney in the civil suit process against the heirs of the perpetrators of corruption?

2. Research Method

This type of research is normative-empirical research with descriptive research type. [8] The approach to the problem used is the applied normative (applied law approach). The data used are primary in this study obtained by the interview method. Observations are used to clarify the required data and secondary data from primary legal materials and secondary materials. This research using a qualitative data analysis.

3. Discussion

3.1 The Authority of Attorneys as State Attorneys in Returning State Losses to Heirs of Corruption Crimes

The North Lampung District Prosecutor's Office has investigated the case on Supriyanta's behalf. S.E., M.M. as the operator of the salary for the North Lampung Regency Financial and Asset Management Agency and the late Amiruddin Is, S.E. as pay officer for the salary of the North Lampung Regency Agriculture and Livestock Service for alleged corruption in the implementation of Employee Salary Expenditures at the Agriculture and Livestock Service Office of North Lampung Regency for the 2012 fiscal year and 2013 fiscal year. BPK RI representatives of Lampung Province issued an examination result report Number: 31/LHP/XVIII.BLP/2014 which stated that there had been obvious state losses resulting from Supriyanta's actions. S.E., M.M., and Amiruddin Is, S.E.

The Republic of Indonesia Supreme Audit Agency, representative of Lampung Province, calculated the state's losses amounting to Rp. 1,358,938,746.00 and deducted for 10% IWP, Housing Savings, Health Insurance, and Income Tax of Rp. 157,269,246.00 so that Supriyanta must replace the state financial losses. S.E., M.M., and Amiruddin Is, S.E. amounting to Rp. 1,201,669,500, -.

During the investigation process, Amiruddin Is, S.E., returned the proceeds of corruption to the state treasury through Bank Lampung in the amount of Rp. 260,000,000.00. However, during the investigation process, Amiruddin Is, S.E., died. Evidenced by a Death Certificate Number: 883/872.a/23-LU/I.3/2014.

Investigations against other suspects, namely Supriyanta, S.E., M.M. still implemented. Even though one of the suspects has passed away, the North Lampung District Prosecutor's Office transferred the case to the Corruption Court at the Tanjung Karang District Court.

The death of Amiruddin Is, S.E., was a legal event that had legal consequences, namely the emergence of inheritance rights on the heirs. As formulated in Article 830 of the Civil Code, the legal basis for inheritance is "Inheritance only takes place because of death," meaning that it can be understood that a person who has passed away all rights, including obligations, are transferred to his heirs. As for the rights and obligations that are transferred to the heirs, namely the scope of ownership of assets or rights and obligations that can be valued in money [10].

Related to the death of a suspect in a criminal act of corruption, Article 33 of the PTPK Act instructs investigators to immediately submit the case files resulting from the investigation to the State Attorney or the aggrieved agency to file a civil suit against the heirs [11].

Article 32 of the PTPK Act in its explanation, states that the order to submit the case files can only be carried out if "there has been a loss in state finances," that is, the amount of loss that has been calculated is based on the findings of the authorized institution or appointed public accountant. In this corruption case, BPK RI representatives from Lampung Province.

The heir of the late Amiruddin Is, S.E., was known by the North Lampung District Attorney through the Kotabumi Religious Court Decree Number: 0088/Pdt.p/2015/PA.Ktbm [12] which states that the heirs of the late Amiruddin Is, S.E., consists of a wife and 4 (four) children.

In connection with the forms of authority of the State Attorney's Office in resolving civil and state administrative cases, Article 30 of the Law on the Prosecution establishes four powers, namely, 1. Law enforcement; 2. Legal Aid; 3. Legal Services; and 4. Legal Considerations [4].

Before carrying out a task, each Implementing Unit is required to do a review to find out [13] whether the Attorney General has the authority to provide Legal Aid, Legal Considerations, Law Enforcement or Other Legal Actions or Will DATUN not have any conflicts of interest in carrying out its duties, functions, and authority with other fields?

Based on the authority regulated by the Constitution on the Prosecutor's Office, in resolving the case of the late Amiruddin Is, SE, State Attorney has carried out two forms of authority in the

form of providing legal assistance in the civil sector to the Regional Government of North Lampung Regency to act as the attorney for the case in the case. civil rights at the Kotabumi District Court by suing the heir of the late Amiruddin Is, SE, based on a Special Power of Attorney Number: B-665/N.8.13/Gtn/03/2017 and a Special Power of Attorney for Substitution Number: B-3205/N.8.13/Gtn/10/2017, and law enforcement authorities. [14] Civil litigation in a criminal act of corruption is also a law enforcement process carried out by the Prosecutor's Office represented by the State Attorney.

The authority of the State Attorney is in line with the Attorney General's Regulation Number: PER-025/A/JA/11/2015, which states that the formation of the Junior Attorney General for Civil and State Administration (JAM DATUN) work unit is to play a role in saving and recovering finances and assets of the country [13].

3.2 The Role of State Attorneys in the Civil Law Suit Process against the Heirs of Corruption Crimes

The authority of State Attorneys in law enforcement is to recover state financial losses. State Attorneys Attorneys can represent the state as a plaintiff or a defendant. The approach taken by the State Attorney General in recovering state losses is no longer like a public prosecutor. The prosecutor can resolve the case through non-litigation channels before making a lawsuit to court.

As the attorney for the North Lampung regency government, the State Attorney General has contacted and invited the heirs three times to settle state losses deliberately. However, because there is no clarity and good faith with a superior power of attorney from the Head of the North Lampung District Prosecutor's Office, the State Prosecutor has submitted his lawsuit to the Kotabumi District Court.

The State Attorney General formulated a civil suit against the heir of the late Amiruddin IS, S.E., based on a lawsuit against the law, including:

1. State that the late Amiruddin Is, S.E., had committed an act against the law.
2. Sentencing the late Amiruddin Is, S.E., or his heirs to pay a replacement fee of Rp. 340,834,750,

Lawsuits the Act against the law against heirs of the late Amiruddin Is, S.E., do not mean that the heirs committed an illegal act. However, Gatra Yudha Utama, a prosecutor at the Kotabumi District Attorney, said that "The prosecutor believes that the assets resulting from the actions of the late Amiruddin Is, S.E., which caused the heirs enjoyed financial losses. So that those who control the assets of the proceeds of corruption are the heirs.

The State Attorney also used the decision of the Corruption Court at the Tanjung Karang District Court Number: 54/Pid.Sus-TPK/2014/PN.Tjk which stated that the late Amiruddin Is, S.E., and his friend Supriyanta S.E., M.M legally and convincingly committed a criminal act of corruption as the basis for an action against the law. However, according to the author, another legal basis can be imposed on the heirs.

The legal basis is Article 1100 of the Civil Code, which confirms the obligations of the heirs to pay the debts of the heirs, and Article 1367 of the Civil Code, which confirms the responsibility for action against the law because of the people under his control or the property under his control.

Procedures or procedures for recovering state financial losses through the civil suit in criminal acts of corruption are carried out in line with civil procedural constution [15].

1. The State Attorney includes the decision of the Corruption Court at the Tanjung Karang District Court Number: 54/Pid.Sus-TPK/2014/PN.Tjk as evidence that the late Amiruddin Is, S.E., together with Supriyanta, S.E., M.M., had committed a criminal act of corruption.
2. The State Attorney presented Supriyanta, S.E., M.M., as a witness who testified that he and the late Amiruddin Is, S.E., had indeed committed a criminal act of corruption and, at the stage of the investigation, had also jointly returned some of the state's losses due to this act.
3. The state attorney also includes evidence of a certificate of money depositing into the state treasury through Bank Lampung, which was deposited by the late Amiruddin Is, S.E., during the investigation process.

Kotabumi District Court in case No.: 4/Pdt.G/2017/PN.Kbu granted part of the lawsuit of the State Attorney General's Office. The Panel of Judges decided that the late Amiruddin Is, S.E., had acted against the law and punished the heirs, namely Defendant I and Defendant II, to pay compensation for the state losses of the North Lampung Regency Government of Rp.

340,834,750.00 - jointly and severally. Besides, the Panel of Judges rejected the Plaintiff's claim for the rest.

The role of the prosecutor as a State Attorney in the civil court process is completed when the court decision is read and has permanent legal force.

The execution of civil decisions is different from the execution of criminal decisions. The court's civil decisions' execution is carried out through bailiffs, while the public prosecutor executes criminal decisions. This explains that there are differences in the role of prosecutors in public law and prosecutors in the realm of private law. In public law, the prosecutor has a role as an investigator, investigator, and public prosecutor. In contrast, in the realm of private law, the prosecutor has the role of a state lawyer who represents the state outside and inside the court, both as plaintiff and defendant.

4. Conclusion

Based on the description of the discussion, the authors can conclude this study as follows:

1. State Attorneys have the authority to provide legal assistance to the Regional Government of North Lampung Regency to sue the heirs of the late Amiruddin Is, S.E., to recover state losses. This authority is regulated in Article 30 of the Law on the Prosecutor's Office, Article 18 Paragraph (1) letter b and Articles 32, 33, 34 of Law Number 31 of 1999 in conjunction with Law Number 20 of 2001 concerning the Eradication of Corruption Crimes.
2. The role of prosecutors in private law is as state attorneys who represent the state outside and in court both as plaintiffs and defendants based on a superior attorney's power. As a party to a civil case, the State Attorney General is also subject to the civil procedural law provisions in force in Indonesia.

State Attorney in Indonesia has the authority to provide legal assistance, to carry out law enforcement and role of state attorneys who represent the state outside and in court both as plaintiffs and defendants based on a superior power of attorney. The authority and role of the State Attorney General's Office can be identified by reviewing the Kotabumi District Court Decision Number: 4/Pdt.G/2017/PN Kbu.

References

- [1] A. Hamzah, *Korupsi di Indonesia : Masalah dan Pemecahannya*. Jakarta: Gramedia Pustaka Utama, 1984.
- [2], *Pemberantasan Tindak Pidana Korupsi*. Undang-Undang Nomor 20 Tahun 2001.
- [3] F. Munir, *Perbuatan Melawan Hukum*. Bandung: Citra Aditya Bakti, 2002.
- [4], *Kejaksaan RI*. Undang-Undang Nomor 16 Tahun 2004.
- [5] S. Mertokusumo, *Hukum Acara Perdata*, Edisi VIII. Yogyakarta: Liberty, 2002.
- [6], *Pengarahannya Jaksa Agung Muda Perdata Dan Tata Usaha Negara*. Raker Kejaksaan.
- [7] J. Lemek, *Penuntun Membuat Gugatan*. Yogyakarta: Liberty, 1993.
- [8] A. Muhammad, *Hukum dan Penelitian hukum*. Bandung: Citra Aditya Bakti, 2004.
- [9] R. I. M. Agung, *Pedoman Pelaksanaan Tugas dan Administrasi Pengadilan*, Buku II. Jakarta: Mahkamah Agung RI, 1994.
- [10] S. Soedaryo, *Kitab Undang-undang Hukum Perdata (KUHPdt), cet ke 14*. Jakarta: Sinar Grafika, 2016.
- [11], *Standar Operasional Prosedur Pada Jaksa Agung Muda Bidang Perdata dan Tata Usaha Negara*. Peraturan Jaksa Agung RI Nomor: PER-018/JA/07/2014.
- [12] M. Y. Harahap, *Kedudukan Kewenangan dan Acara Peradilan Agama: UU No. 7 tahun 1989*, Edisi II. Jakarta: Sinar Grafika, 2007.
- [13], *Petunjuk Pelaksanaan Penegakan Hukum, Bantuan Hukum, Pertimbangan Hukum, Tindakan Hukum Lain Dan Pelayanan Hukum Di Bidang Perdata Dan Tata Usaha Negara*. PER-025/A/JA/11/2015.
- [14] R. Rambe, *Hukum Acara Perdata Lengkap*. Jakarta: Sinar Grafika, 2003.
- [15] M. Y. Harahap, *Hukum Acara Perdata Tentang Gugatan, Persidangan, Penyitaan, Pembuktian, dan Putusan Pengadilan*. Jakarta: Sinar Grafika, 2005.

Online Dispute Resolution as an Alternative Settlement Against the Protection of Consumer Privacy Data in E-commerce Platform

Rahandy Rizki Prananda¹, Ro'fah Setyowati², Hendro Saptono³, Aista Wisnu Putra⁴
{rahandyrizkiprananda@lecturer.undip.ac.id¹, rofahsetyowati@lecturer.undip.ac.id²,
hendrosaptono@lecturer.undip.ac.id³, aistawisnuputra@students.undip.ac.id⁴}

Faculty of Law, University of Diponegoro, Indonesia¹, Faculty of Law, University of Diponegoro,
Indonesia², Faculty of Law, University of Diponegoro, Indonesia³, Faculty of Law, University of
Diponegoro, Indonesia⁴

Abstract - This article aims to analyse the potential use of online dispute resolution (ODR) as an option for dispute resolution in e-commerce transactions. Furthermore, this research will identify the implementation and barriers to use in Indonesia. This research also conducts a comparative study of the practice of implementing ODR in other countries to evaluate legal rules related to dispute resolution so that ODR can be used in Indonesia. The type of research applied in this article is normative juridical. The study results show that the use of ODR is implicitly regulated in several regulations related to Internet and Computer Technology, but there is no comprehensive procedural legal method yet. In practice, the use of ODR has been carried out independently in the regulatory system in e-commerce companies, there is no reason for resolving personal data through ODR. After conducting a comparative study on the application of ODR in the USA and China, this investigation was to revise the law. No.30 of 1999 concerning Arbitration and Alternative Dispute Resolution, the immediate passing of the Law. Protection of personal data and Supreme Court regulations regarding ODR proceedings and ratification of its decisions.

Keyword: ODR, Data Privacy, Consumer Protection, E-Commerce

1 Introduction

In the industrial era 4.0, the function and role of the internet is not only a means of providing information but has also integrated into the sectors of human life, especially the economy. The digitization of economics brings a major impact on every order of human life. The integration of the internet into the business world has changed the patterns of interaction between economic actors, payment transaction methods, regional coverage, and the transformation of operational management in the business sector ecosystem. The use of digital platforms that can be accessed easily by mobile, has led to significant changes in business activities by taking advantage of efficiency, effectiveness, and mobilization[1]. The kind of feature on a digital economy product that is widely used by the public is e-commerce.

E-commerce is a form of evolution of the conventional trading model that bridges the interaction of parties in a virtual space. The unification of transaction procedures, payments, and delivery procedures are applied in an integrated system on a site/website. The use of the internet network does not require face-to-face contact between sellers and buyers in trade. Signing on the e-commerce platform is done electronically at the time of purchase, checking, and delivery of goods. So that the validity and accuracy of information about consumers and

sellers is an absolute requirement. In short, the trade transaction pattern has now led to a one-stop shopping system, where the transaction agreement includes the agreement for goods/services along with payment and delivery, so that now includes: the flow of information, the flow of money, and the flow of goods[2]. The E-Commerce workflow described above is the same as all processes that occur in conventional trading practices, namely the existence of supply-chain management and distribution of goods and services to consumers, the only difference lies in the operational location.

The potential economic benefits of the e-commerce business in Indonesia are the largest in Southeast Asia. Based on a survey released by Google Temasek in 2019, the gross profit obtained from the e-commerce market reached \$ 21.0 billion[3]. In fact, according to a survey released by Mckinsey, the commercial value of the e-commerce industry in Indonesia will almost quadruple or reach a value of US \$ 40 billion in 2022[4]. The data findings are used as a reference for the Government of the Republic of Indonesia to target Indonesia as the main axis of the E-Commerce Industry in Indonesia. Southeast Asia. Positive trends in the E-commerce industry continue in Indonesia. According to the Digital 2020 April Global Shot report at the beginning of 2020, it was noted that the transaction rate in the Business to Consumer (B2C) type of e-commerce transaction reached a value of US \$ 11 billion[5]. The average commodities traded online such as fashion, travel, electronic and beauty products and their transactions are not only domestic but also cross-country. The existence of the COVID 19 outbreak which caused the Government of the Republic of Indonesia to implement a Large-Scale Social Restriction (PSBB) policy and Stay at Home is predicted to increase the use of e-commerce transactions.

The data described above are illustrated that the existence of e-commerce as a digital economy tool has wide influence and attracts public sympathy to use it in trading activities. However, the use of e-commerce has several risks that can cause harm to users. A legal issue that has emerged in the practice of e-commerce is the leakage and misuse of personal data for purposes beyond the scope of the needs of the main business activities in the provider's digital platform. Violation of the misuse of consumer personal data information can occur with two possibilities, namely a third-party breach that hacks the security of the digital e-commerce platform in question and an internal party from an electronic system organizer who acts against the law on consumer data by transferring it to third parties without permission the owner.

Regarding the application for liability to the e-commerce platform, the consumer can file a civil lawsuit based on torts as stipulated in article 1365 of the Civil Code via the court. However, dispute resolution through filing a civil suit to court is considered inefficient. The high cost of the case and the long duration of dispute resolution can cause the plaintiff's expenditure figure to be higher than the loss suffered. With this in mind, the resolution of consumer disputes through court is rarely an option for the community. On the one hand, digital platform companies also have the potential to lose consumer confidence, because the existence of a consumer lawsuit against the company can indirectly create a negative perspective on the company's business.

The scope of e-commerce transactions that are cross-border and without requiring physical meetings between parties is considered to provide significant benefits for the distribution of economic needs, especially during the current COVID 19 pandemics. As a result, the disputants need an alternative resolution of civil in solving cases of abuse of personal data at affordable cost, time efficiency, and without violating health protocols during the COVID 19 pandemic. This study aims to explain the concept and context of Online Dispute Resolution (hereinafter refers as ODR) on various regulatory provisions that exist in Indonesia and at the international level. Furthermore, the researcher will identify the implementation and challenges of ODR in

the legal system in Indonesia and conduct a comparative study of best practices in other countries to be used as input for the legal framework for using ODR in civil disputes regarding violations of consumer personal data in Indonesia.

2 Research Methods

This article applies a normative legal research method. This study uses several approaches used to analyse the role of ODR (online dispute resolution) in bridging civil dispute resolution between consumers and e-commerce platform companies between the conceptual approach, the legal approach, and the comparative approach. The data used in this article is secondary data obtained through a literature study. According to Ronny Hanitijo Soemitro, secondary data in the field of law (seen from its binding strength)[6], are categorized into several legal materials, namely primary legal materials for statutory regulations related to research topics, secondary legal materials namely legal journals and literature books related to ODR, E-Commerce and Personal Data Protection as well as tertiary legal materials namely Black Law dictionaries and Dictionaries. The applied research specification is descriptive-analytical by qualitatively analysing the above legal materials

3 Result and Discussion

3.1 The Legal Overview of the utilization of ODR in Cases of Personal Data Breaches

3.1.1 The Conceptual Overview of Online Dispute Resolution as a part Alternative Dispute Resolution

The acceleration of digital technology indirectly affects the legal approach, especially in terms of norm-setting, implementation, and dispute resolution. In formal legal practice, the role of Information Communication and Technology (hereinafter refers as ICT) is urgently needed to facilitate and facilitate the resolution of civil disputes, especially in business disputes between business actors and consumers. (Consumers and business actors) that must be considered. One of the dispute resolutions models in legal practice that applies the use of ICT in online dispute resolution (ODR). According to the United Nations Commission on International Trade Law (UNCITRAL) defines ODR as a "*mechanism for resolving disputes through the use of electronic communications and other information and communications*"[7]. Meanwhile, the meaning of ODR according to The Financial Service Authority of The Republic of Indonesia (OJK-RI) is interpreted as *an alternative dispute resolution using electronic media and internet networks in the settlement process so that the disputing parties do not need to meet physically*[8]. According to Pablo Cortez, ODR is interpreted as a form of ADR which takes advantage of the speed and convenience of the Internet and ICT[9]. ODR is the best (and often the only) option for enhancing the redress of consumer grievances, strengthening their trust in the market, and promoting the sustainable growth of e-commerce. Paying attention to the three meanings shows that the presence of ODR is part of a changing era that requires access assistance from computers and cell phones.

The most important things are needs to be underlined is that ODR is a form of integration of Information Technology with alternative methods of resolving disputes outside the court in general without any physical meeting of the parties. The variety of dispute resolution is the same as alternative dispute resolution which consists of negotiation, mediation, and arbitration[10].

The only difference lies in the media/means used, namely the use of the internet as a forum for interaction in the ODR, whereas settlement of disputes outside conventional courts requires the direct presence of the parties. The position of Information Technology is seen as a fourth party which becomes a means of facilitating a meeting of disputants in a virtual meeting.

The use of ODR was initially applied to cybercrime cases such as hacking of personal data and misuse of the content on an internet site. Currently, its use has been utilized and recommended in various private legal disputes such as cases of conventional business disputes, family law issues, and digital domain registration. As is the case with ADR practice, procedures in the ODR mechanism are not binding, meaning that if the settlement of the case does not meet a win-win agreement solution between the two parties, the case can be submitted to the court. The overall procedure for implementing the ODR is carried out in the virtual realm, starting from the initial stage to the end of the application for filing a case, the appointment of a third party as an intermediary, the verification process, the hearing stage (optional), online discussions, decisions and execution of decisions. However, the implementation must still pay attention to the principles of due process of law. In ODR practice, the procedures for controlling and managing information systems are not only carried out by humans but also involve computer software. As it is known, the ODR organizer provides a digital platform that bridges communication between litigants and neutral third parties as intermediaries. The option of using technology facilities in the procedure for implementing ODR indirectly indicates a change in the approach of the parties in interacting, as well as in the dispute resolution process. Examples of informatics technology used by digital platform operators in transmitting proceedings include: teleconferencing, video conference mediation by telephone, and other holographic models.

The overall mechanism for implementing the ODR is carried out in the virtual realm, starting from the initial stage to the end of the case filing, the appointment of a third party as an intermediary, the evidence process, the hearing (optional) stage, online discussions, decisions and execution of decisions. However, the implementation must still pay attention to the principles of due process of law. In ODR practice, the procedures for controlling and managing information systems are not only carried out by humans but also involve computer software. As it is known, the ODR organizer provides a digital platform that bridges communication between litigants and neutral third parties as intermediaries. The option of using technology facilities in the procedure for implementing ODR indirectly indicates a change in the approach of the parties in interacting, as well as in the dispute resolution process. Examples of informatics technology used by digital platform operators in transmitting proceedings include teleconferencing, video conference mediation by telephone, and other holographic models.

The development of innovations in the ICT field has produced several technologies that can be additional options in implementing ODR practice, namely artificial intelligence and algorithms. The use of algorithms is a manifestation of the implantation of technological aspects as a legal entity that emphasizes its function like an expert system whose task is to carry out automatic dispute resolution mechanisms with certain powers such as identifying and offering solutions to disputing parties. Some examples of the use of artificial intelligence in ODR practice are carried out by some platforms include blind negotiation, blind/binding on media and *Cybersettle*, chargeback by *Paypal*, or decision making through algorithmic technology[11]. As a breakthrough in dispute resolution practice, the use of ODR applies artificial intelligence technology that is placed as an autonomous party in charge of making case decisions by equalizing its work function like the ability of the human mind. Even though its use contains risks, the results of its use (verdicts) still have to get supervision from humans, especially the assist of experts.

The online dispute resolution scheme was first initiated at the international level due to concerns about increasing trademark infringement in international business practices. The idea of an ODR system at the international level is called the Uniform Domain Resolution Policy (UDRP). UDRP is a mandatory and binding arbitration system designed to regulate trademark disputes in domain registration[12]. The UDRP system was first adopted and used by a non-profit organization called the Internet Corporation for Assigned Names and Numbers (ICCAN). The ICCAN position as a non-profit organization is very unique, this is because this institution regulates the majority of internet usage through a control domain name system (DNS) which is cross-jurisdictional. Then the UDRP scheme was recommended by WIPO (World Intellectual Property Organization) and received a positive response from the business world. The ODR model framework offered by UDRP illustrates the arrangement of digital business practices interaction with third parties by registering a domain name at the beginning of the contract.

Based on the perspectives of operators, ODR practices qualify into two types, namely online private platforms and online platforms managed by public agencies. The main thing that distinguishes the two is that the private ODR platform is part of the company's digital product service system which is based on business goals (profit-oriented) by promoting the novelty of innovation in serving market needs. Meanwhile, digital platforms managed by public bodies are usually funded by the government budget, non-commercial, and supported by judicial means. On the private ODR platform, it is grouped into two types, namely self-contained and full service[13]. Self-contained ODR platforms are designed to resolve internal disputes between users, for example, online marketplaces like e-bay, amazon, etc. In a self-contained marketplace, the provider sets service standards and agreements for the account holders (sellers and buyers) that accommodate the rules of the game in transactions. The operational standards in the marketplace are determined by the organizers in particular, such as the imposition of sanctions for violations, payment delays, refunds of fees, account blocking and suspensions, user rating assessments, and publication of feedback. Meanwhile, the full-service platform tends to be more open to anyone in dispute by providing an option for determining ODR according to the type of dispute (case, court fee, and other factors). Modria is an example of a cloud computing-based platform designed to resolve various types of disputes and their levels, both by the private sector and the government.

The contrast to the public ODR platform owned by Government Agencies and public organizations that implement the ODR system as an alternative form or complementary element in judicial procedures in conventional disputes. Several countries have institutionalized the concept of public-type ODR, among others, the United States, Mexico, and Canada which are commonly used to facilitate business disputes over claims for losses by consumers against business actors. The scope of public ODR jurisdiction can include cross-territoriality between countries. As in European Union countries that have 75 ADR schemes, to build an integrated general framework the European Parliament and the Council of the European Union adopted the Consumer ADR Directive and the Regulation on consumer ODR. Domestic ADR regulations in EU countries continue to apply based on the "Common Minimum Quality Principles". This is supported by the provision of a free ODR platform in all regions of the European Union member states.

3.1.2 The Indonesian ICT Regulations and International Arrangement Perspectives on Privacy Data Towards the Use of Online Dispute Resolution

The concept of Online Dispute Resolution has been internalized into several national regulations both at the legal and regulatory levels of technical institutions. Modernization in the

economic sector adapted and combined with information technology, especially in the trade sector, has encouraged the state to provide guarantees of protection against the emergence of new legal disputes rooted in conflicts of interest. In-Law. No.7 of 2014 concerning Trade, the use of online dispute resolution is implicitly regulated as one of the options for dispute resolution in e-commerce business activities between business people and consumers. As regulated in the provisions of Article 65 paragraph (5) which states that:

“In the event of a dispute relating to commercial transactions through electronic systems, people or entities who have disputes can resolve the dispute through the courts or through other dispute resolution mechanisms.”

Paying attention to the provisions of this article, it can be stated that the Trade Law provides freedom for parties to disputes on e-commerce to determine settlement institutions both through the court and outside the court. So that these provisions can be used as a basis in choosing online dispute resolutions in Indonesia.

Meanwhile, the online dispute resolution arrangement in the Law. No.11 of 2008 concerning Electronic Information and Transactions (hereinafter referred to as the Information and Electronic Transaction Law) which is based on making electronic contracts designed and agreed upon by business actors and consumers on a digital platform. In the electronic contract, the consumer and business actor determine the method of dispute resolution that has the potential to arise from the holding of the relevant electronic business transaction. Settlement can be through court forums or alternative dispute resolution institutions that have the authority to handle disputes arising from the transaction. However, if the disputants do not specify a dispute resolution institution to resolve conflicts that have the potential to arise in e-commerce transactions, then the principles of international law apply. The confirmation of the potential use of online dispute resolution is regulated in the provisions of article 38 paragraph (2) which states that:

“The society under provisions of Rules may bring class-action lawsuits against parties that provide Electronic Systems and/or using Information Technology to the society loss, under Rules”.

The context of law enforcement which aims to obtain peace and public order referred to above is that the state provides opportunities for the public as consumers to file lawsuits when violations occur due to electronic transaction activities. The public is also encouraged to play an active role in the scope of business activities related to digital systems such as e-commerce, e-contracts, e payments, and business service models in other electronic platforms. The essence of the above provision implies that there is sufficient opportunity to take advantage of ODR in resolving business disputes on the internet network, as long as the method is intended as a means of law enforcement. This is then emphasized in the provisions of article 18 of the Information and Electronic Transaction Law which states that the disputants are also given the authority to determine legal choices that apply to cross-country electronic transactions, so that dispute resolution via ODR can be the right means without worrying about differences in geographical boundaries. The proposal to use ODR is usually included in the agreement clause between the disputants in an electronic contract which is based on the principle of freedom of contract. This shows that the regulation in this law frees the parties to determine the choice of dispute resolution forum institutions and legal choices.

The Settlement of personal data disputes are not clearly regulated in the Information and Electronics Law and its amendments, but is regulated quite specifically in the Regulation of the Minister of Communication and Information Technology No.20 of 2016 concerning Protection of Personal Data in Electronic Systems. Article 26 states that each owner of personal data and the Operator of electronic systems can file complaints to resolve disputes on personal data to the Minister of Communication and Information Technology regarding the occurrence of

misuse and failure of personal data protection. The complaint mechanism is intended as an effort to resolve civil disputes through deliberation or other alternative dispute resolution. However, the difference lies in the involvement of the Government in forming a panel to decide dispute resolution cases. Complaints can be made based on a non-written notification of the failure of the protection of personal data by the e-commerce platform operator, either that has the potential to harm or not to the consumer. Complaints can be made no later than 30 days after the complainant finds out about information on the violation of his personal data on the relevant digital platform. However, the use of ODR has not been clearly defined in this regulation.

Law No.30 /1999 regarding Arbitration and alternative dispute resolution (hereinafter referred to as Arbitration and alternative dispute resolution Act) is provided legal opportunities to determine ODR as an alternative dispute resolution option. In Article 1 point 10 it is stated that the methods of dispute resolution outside the court include consultation, negotiation, mediation, conciliation, expert judgment, arbitration. This provision reflects that this law encourages out-of-court dispute resolution methods using technology under the times. However, the Arbitration and Dispute Resolution Law does not describe in detail the form of the institution, its duties, and powers. Rather, it only regulates the competencies and procedures that apply. Likewise, in the case of the selection of laws used, this law leaves entirely to the disputants. if the disputants do not make a choice of law and or there is a disagreement on this matter, then the determination of law and dispute settlement forums shall be based on the principles inside Private International Law.

Opportunities for choosing ODR in resolving disputes over personal data breaches are also implicitly regulated in the law. No.14 of 2008 concerning The Transparency of Public Information as described in Article 1 points 6 and 7 which state that the settlement of public information disputes between parties can be carried out through adjudication and mediation forums. Even though until now the Government of the Republic of Indonesia has yet to issue specific arrangements regarding personal data, however, in article 56 of the Personal Data Protection Bill which is currently being discussed in the National Legislation Program, forums for resolving disputes over personal data breaches are left to the disputants who may choose to use alternative dispute resolution or litigation channels. The procedural law that is applied refers to the provisions of the Procedural Law on litigation settlement (HIR and RbG) and / or the proceeding mechanism that applies to ADR. However, the terms of use and settlement of ODR are not explicitly discussed.

At the regional level, the application of the ODR system was proposed at the ASEAN Economic Community Development forum in 2008. ODR was included in the plan included in one of the blueprints which were then followed up to be included in The ASEAN Committee on Consumer Protection. Strengthening the ODR system which refers to the standard of the Civil International Law system is the focus of the agenda in regulating E-Commerce transactions across ASEAN member countries. ODR arrangements are also discussed again to be formulated at the ASAPCP (The ASEAN Strategic Action Plan for Consumer Protection for the period 2016-2025. The steps taken include: establishing a national scale ODR system for each ASEAN member, establishing a regional ODR network at the ASEAN level. as well as establishing a complaint mechanism and cross-country investigation at the ASEAN regional scale Follow up on the three strategic pillars above by forming the ASEAN Coordinating Committee on Electronic Commerce.

3.2 Legal Challenges on the implementation of ODR in Indonesia to Bridging Privacy Data Settlement

3.2.1 The Implementation of ODR for E-Commerce Dispute Settlement in Indonesia

As known, the ODR mechanism in national law to deal with personal data breaches does not yet have a clear and detailed conceptual formula. However, in broad outline, in practice, the legal subjects involved in the use of ODR qualify into three parties, namely first, the service users. Service users on the ODR platform in civil and business cases are parties to the dispute. Disputing parties consist of consumers (application users, both buyers, and sellers) who feel their rights have been harmed and digital application organizers who are suspected of violating or abusing their authority which has implications for consumer rights. The second party that plays a role is the provider and operator of the ODR service as the facilitator of dispute resolution. ODR service providers can be carried out by private and government parties.

According to Joseph W. Goodman, three ODR models are widely applied by the international community, namely fully automated cyber, using software and facilitators, and using online technology[14]. In the fully automated cyber model, dispute resolution is carried out by a software system that has the role of automatically bringing together the reporting party and the reported party until an agreement is reached. Meanwhile, the using software and facilitator model consists of several stages, among others, first, the appointment of a third party as a facilitator who acts as an intermediary for the disputing parties to provide suggestions on the appropriate negotiation model and compile the demands submitted in the ODR process. The presence of arbitrators or third-parties as facilitators of dispute resolution remains an important key and cannot be directly replaced by technological tools. Then the software on the ODR platform will identify the parties' demands to find a solution. The using online technology approach applies several service features in the form of email, video conferences, chat rooms, and instant messaging. The concept of using online technology usually uses three ways of settlement, namely negotiation, arbitration, and mediation.

Referring to legal norms in the Arbitration and Alternative dispute resolution Act as the initial basis for enabling the application of ODR in non-litigation practices, the concept of using online technology is the closest scheme to the provisions of this regulation. This can be used as an option for resolving civil disputes over the abuse of consumer personal data by e-commerce platforms. In the using online technology system, it usually begins with a report on claims for losses by consumers whose privacy rights are violated by the e-commerce platform company as the reported party. The application is submitted to the ODR service provider institution. Then the ODR organizer will send a notification via email to the reported party, namely the digital platform service provider company for the demands submitted by the consumer.

Furthermore, the e-commerce platform company as the reported party will accept the dispute resolution offer and provide a description of the intended final result and propose a third-party election as a facilitator. Responding to this, the ODR platform operator will forward the reported request for the appointment of a facilitator who will be asked for approval or rejection from the consumer. If the reporting party agrees, the request will be forwarded to the facilitator. The facilitator is obliged to review the request for a resolution that is expected by each party to find an ideal middle way for the disputing parties. The role of the facilitator participates in bridging the parties to negotiate with each other to find common ground for dispute resolution. If the reporting party and the reported party reach an agreement, the ODR organizer will announce the result of the decision for the disputing parties. The binding power of the ODR organizer's decision is largely determined by the variant of the mechanism chosen by the parties. If the ODR decision which is the result of the negotiation and mediation method is generally not legally binding. Whereas ODR decisions using the arbitration model can be legally binding, however, the execution of these decisions must take court routes first. However, if the agreement of the disputing parties fails to materialize, the parties can file a lawsuit again or continue the dispute settlement through litigation.

In the practice of handling consumer service complaints in Indonesia, the public is given various options in terms of sectoral dispute resolution forums among government agencies[15]. Consumers are required to identify in advance cases of violation of their rights before determining which institutions can be visited to submit a complaint. This causes the public as consumers to be reluctant to file complaints about dispute resolution outside the court. In response to this, the Ministry of Trade of the Republic of Indonesia established a digital platform to serve complaints of consumer violations including in cases of e-commerce transactions to resolve disputes outside the court via digital applications. Based on data compiled by the Ministry of Trade, the number of registered complaints reached 1771 cases registered on the platform[16]. However, this program only lasted a year due to weak coordination between government agencies regarding server management and the authority to administer cases.

The Settlement of disputes over violations of consumer personal data through ODR is also carried out internally (self-regulation) by electronic system administrators. The media used is on a server belonging to an e-commerce platform company. This is what is practiced on several websites of e-commerce marketplace companies in Indonesia such as Tokopedia[17]. The digital platform owned by Tokopedia provides a privacy policy and terms and conditions for users to resolve business disputes between sellers - buyers and marketplace organizing companies. The terms and conditions that are regulated digitally include several things including the choice of law that will be used to resolve disputes on the application server of an e-commerce company. However, the legal jurisdiction used is limited to the laws applicable in the territory of Indonesia, so it is difficult to apply for e-commerce transactions that occur across countries.

The use of ODR is limited to the banking sector through alternative dispute resolution institutions, where it functions as a support in supporting data documentation, correspondence, and possible communication by using e-mails related to sending letters from the LAPSPI secretariat (Indonesian Banking Dispute Resolution Alternative Institute) to disputants. The regulation on the use of information technology in the settlement of banking disputes by LAPSPI has been regulated for the type of adjudication (LAPSPI Regulation No.8 / LAPSPI-PER / 2015) and mediation (LAPSPI Regulation No.7 / LAPSPI-PER / 2015), but the arbitration mechanism has not stipulated provisions.

3.2.2. The Legal Obstacle on Applying ODR for Privacy Data Breach in Indonesia

ODR is one of the dispute resolutions options that has many advantages in terms of cost, efficient dispute resolution time, and well documentation of proceedings in a virtual system. The effectiveness of regulation is strongly influenced by the factors contained in several interrelated elements called the legal system. According to Lawrence M. Friedman, a good legal system is strongly influenced by three main components, namely legal substance, legal structure, and legal culture[18].

Based on the legal substance aspect, the use of ODR in resolving civil disputes on violations of consumer personal data in electronic transactions on the platform does not yet have legal rules that regulate both material and procedural aspects. As a country that adheres to negative law principles, the use of ODR cannot be implemented effectively and comprehensively in Indonesia because no written rule specifically accommodates it. As it is known, the substance of legal rules that are material in nature is Law. Protection of Personal Data which serves as the main regulation to become the main material legal product in dealing with violations and or misuse of personal data is still in the National Legislation Program stage which is still being discussed jointly between the House of Representatives and the Government. As a result, this bill has not been able to be promulgated to the public as a legal umbrella for the use of ODR to handle cases of personal data protection. This condition causes legal certainty over the use of ODR to be biased because disputants can have doubts about the benefits of

dispute resolution with this model and tend to use litigation resolution which is less effective for business practice.

Meanwhile, from the procedural side, there is a legal vacuum that regulates the method of implementing procedural practices through ODR related to the selection of digital applications, procedural mechanisms, and security of the platforms operated by the organizing institution. The preparation of standard legal procedures for the implementation of ODR is an issue that must be considered very seriously for the organizers. As is well known, the use of ODR connected to the ICT system is very vulnerable to security for the confidentiality/privacy of disputants, impersonal problems, and literacy in the use of digital devices as an ODR platform. Security aspects of confidentiality and privacy protection of disputants, including all kinds of recorded conversation documentation, must be guaranteed by restrictive arrangements regarding access restrictions for parties outside of disputants and prohibitions for one or all of the disputants to disseminate the contents of the proceedings without the permission of the organizer. This issue is a crucial issue considering that initially ODR will be used to resolve personal data problems in a civil manner, however, it creates a new problem in the form of a violation of the privacy data of disputants.

The second weakness of the substance aspect of procedural law is the execution of decisions. As it is known, the types of dispute resolution in ODR vary the same as ADR practice, only the facilities and locations are distinguished. The execution of civil decisions has an unfavorable record, even though it has permanent legal force (*In Kracht*)[19]. As it is known, one of the ODR models used by e-commerce platform companies, namely internal online settlement between business actors, providers, and consumers, the validity of the decision is still questionable. So that it can cause difficulties in the execution. This problem becomes a serious challenge for the implementation of the binding power of the ODR decision which is very dependent on the variant determined and agreed upon by the disputants.

The role of an institution plays an important position in case handling. In practice, ODR can be carried out by various institutions, both from private and government associations (Independent Alternative Disputes Settlement Bodies in the field of financial services) (National Arbitration Board and Consumer Settlement Agency) depending on the choice and agreement of the disputants. The diversity of institutions administering the ODR has the potential to cause differences in decisions taken by each forum or institution, resulting in a loss of legal certainty in the same case. In the settlement of personal data disputes as stipulated in the Regulation of the Minister of Communication No.20 of 2016 concerning Personal Data Protection in Electronic Systems, where the procedure requires the presence of the Government as a case breaker outside the court. Concerning institutions that have the authority to handle this case, an independent institution that is given a special mandate is needed to achieve transparency and neutrality. Meanwhile, the Personal Data Protection Bill has not formulated the subject of the regulator and organizer of dispute resolution, because there is no formulation agreed upon by the Government and the DPR regarding the institutional concept, namely forming a new independent institution or expanding the existing institutional authority structures in the country.

Besides, the challenge of legal literacy in the use of technology for disputing parties and administrators of the ODR system is a challenge in terms of legal culture. In the aspect of procedural law, the legality of regulating the procedures for implementing ODR that has not been accommodated in detail creates doubts for the public, especially regarding the viewpoint of the legality of the use of electronic documents as evidence. Certainty in the use of electronic signatures has also not received certainty in the arrangements in the Arbitration Law and alternative Dispute Resolution. Also, for legal practitioners, the use of ODR has difficulty

predicting the psychological condition of the disputing parties because they do not make direct face-to-face contact.

3.3 The Framework of Legal Arrangements for The Use of ODR in cases of personal data breaches in Indonesia

3.3.1 Best practices for using ODR in overcoming personal data breaches on the E-Commerce platform

To design a more efficient, effective, and easy accessibility cross-border dispute resolution, the majority of countries in the world have launched alternative means of dispute resolution by utilizing information technology or what is popularly known as Online Dispute Resolution (ODR). The use of ODR as a media for dispute resolution has been widely applied in several countries in the world such as the United States and China.

3.3.1.1 Online Dispute Resolution Practice in the United States

The ODR model applied in the United States consists of two types, namely a self-regulation system and using the facilitation of an arbitration institution. The use of ODR with a self-regulation model was first used by The National Center for Automated Information Research in Philadelphia, the USA in 1995. This institution creates a virtual platform as ODR media with the name Virtual Magistrate which functions to resolve disputes between electronic system administrators and users. Four years later, E Bay in collaboration with the University of Massachusetts established a digital platform called SquareTrade to facilitate mediation between sellers and buyers in e-commerce transactions. Another example of a marketplace platform that carries out ODR self-regulation is Modria. Modria is the most successful ODR Platform with a total of 100,000 case requests received per year[20]. There are two types of online dispute resolution implemented by Modria, namely online mediation, and arbitration.

Whereas ODR applications through traditional institutions in America are carried out by the American Arbitration Association (hereinafter referred to as AAA). The formation of the AAA is defined in the Federal Regulations on Arbitration Act. AAA is an institution that handles disputes that are not limited to business cases such as intellectual property rights, technology, consumers, financial services, international business matters, and construction. The methods used by AAA are mediation, arbitration, court, and online settlement. The procedure for implementing the ODR applied by the AAA consists of several stages. The initial stage is the registration of disputants on a *Webfile* that is managed by the institution, which is followed up by filling out an online form by the disputants. After registering, disputants can submit claims online to AAA via email or other online devices. The plaintiff can add a page to upload documents related to the dispute including filling out the desired demands against the defendant. After filling out the form and declaring it complete, the AAA Party will announce the third party who will be the panellist in the case. The procedure for the proceedings will be announced by the AAA Party online to the disputants.

3.3.1.2 Online Dispute Resolution in the People's Republic of China

ODR regulations in China are not regulated in the Special Law but are implicitly regulated in article 16 of the Arbitration Law of the People's Republic of China. In Article 16 it is stated that the arbitration agreement must include an arbitration clause stipulated in the contract as well as an agreement for submission of dispute resolution to arbitration concluded in other written forms before or after the dispute arises.

The mechanism for implementing ODR in resolving e-commerce business disputes in China is under the supervision of the China International Economic and Trade Arbitration Commission (CIETAC) which is self-regulated into a Code of Conduct, namely CIETAC Online Arbitration Rules. CIETAC formed a special agency that handles ODR through a website

that was created to serve as a platform for proceedings to resolve business and consumer disputes. The dispute resolution method applied by CIETAC uses online arbitration and mediation channels. However, it is possible to comply with the provisions in Article 15 of the Arbitration Law of the People's Republic of China which allows the administration of arbitration to be combined with the implementation of reconciliation based on the consent of the disputants.

In brief, the procedural mechanism in arbitration practice held at CIETAC consists of several stages, including the First Phase, which is the beginning of the procedure for filing a case[21]. At this stage, the disputants submit a case request and a statement and proof of evidence from each party. The second phase is the security and confidentiality arrangements in the online arbitration process, which are then followed up by hearings from the parties. The arbitrators appointed by CIETAC have the authority to terminate the reconciliation process if it does not bring conciliation to the disputants or is at the disputants' request. The failure of the reconciliation process will continue at the arbitration stage.

3.3.2 Urgency to Evaluate the Regulations to Operate ODR Effectively Against Personal Data Breach

The presence of law in society functions as a tool for social engineering to create order and order by harmonizing various interests so that there is no conflict between stakeholders. The emergence of ODR as a method of dispute resolution in the e-commerce business sector is the answer needed by business actors and consumers to obtain a case settlement that is fast, effective, and cost-efficient. To accommodate the existence of ODR, a legal instrument that is responsive to the needs of the community is needed. Based on the description of the obstacles to implementing and regulating ODR as stated in the above discussion sub-chapter, the Indonesian Government must evaluate legal policies by making corrections and redesigning regulatory models in the procedural law sector, the Personal Data Protection Law, and delegating agencies that have the authority to implement them.

Procedural legal provisions in the law. Arbitration and alternative dispute resolution are still relevant to be used as a basis for using ODR in resolving disputes between e-commerce platform organizers and consumer users. However, there needs to be updates and adjustments to the substance in it with the ODR concept, including First, the arrangement of the proceeding mechanism in the ODR system network which includes the choice of the ADR model, procedures and requirements for registering reports, procedures for calling the parties by the organizer, the deliberation/mediation/adjudication process. / arbitration, decision making, and execution. The focus of the second revised procedural law policy on the Arbitration Law and Alternative dispute resolution is the Regulations for Standardization of the Operational System and the protection of data system security in applications used in ODR. ADR operators are required to follow and adopt the provisions of the ICT Law, Government Regulation no. 71 of 2019 concerning the Implementation of Electronic Systems and Transactions concerning the Ministry of Communication and Informatics Regulation No.19 of 2016 concerning Personal Data Security and the Personal Data Protection Law (if it has been passed by the Government). The third is the arrangement of features used such as video, chat, simultaneous combination via documents (google document edited remotely), e-mail, and virtual meeting/discussion platform forums.

The urgency for the drafting and issuance of laws. Personal data is a very vital legal instrument in terms of data collection and management. This is apart from the mass collection of data by the Government or the private sector with or without the knowledge of the private sector. The need for a Law on Personal Data as the main regulation cannot be separated from the overlap of the substance of the 32 laws. Other sectoral roles that partially regulate personal data. Forms of disharmony include the purpose of processing personal data, notification, or

approval from the owner of the personal data, the retention period for personal data. Then, the destruction, deletion, or alteration of personal data. This asynchrony is a loss for the community so that to support the implementation of ODR, the presence of this law is very urgent to be issued by the Government.

Institutions are the keys that play an important role in the legal system. The self-regulation type ODR model that has been implemented by several e-commerce companies should be maintained, but with several regulatory developments. The regulation and implementation of the ODR Informatics system in the e-commerce platform conform to the standards used by the International Council for Online Dispute Resolution. Apart from the fact that the legal issue discussed in this article is the violation of personal data, the institution that is given the authority is an independent body established and appointed by the Government to handle and implement the ODR mechanism in cases of misuse of personal data.

The presence of information technology has had a major influence on how disputes are resolved in the business sector, this phenomenon also spreads to its regulatory patterns to bridge the legal needs of society through regulation by harmonizing the development of knowledge and technology. The process of drafting a law takes a long time, so it is quite difficult to remain in a single phase in line with the evolution of technological advances that continue to move rapidly. This contrasting condition has implications for the legal certainty that disputants get because there is no clear corridor regarding the boundaries of rights and responsibilities which cannot be predicted. This description of the legal situation is not new, because the law is said to be always one step late from the social dynamics of society.

E-commerce transaction areas that are full of digital space require a separate dispute resolution arrangement (*sui generis*). Regulations that are too rigid will create obstacles to advances in the world of technology and economy and block the positive benefits that can be obtained from the use of ODR. As described in the discussion above, in practice the use of ODR has been carried out by national e-commerce platform companies and Alternative Dispute Resolution Agencies in the financial sector by emphasizing self-regulation. Therefore, this practice is still allowed to be operationalized by observing the principles in several alternative traditional dispute resolution models.

Responding to this issue, the article offers three legal solutions that can reduce risk and bridge the use of ODR in Indonesia, namely the first revision of the Law. Arbitration and dispute resolution alternatives (Long-term advice). This proposal is a critical point that must be carried out by the Government of the Republic of Indonesia in facing Industry 4.0. The submission of revision of the Law Arbitration and alternative dispute resolution is very difficult to do soon, although the legal issue of ODR procedure formulation is very urgent. This is because the mechanism takes a long time from the stage of making an academic paper to its enactment. However, it must be included in the long-term plan for the development of the National Procedural Law. The second legal solution is that in the short term it is best for interested institutions and e-commerce companies to determine operational standards in cases of personal data breaches through ODR. Of course, by continuing to review and pay attention to harmonization with other related laws. Third, concerning the legality of ratifying the ODR decision in cases of violation of personal data so that execution can be carried out, the administering institution (a special institution established by the Government of the Republic of Indonesia) can file registration for the decision through the District Court. The registration procedure for ODR decisions requires legal support from the competent institution, namely the issuance of a Supreme Court decree.

4 Conclusion

The design of Regulations regarding ODR has been formulated *lex generalis* on partial of regulations in Indonesia so that there is already a legal basis that can cover the use of ODR in Indonesia. Even the legal basis for the use of ODR has also been accommodated implicitly in several regulations for the Alternative Dispute Resolution Institutions partially. However, implementing ODR in Indonesia requires a more specific legal instrument arrangement both in terms of material law and procedural legal instruments. The two provisions of this regulation should be considered so that ODR can provide legal certainty, justice for the disputing parties, and benefits for the existence of ODR as an instrument for resolving disputes over the abuse of consumer personal data in e-commerce business practices. The author recommends several legal solutions in the long and short term that can be useful to cover weaknesses in the use of ODR in Indonesia, including First, revising the Law on Arbitration and Alternative dispute resolution. Second, accelerate the ratification of the Personal Data Protection Bill and the appointment of authorized agencies. Third, the regulation on the ratification of the issuance of procedural standards in the ODR and ratification of the decision through a Supreme Court Regulation, but with due observance of the alignment of the regulations with other related laws.

5 Acknowledgment

Acknowledgment. The authors would like to appreciate and thanks to Faculty of Law Diponegoro Semarang for the support for us on funding and moral aspects. Other thanks to the committee of ICETLAWBE 2020 for giving a review, suggest and accept this paper to present 11 in this annual scientific event. Then, we would like to thank The Financial Service Authority of The Republic of Indonesia who is share important data that was used by the authors as references contents that support for analysis and developing an idea on this research article. As the result, this study is high- qualification substances and proper to be published. the authors wish this article can provide contributions for scholars and practitioners in the field of law.

References

- [1] I. Lukito, "Tantangan Hukum dan Peran Pemerintah dalam Pembangunan E-Commerce (Legal Challenges and Government'S Role in E-Commerce Development)," *J. Ilm. Kebijak. Huk.*, vol. 11, no. 3, 2017.
- [2] E. Makarim, "Kerangka Kebijakan Dan Reformasi Hukum Untuk Kelancaran Perdagangan Secara Elektronik (E-Commerce) Di Indonesia," *J. Huk. Pembang.*, vol. 44, no. 3, p. 314, Sep. 2014, doi: 10.21143/jhp.vol44.no3.25.
- [3] Google, Temasek, and B. & Company, "e-Conomy SEA 2019 Report Swipe Up and to the right: Southeast Asia \$100 billion Internet economy," 2019. [Online]. Available: https://www.bain.com/globalassets/noindex/2019/google_temasek_bain_e_conomy_sea_2019_report.pdf.
- [4] K. Das, T. Tamhane, B. Vatterott, P. Wibowo, and S. Wintels, "The digital archipelago: How online commerce is driving Indonesia's economic development," *McKinsey Co.*, no. August, pp. 1–72, 2018, [Online]. Available: www.mckinsey.com/featured-insights/asia-pacific/the-digital-archipelago-how-online-.
- [5] S. Kemp, "Digital 2020: April Global Statshot," 23 April, 2020. <https://datareportal.com/reports/digital-2020-april-global-statshot>.
- [6] R. H. Sumitro, *Metodologi Penelitian Hukum dan Jurimetri*, 5th ed. Jakarta: Ghalia Indonesia, 1994.
- [7] United Nations Commission on International Trade Law, "UNCITRAL Technical Notes on Online Dispute

- Resolution.” Vienna, pp. 1–9, 2017, [Online]. Available: https://www.uncitral.org/pdf/english/texts/odr/V1700382_English_Technical_Notes_on_ODR.pdf.
- [8] D. P. O. J. Keuangan, *Kajian Perlindungan Konsumen Sektor Jasa Keuangan: Online Dispute Resolution (ODR)*. Jakarta: Departemen Perlindungan Konsumen OJK, 2017.
- [9] P. Cortés, “Developing online dispute resolution for consumers in the EU: A proposal for the regulation of accredited providers,” *Int. J. Law Inf. Technol.*, vol. 19, no. 1, pp. 1–28, 2011, doi: 10.1093/ijlit/eqq011.
- [10] I. M. Widnyana, *Alternatif Penyelesaian Sengketa & Arbitrase*. Jakarta: Fikahati Aneska, 2014.
- [11] M. S. A. Wahab, E. Katsh, and D. Rainey, *Online Dispute Resolution Theory and Practice: a Treaties on Technology and Dispute Resolution*. The Hague: Eleven International Publishing, 2012.
- [12] M. G. Bowers, “Implementing an online dispute resolution scheme: Using domain name registration contracts to create a workable framework,” *Vanderbilt Law Rev.*, vol. 64, no. 4, pp. 1265–1309, 2011.
- [13] A. H. Raymond and S. J. Shackelford, “Technology Ethics and Access to Justice- Should an Alogrithm be,” *Michigan J. Int. Law*, vol. 35, no. 3, pp. 485–524, 2014, [Online]. Available: http://www.mjilonline.org/wordpress/wp-content/uploads/2015/04/35-3_Technology-Ethics-and-Access-to-Justice-Should-an-Alogrithm-be.pdf.
- [14] J. W. Goodman, “The Pros and Cons of Online Dispute Resolution: An Assesment of Cyver-Mediation Websites,” *Duke Law Technol. Rev.*, vol. 2, no. 1, pp. 1–16, 2003, [Online]. Available: <https://scholarship.law.duke.edu/dltr/vol2/iss1/2>.
- [15] I. Aprilianti, “Policy Paper No. 27 Protecting People: Promoting Digital Consumer Rights,” no. 27. Center for Indonesian Policy Studies, Jakarta, pp. 1–46, 2020, [Online]. Available: <https://repository.cips-indonesia.org/media/310045-melindungi-masyarakat-memajukan-hak-hak-83b832fd.pdf>.
- [16] United Nations Conference on Trade and Development, *Voluntary Peer Review of Consumer Protection Law and Policy: Indonesia*. Geneva: United Nations Conference on Trade and Development, 2019.
- [17] Tokopedia, “Tokopedia Terms & Condition,” April, 2, 2020. <https://www.tokopedia.com/terms>.
- [18] L. M. Friedman, *The Legal System: A Social Science Perspective*, VI. Bandung: Nusa Media, 2018.
- [19] A. Jebabun *et al.*, “Initial Assessment Problems of Court Decision Enforcement System in Indonesia,” Jakarta, 2018. [Online]. Available: https://leip.or.id/wp-content/uploads/2018/10/LeIP_Asesmen-Awal-Eksekusi-Putusan-Perdata.pdf.
- [20] K. Mania, “Online dispute resolution: The future of justice,” *Int. Comp. Jurisprud.*, vol. 1, no. 1, pp. 76–86, 2015, doi: 10.1016/j.icj.2015.10.006.
- [21] Q. He, “Legal Issues and Challenges of ODR: A Chinese Perspective,” 2012. http://uncitralrcap.org/wp-content/uploads/2015/11/Day2_Panel2_B_1_Qi_Sheung_Legal-Issue-and-Challengesof-ODR.pdf.

Social Capital in Public Goods Management: The Case Study of Nglanggeran Tourism Village

Ashadi Cahyadi¹, Netta Agusti², Nasor³, Sulthan Syahrir⁴, Afif Ansori⁵
{ashadicaahyadi03@yahoo.com¹, nettaagusti@iainbengkulu.ac.id², nasor@radenintan.ac.id³,
sultansyahrir@radenintan.ac.id⁴, Afifanshori@radenintan.ac.id⁵}

Program Doktor Universitas Islam Negeri Raden Intan Lampung, Indonesia¹, Institut Agama Islam
Negeri Bengkulu, Indonesia², Universitas Islam Negeri Raden Intan Lampung, Indonesia³, Universitas
Islam Negeri Raden Intan Lampung, Indonesia⁴, Universitas Islam Negeri Raden Intan Lampung,
Indonesia⁵

Abstract. This study discusses the management of a tourist village as a public good that utilizes community social capital. Nglanggeran is considered the best practice to explain this phenomenon because it is able to synergize five different communities under Pokdarwis (Tourism Awareness Group). We argue that social capital becomes a balance in the management of public goods by different communities when the government does not yet have a clear policy frame. We investigate five communities with different backgrounds work together without contestation. Case study has used in this research. We find that the pioneer community must get recognition from other communities, this indicates that the same vision-mission alone is not enough to build community relationships; Relations between communities will not be combined without a pioneer community, in the sense that a community that is willing to work hard to convince other communities; awareness from other communities that the administration of public goods requires mutual support.

Keywords: Social capital; Public goods; Governance; Nglanggeran Tourism Village.

1. Introduction

The paradigm of managing public goods that has begun to be read from local government to local community is characterized by multi-factors [1],[2],[3],[4]. The involvement of many actors has contributed to ending the era of the dominant state. Thus, public goods, which have been synonymous with management in the hands of the state, are no longer run with rigid mechanisms [5],[6]. Public goods are run based on flexibility and stable networks between various communities in the field including state actors. Even though this flexibility is what will later ignite the problem of who is "in charge" and who is "entitled" to benefit. But if the flexibility of the community is able to be managed with a system of beliefs, values, and norms that have become social capital in society, it is believed that it will be able to bring stability to the management of public goods.

The model of collective goods management, such as tourism villages, has actually been

started since the late 1990s. At that time, the Minister of Tourism created a PIR (People's Core Tourism) program with the slogan "tourism from the people, by the people, and for the people". In 2009, the Minister of Tourism provided PNPM Tourism funds to the Tourism Awareness Group (Pokdarwis) as a local community empowerment fund in managing tourist villages. Unfortunately, government programs from the past until now have only touched on funding, empowerment, and providing facilities in the form of road access. As for the management of tourism organizing and the tourism village ownership system, it is fully regulated independently by the community. The absence of frames and regulations governing how the management model for organizing tourist villages is suspected to be the cause of various problems in the management of tourist villages.

Seen on the one hand, the community becomes the party capable of exploring the nature of the village or something that is intentionally added to get added value. On the other hand, mismanagement and the absence of government reinforce the wild way the community behaves. Fukuyama explains that community is born from the womb of social capital [7]. Fukuyama continues that social capital is a condition that must be met in building community. Social and community capital play a very important role when functioning and strengthening people's lives. The collapse of a stabilization of democracy, the main determinant of which is the stunting of social capital.

Social capital within the framework of a collective movement that manages collective goods is a determining factor for community mobilization with the principle that each community entity carries out activities that generate mutual benefits. Social capital is a social institution that involves networks, norms and beliefs that can increase the efficiency of society by facilitating coordinated actions [8]. These social networks can provide members with various forms of collective support, the benefits of which can be felt by each member. In the community movement, social capital serves to investigate resources in collective action, identify the elements most needed to achieve the movement's goals and determine the movement's sustainability [9],[3]. Social capital is also important to study more deeply because it can be a stimulus for the success of a policy [9].

Glancing at the success of the Nglanggeran tourism village in numbers, the annual income from this tourist village has fostered an optimistic attitude towards community-based tourism development. Until May 2018, the amount of money coming into the treasurer of Pokdarwis Nglanggeran was around 2.3 billion, out of a total of 198,617 visitors. Various awards ranging from local, national, to international levels have been won. All achievements cannot be separated from the cooperation between the local community and the village government. Under the five local communities, the tourist village of Ngeanggeran continues to show good development. The community consists of youth from the Bukit Putra Mandiri youth organization, village officials, the homestay community, farmer groups and the PKK. It is very interesting to study the relationship between these communities. How can these five communities with different backgrounds work together without any contestation.

2. Literature Review

2.1 Public Goods and Non-Public Organization

In the management of public goods, public organizations cannot be separated from the existence of other organizations, both from private organizations or community organizations such as communities. For this reason, publicness discussions are closely related to public

interest discussions. Pesch adds *"therefore, the publicness of public organizations is not something to be simply opposed to the privatness of private organizations, but this publicness has to be understood as a normative addition that sets public organizations apart from all others organizations"* [3]. Likewise with Pokdarwis Nglanggeran which also has a role to control public goods and this must be accepted because it provides benefits for the public.

The shift of the public administration paradigm from government to governance has also had an impact on the management of public goods from the public organization sector to the non-public organizational sector. Stiglitz explanation of public goods in the book *Economics of the Public Sector*, is no longer the benchmark in the current era of participation [10]. The role of public organizations must be dominant to achieve the welfare of society. The dominant role of public organizations will be seen in the extent to which the organization is able to manage public problems, in other words, how much public value is managed by this organization. Although Bourgon himself previously expressed a pessimistic attitude at this level, *"... I believe that this role has not received the attention it deserves"* [5]. Furthermore, this pessimism of Bourgon was conveyed after reading the complexity of public problems and public organizations being unable to provide strategic solutions, including creating a legal umbrella for tourism villages under Pokdarwis management.

It is even more difficult when this problem has not occurred to public organizations. This "unthinkable" gap is then read by non-public organizations as the government's inability to manage public goods. The participation of non-public organizations in managing public affairs increasingly blurs the meaning of the public. The people independently, who see the state as incapable of managing public affairs, participate in thinking about the best way. This practice is increasingly questioned in academic studies when it turns out that non-public organizations have a clear policy frame compared to the frame owned by the state. So what happens then, the value of publicness of non-public organizations is more felt than organizations that have the mandate of the people to take care of public problems.

Looking at the model of public goods management by Pokdarwis Nglanggeran is expected to also help clarify the concept map of the 'New Public Administration' in general, and publicness in particular. This practice explains that publicness in the science of public administration is no longer about bureaucracy and government as described in "Old Public Administration", but depends on who is able to provide a clear policy frame for managing public affairs.

Pokdarwis Nglaggeran as a manager of public goods, of course, cannot be separated from the role of the community as part of citizenship. This phenomenon explains that as a citizen who has the right to live a decent life, he receives bad treatment from a number of actors in public organizations. This fact shows that publicness by a public organization is not only determined by the length of time the organization manages public affairs, but how wisely the policies and commitments of the organization are to free the sprawl from the streets. This dynamic will later become the center of citizen membership or citizenship dynamics. *"Citizenship is considered an 'integrating' concept in that it helps individuals to reconcile their multiple roles in society. However. My role as a citizen extends beyond my conflicting self-interest and prompts me to consider the welfare of the community as a whole. Today's citizens examine and reconcile various kinds of individual and collective interest."* [5].

2.2 Social Capital and Social Relations

Social capital is an interesting topic to study because policy makers and society have presented excessive individualism [11]. The notion of social capital is promoted by changes in behavior and social relationships over feelings of regret for the decline in roles and values in

the community. Three influential writers on the conceptualization of social capital are James Coleman, Robert Putnam, Pierre Bourdieu [11].

Tabel 1. Social Capital Concept

Academics	Social Capital
Bourdieu	As a social network that is institutionalized and direct continuously in the form of mutual recognition and introduction. Bourdieu puts this approach in one direction, seeing social capital as an asset that is used by elite groups, especially those with financial capital
Coleman	View social capital as beliefs, norms of behavior, social networks, and a combination of the three. Social capital itself is attached to the social structure of actors seen as a resource that they can use to achieve their interests.
Putnam	A social institution that involves social networks, norms, and beliefs, which encourages social collaboration, where participants act together more effectively to achieve common goals.

Social capital is closely related to society or the community which is the object of study in this research. Social capital or social capital is a term developed by social experts to enrich understanding of society and community. Community is a group of people who equate different social characteristics, perspectives, and equalize steps within the same geographic area. Community is also defined as a group of people who gather for different reasons, namely for reasons of geography, economy, social, political, administrative, and other reasons. This community is part of one's self-concept and is an important aspect as a point of view or behavior [12].

There are various methods of measuring social capital using elements of social capital that can be adapted to local conditions and objectives [13]. To see social capital in the community, this study uses six elements of social capital, namely trust, social networks, mutual exchange of kindness, social norms, social values, and proactive action. These six elements are seen as a condition for the formation and development of the power of social capital in a society or community. This can be explained in the following figure.

The main and most important element of social capital is trust [14]. It can be said that trust is a necessity condition to form and build social capital in society. Fukuyama states that mutual trust allows people to unite with each other and will contribute to increasing social capital [15]. In a society with a high level of trust (high trust) and a broad spectrum of trust (long) will have strong social capital [16]. On the other hand, people with low levels of trust (low trust) or with a narrow spectrum of trust (short), then the potential for social capital is weak.

Putnam introduces the difference between two types of social capital, namely bridging (inclusive) and binding (exclusive). Binding social capital tends to promote an exclusive identity and maintain homogeneity, whereas bridging social capital tends to unite people from various social domains. Each of these forms helps to unite people from various social spheres. Each of these forms helps to reconcile different needs. Binding social capital is good for sustaining reciprocity of specification and mobilizing solidarity. Bridging relationships are more effective in connecting external assets, disseminating information, building broader identity and respect. More clearly, Woolcock make a useful separation of social capital in three types [17]: bounding social capital, bridging social capital, and inking social capital.

3. Method

3.1 Research Design

This research is a qualitative research with a case study approach. Through this approach, a deep longitudinal examination of a situation or event is carried out using systematic methods of observing, collecting data, analyzing information, and reporting the results. As a result, an in-depth understanding of why something happens will be obtained and can form the basis for further research on issues of social capital in community, publicness, and tourism. This type of research also opens a deeper way of analysis to examine the meaning behind formal forms, and social orientations and relationships that differ from one another.

3.2 Location and Data Sources

This research was conducted in Nglanggeran village, Patuk sub-district, Gunung Kidul regency, Daerah Istimewa Yogyakarta Province. Administratively, Nglanggeran village consists of five hamlets, namely: Gunung Purba, Nglanggeran Wetan, Nglanggeran Kulon, Grogono, and Karang Sari. Considering that the focus of this research is the communities in Nglanggeran, which in the management of tourism villages, the communities are spread across several hamlets, this research takes the five hamlet settings.

Primary data and secondary data will be used in this study. Primary data includes data from field observations, data obtained directly from "first hand", namely from informants' information (see: Table 1). Meanwhile, secondary data were obtained from literature study. The research data were obtained from observation, interview, and documentation techniques. The observation technique used is non-participant observation, in which the researcher conducts field surveys and observations carefully, incidentally, and periodically. The interview technique includes face-to-face interviews in-depth interviews and also through Focus Group Discussions (FGD) which aim to obtain more complete and proportional data and information.

Tabel 2. Interviewer lists

Classification	Interviewer
Tourism Village Management	Chairman of Pokdarwis Nglanggeran
	Pokdarwis Nglanggeran treasurer
	Public Relations of Pokdarwis Nglanggeran
Bureaucracy	Nglanggeran Village Officials
Community	Chairman of the Youth Organization
	Chairman of the Farmers Group
	PKK Chairman
	Homestay Nglanggeran
	Farmers

3.3 Data Collection

The method of analysis in this study uses an interactive analysis model. The interactive analysis model consists of three activities that occur simultaneously, namely: data reduction, data presentation, and drawing conclusions or verification [18]. The data analysis process begins with data collection. In accordance with the techniques used, the collected data will be transcribed, read over and over to get an understanding of the context, studied and analyzed in

depth. Data reduction is defined as the process of selecting, focusing on simplification and coarse data information that arises from notes and voice recordings in the field [19],[20]. The next stage is to summarize, code, explore themes, create clusters, create partitions, and write memos. This activity continues until the research is complete. The presentation of the data collected is limited to just a set of structured information that gives the possibility of drawing conclusions and taking action. The presentation referred to includes various types of charts, charts and other forms. Everything is designed to combine all the information collected in one unified form. In this study, data obtained from interviews, observation, and documentation were analyzed and then described comprehensively in the analysis chapter. From this analysis, a complete research framework will be drawn. From there, the common thread in the research will be clear and write it down in the form of a research conclusion.

4. Findings and Discussion

4.1 Community Regenerates Social Capital

Social capital itself is closely related to society or community. The gathering of two or more individuals in a relatively long period of time will result in various kinds of norms and rules which are directly or indirectly held by a handful of people or groups. This interaction process then forms what is called social capital in the community.

Indeed, at the conceptual level, it is stated that the interaction of social capital is a term developed by social experts to enrich understanding of society and community[21],[22]. Community is a group of people who equate different social characteristics, perspectives, and equalize steps within the same geographic area. Community is also defined as a group of people who gather for different reasons, namely for reasons of geography, economy, social, political, administrative, and other reasons. This community is part of one's self-concept and is an important aspect as a point of view or behavior [12].

Narayan and Cassidy state that social capital will strengthen community networks [13]. This means that the community is born from a previously owned social capital. Especially for local people who have not been contaminated with modernization cultures. People who still maintain old values and norms are often identified with the word "traditional". Usually, in interacting, there will be many components of social capital, such as mutual respect, mutual trust without any tendency, respecting collective decisions (democracy), and mutual forgiveness. This very basic component then builds or connects (the social capital circle) comfort in the community or society.

In the case of the tourist village of Nglanggeran, the social capital model found is different from that described by Narayan and Cassidy. After the earthquake disaster in 2006 that destroyed most of Yogyakarta, even 98% of the houses in Nglanggeran collapsed, people began to lack interaction because they were busy rebuilding collapsed houses. It was help from outside that then made them come back together and then came the desire to return to managing the ancient Nglanggeran volcano tourism object. There is a desire to rise after the 2006 earthquake disaster by empowering the village's natural resources.

"...omahe ambruk, tetapi watune ora obah Then this incident became an attraction in itself. Incidentally, many NGOs have come in to provide assistance. This is an opportunity for youth to regroup. At that time I was still the chairman (head of the Bukit Putra Mandiri youth organization) because I was chosen for two periods. So, we distributed this aid to the residents and indirectly we got

back together. There arises the desire to reopen this mountain tourism object.”

(Interview: Public Relations of Pokdarwis Nglanggeran)

The Bukit Putra Mandiri youth group as the main driving force for ancient volcanic tourism objects, indirectly provides bonding, bridging, and social circles for youth to gather to unite the vision again. The bonding that was formed originated from the concern of a group of youths about the fate of the village which had not had an economic driving factor for a long time, but was exacerbated by the earthquake. The downturn gave rise to the desire to empower existing resources in the village. Commitment and the unification of vision and mission to change the fate of the village becomes the binding of interaction among youth.

From the practices undertaken by Bukit Putra Mandiri youth in building social capital bonding. All things are sacrificed in order to maintain the harmony of each individual. The absence of daily wages, working is not making money but actually spending money, spending 80% of the day for the benefit of the group, are part of the experience in forming bonding capital. So when interviewed, Suranto and Mursidi revealed one bitter memory at the beginning of building the Nglanggeran tourist village.

“...My wife came to the post where we usually gather. At 11 that night I was given a bolster pillow, he said just sleep here, no need to go home. ” (Interview: Public Relations of Pokdarwis Nglanggeran)

"We can meet up to 10 hours in a day, bro, that's not paid, bro, we are the ones who spend money to buy fried foods, tea, I was also locked from the outside because I often came home at 11pm." (Interview: Chairman of Pokdarwis Nglanggeran)

Community has become a 'hotbed' for the re-emergence of social capital in the community. The assumption is that if there is no community, social relations will not be formed between individuals. Experts believe that the emergence of community cannot be separated from social capital. Social capital becomes the glue of people's desire to be together, community becomes the container. However, it is different in the case in Nglanggeran. Community becomes a stimulus for the re-emergence of social capital in society. Community interactions related to values in social capital can be considered stagnation for some time after the earthquake disaster. This is evident in the high value of the individual when a disaster occurs. Individuals in Nglanggeran are busy with their respective problems. It is believed that the shared desire to re-form youth organizations to manage ancient volcanoes is a sign of the re-emergence of social capital in society.

"Back then, bro, around the end of 2006, this village was inhabited but it was quiet. We are busy taking care of our own house. In the past, the young man who often gathered together was nowhere to be seen at that time. Most on the way, if you meet, just say hello. We are grateful that this Nglanggeran volcano has revived the village atmosphere." (Interview: Chairman of Pokdarwis Nglanggeran)

Community becomes a separate resource, actual and virtual, which is added to the individual to form a sustainable network. Social capital that had existed in society, and then arguably disappeared due to a natural event, reappeared and was seen when there was a forum that facilitated the gathering of individuals who had common goals. These individuals can interact and gather due to the existence of social capital, then the community becomes a developer, custodian, bridging (inclusive) and binding (exclusive) that capital.

From the cases and the results of the analysis above, we can draw an understanding that social capital is a key factor in the formation of community relations, and community becomes a platform for the development of social capital. There is a mutually reinforcing symbiotic

relationship between social capital and community in the implementation of social welfare. In addition, there are several dimensions of community that are heavily influenced by social capital, including its ability to solve various collective problems, encourage the wheels of rapid change in society, broaden the common awareness that there are many ways that can be taken by each individual to improve their destiny collectively, improve the quality of life such as increasing welfare, and many other benefits that can be obtained. Nations that have high social capital will tend to be more efficient and effective in implementing various policies for the welfare of their people.

4.2 The Urgency of Trust in Nglanggeran Communities

This is in line with Woolcock understanding that the main and most important element of social capital is trust [23]. Or it can be said that trust is a necessity condition to form and build social capital in society. Fukuyama states that mutual trust allows people to unite with each other and will contribute to increasing social capital [15]. In a society with a high level of trust (high trust) and a broad spectrum of trust (long) will have strong social capital [16]. On the other hand, people with low levels of trust (low trust) or with a narrow spectrum of trust (short), then the potential for social capital is weak.

Community really needs an attitude of mutual trust and it becomes difficult to implement when at the family level, someone has difficulty getting it. Many cases like this were revealed during the Focus Group Discussion. Nglanggeran tourism village, which grew on the basis of the enthusiasm of its youth, actually experienced various obstacles during the process of organizing activities. The youths are reluctant to participate because they rarely get the trust of others.

"... 2007 was invited by Mas Sugeng to participate in the Jatilan event which was held by the youth. Never before have participated in anything like this. I became secretary of security duty to guard the parking." (Interview: Pokdarwis Nglanggeran treasurer)

"... Mas Lilik is an example of how young people actually dare to bear the mandate. But sometimes, parents who don't believe it. Taku is not right, bro. But thank God he is taking care of it well, now he has got a bigger mandate, so Pokdarwis treasurer" (Interview: Chairman of the Farmers Group)

Lilik has become an actor in social capital which influences his close relationship with the community. This belief has made Lilik last until now. Trust or trust (trust) is a form of willingness to take risks in social relationships based on a feeling of confidence that others will do something as expected and will always act in a pattern of actions that support each other, at least, others. will not act detrimental to themselves and their group. This case supports Fukuyama's thesis, which states that trust is an attitude of mutual trust in society that allows these communities to unite with each other and contribute to increasing social capital.

Various collective actions based on a high sense of mutual trust will increase community participation in various forms and dimensions, especially in the context of building mutual progress. The destruction of mutual trust in society will invite the presence of various serious social problems. People who lack a feeling of mutual trust will find it difficult to avoid various situations of social and economic vulnerability that threaten. The collective spirit sinks and community participation to build for the benefit of a better life will be lost. Gradually it will bring high costs for development because people tend to be apathetic and just wait for what is given by the government. If mutual trust has faded, what will happen is attitudes that deviate from the prevailing values and norms.

“... Although there are some individuals who do not carry out the mandate. There used to be a problem with the homestay group receiving guests without notifying the central secretariat. Maybe because the guest contacted the landlady (homestay owner) by telephone. So when you go to Nglanggeran, the guest goes straight to the inn. Maybe he had been there before, so it was comfortable for the guest to want him there. but the landlady's fault was not reporting it to the central secretariat. Because we use the one-door homestay mechanism, bro, so to be fair with other homestays, we turn. We don't want social jealousy to arise in the future, it will destroy the harmony of our village. Now, after we found out, we threw this problem into the slasa kliwon forum, and at that time we assumed the mistake was on the part of Pokdarwis because it was not optimal in socializing. But we also provide explanations to the landlady without blaming them.”
(Interview: Chairman of the Youth Organization)

Trust alone is not enough to build a community. The existence of mutual understanding, forgiveness, and correcting the parts that have been violated also become a pillar in building a community belief system. Actually this is also very closely related to the culture of the village community who is more “*legowo*” in dealing with problems. Not imposing problems on one person, and preferring to resolve them in a discussion democracy is a very ideal way of reshaping beliefs that have previously been damaged. The importance of how to manage the trust of things to individuals has led to the capability of trust from a group of other individuals in the community.

4.3 Linking Social Capital of Five Communities

Social capital is not built by just one individual, but lies in the growing tendency in a group to socialize as an important part of inherent values. Social capital will be strong depending on the existing capacity in community groups to build a number of associations and build networks. One of the keys to the success of building social capital lies in the ability of a group of people in an association or association to involve themselves in a social network.

Communities are always in touch with other communities through a variety of side-by-side relationships and are carried out on the principles of voluntary, equality, freedom, and civility. The ability of group or community members to always unite themselves in a synergistic pattern of relationships will greatly influence whether or not the social capital of a group is strong.

Social networks can be formed traditionally, for example on the basis of lineage, repeated social experiences, and shared beliefs in religious dimensions, some are built based on orientation and goals with more modern organizational management. Involving citizens in a social network that will become a social unit / local organization, then what is called the ability of collective citizens to shift the interests of 'me' to 'us' creates cohesiveness and solidarity between citizens. The social network consists of five elements which include: participation, mutual exchange, solidarity, cooperation and justice.

Many things underlie the emergence of relationships (links) in the community, as explained above because of things that are traditional in nature or the influence of modern culture. The relationship that unites village youth to re-manage tourist objects is the perception and dream promised by several youth actors regarding the welfare that can be generated if this tourist attraction has bargaining power and selling power.

“... What we first instilled in that young man was a dream. Because there is nothing else. When we first started managing this tourist attraction, we didn't get paid. Even those friends didn't get anything in one week, we were the ones

who paid, not paid. If we get together, isn't it delicious to mas if there are no fried foods?" (Interview: Chairman of Pokdarwis Nglanggeran)

This belief is another asset at the beginning of building a community. However, over time, this belief continues to be developed outside the community. Convincing local people to join in managing a tourist village is one of the toughest challenges. This is also realized because youth are the main driving factor. The existence of a bad stigma attached to youth is one of the factors causing it.

"The people here listen more to the words of their predecessors, parents who have lived for a long time, including one of them, said the keyman of Mount Merapi Nglanggeran. Meanwhile, youth are less considered." (Interview: Chairman of Pokdarwis Nglanggeran)

The strategy undertaken by village youth to win community sympathy is to organize Jatilan activities. This Jatilan is an old tradition of village people, or people outside Java are more familiar with Jaran Kepang or Kuda Kepang. The success of the youth in organizing this switch event is starting to get the attention of the caretaker of Mount Merapi Nglanggeran. And in the end the community began to recognize the existence of youth. The sympathy and recognition of the community is what then makes it easier for youth to develop tourist objects into tourist villages.

"How about the Nglanggeran youth, bro? They are not clear about their work, so when they ask for help from PKK women to develop tourist objects such as building the Kalisong Joglo, we are not sure, they need funds too. We even reported it to the village head. But maybe because they continued to hold many events, some of the residents also participated, and started getting help from PNPM, we PKK officials also started to participate." (Interview: PKK Chairman)

The PKK community's entry into the management of the tourism village was the beginning of the formation of the Nglanggeran Pokdarwis. The youth who felt that they had received support from the village - as evidenced by the issuance of the Nglanggeran tourism village management decree - and from the PKK movement, began to form Pokdarwis, because at that time it was also accompanied by the government's plan to disseminate tourism funds for tourism villages. In the end Pokdariwis was formed under five community flags, including: youth youth groups, village government, PKK, farmer groups, and the last one to appear was the homestay community.

5. Conclusion

The case of the management of public goods in Nglanggeran tourism village has shown how social capital is now increasingly recognized as an important factor that determines the success of community development, in addition to financial and human capital. Although there is still a pessimistic attitude that social capital is as if social capital can only be developed by the community where the social capital operates. So that social capital seems to be only the domain or working area of civil society where local initiatives, social organizations, non-public institutions and other local participation movements are the vanguard in building social capital.

Social capital can be a benchmark in determining public policies for the management of

tourism villages. The government can create conditions under which the social capital of a community can be developed or vice versa. In the context of public policy, social capital basically refers to political will and the creation of networks, beliefs, shared values, norms, and togetherness that arise from human interaction in a society. Social capital in general will grow and develop not only because of common goals and interests, but also because of the freedom to express opinions and organize, maintain sustainable relationships, and maintain effective communication and dialogue.

Disclosure statement

No potential conflict of interest was reported by the authors.

References

- [1] M. S. Haque, "The diminishing publicness of public service under the current mode of governance," *Public Adm. Rev.*, 2001, doi: 10.1111/0033-3352.00006.
- [2] A. Dwiyanto, *Manajemen Pelayanan Publik: Peduli Inklusif dan Kolaborasi*. 2017.
- [3] U. Pesch, "The publicness of public administration," *Adm. Soc.*, 2008, doi: 10.1177/0095399707312828.
- [4] S. Moulton, "Putting together the publicness puzzle: A framework for realized publicness," *Public Adm. Rev.*, 2009, doi: 10.1111/j.1540-6210.2009.02038.x.
- [5] J. Bourgon, "Responsive, responsible and respected government: Towards a New Public Administration theory," *Int. Rev. Adm. Sci.*, 2007, doi: 10.1177/0020852307075686.
- [6] I. Kurnia, "PERKEMBANGAN DIACRONIS ADMINISTRASI PUBLIK (Dari New Public Management ke Good Governance)," *J. Ilm. Untac*, 2010.
- [7] F. Fukuyama, "Social capital, civil society and development," *Third World Q.*, 2001, doi: 10.1080/713701144.
- [8] R. D. Putnam, "Bowling Alone: The Collapse and Revival of American Community: New York: Simon und Schuster, 2001. ISBN," *Policy Anal.*, 2000, doi: 10.2307/3089235.
- [9] J. Field, *Social capital and lifelong learning*. London: Routledge, 2005.
- [10] J. E. Stiglitz, "Public policy for a knowledge economy," *Remarks Dep. Trade Ind. Cent. Econ. Policy Res.*, 1999.
- [11] J. Field, *Social capital*. London: Routledge, 2003.
- [12] J. Ife and F. Tesoriero, *Community Development: Alternatif Pengembangan Masyarakat di Era Globalisasi*. 2008.
- [13] D. Narayan and M. F. Cassidy, "A Dimensional Approach To Measuring Social Capital: Development And Validation Of A Social Capital Inventory," *Curr. Sociol.*, 2001, doi: 10.1177/0011392101049002006.
- [14] P. Dasgupta, "Social Capital and Economic Performance: Analytics," in *Foundations of Social Capital*, 2003.
- [15] F. Fukuyama, "Social Capital and Civil Society," *IMF Work. Pap.*, 2000, doi: 10.5089/9781451849585.001.
- [16] et al. Supriono, Agus, *Modal Sosial, Definisi, Dimensi, dan Tipologi*. Yogyakarta: Diandra Publisher, 2010.
- [17] M. Woolcock, "Social capital and economic development: Toward a theoretical

- synthesis and policy framework,” *Theory and Society*. 1998, doi: 10.1023/A:1006884930135.
- [18] M. Miles and A. Huberman, “Miles and Huberman Chapter 2,” in *Qualitative Data Analysis*, 1994.
 - [19] J. Creswell, “Qualitative, quantitative, and mixed methods approaches,” in *Research design*, 2013.
 - [20] J. W. Creswell, “Research Design: Qualitative, Quantitative and Mixed Method Approaches,” *SAGE Publ.*, 2007, doi: 10.4135/9781849208956.
 - [21] J. S. Coleman, “Social capital in the creation of human capital,” in *Knowledge and Social Capital*, 2009.
 - [22] P. Bourdieu, “The forms of capital,” in *The Sociology of Economic Life, Third Edition*, 2018.
 - [23] M. Woolcock, “The place of social capital in understanding social and economic outcomes,” *Can. J. Policy Res.*, 2001.

Analysis of the Effectiveness of Zakat Distribution at the Amil Zakat Institution Initiative Zakat Indonesia (LAZ IZI)

Efri Syamsul Bahri¹, Mohd Mizan Mohammad Aslam², Amran Muhammad³
 {efri.sb@sebi.ac.id¹, m.mizan@unimap.edu.my², amran.muhammad@aeu.edu.my³}

Asia e University & Sekolah Tinggi Ekonomi Islam SEBI¹, University Malaysia Perlis (UNIMAP),
 Malaysia², Asia e-University, Malaysia³

Abstract. Law Number 23 the Year 2011 regarding Zakat Management mandates that the purpose of Zakat management is to increase the benefits of Zakat in order to realize social welfare and poverty alleviation. One of the Amil Zakat Institutions (LAZ), which is active and accomplished in realizing Zakat management's objectives, is LAZ Initiative Zakat Indonesia (LAZ IZI). This study aims to measure the effectiveness of distributing Zakat, Infaq/Alms, and Other Religious Social Funds (ZIS and DSKL) at LAZ IZI. This research uses quantitative methods with a descriptive approach. Measurement of effectiveness is done using the Allocation to Collection Ratio (ACR) formula based on Zakat Core Principles (ZCP). The object used in this study is the LAZ IZI financial statements for the period 2016 to 2019. Based on the ZCP, the level of distribution effectiveness during the four years of operation is 92% or included in the High Effective category, where Allocation to Collection Ratio (ACR) ≥ 90 percent. It means that ZIS and DSKL funds are distributed to mustahiq in a high-effective manner. The results of this study suggest that LAZ IZI can maintain the level of effectiveness of Zakat distribution with an ACR ratio above 90% so that it remains in the High-Effective category.

Keywords: effectiveness of disbursement, ACR, Zakat Core Principle

1 Introduction

According to Puskas (2019) research results, [1], the potential amount of Zakat in Indonesia reaches IDR 233.8 trillion, with details in Figure 1. Zakat's potential is equivalent to 1.72 percent of the Gross Domestic Product (GDP) in 2017. While the realization is (Azzahra & Majid, 2020) reached 3.46% or IDR 8.1 trillion. Therefore, it is essential to optimize Zakat management, which consists of The Nasional Board of Zakat (BAZNAS), Provincial BAZNAS, Regency/City BAZNAS, and Amil Zakat Institution (LAZ), in the hope that muzaki trust will increase [2].

Optimize the potential of Zakat, the government has given the mandate BAZNAS to coordinate the management of Zakat nationally in Indonesia. As a coordinator, the role of BAZNAS is a significant change in zakat regulation in Indonesia from Law no. 38/1999 became Law no. 23/2011 [3]. The role of BAZNAS, apart from being a coordinator, is also an operator in managing zakat [4]. The role of BAZNAS as a coordinator is to provide recommendations to the Amil Zakat Institution (LAZ) to ensure that LAZ to collect zakat funds and other socio-religious funds can be accounted for [5], become a reporting center for zakat management in

Indonesia [6], and become the principal capital in monitoring and making regulations [7]. One of them is the regulation related to the distribution activities of Provincial/District/City BAZNAS and LAZ to keep the ratio of distribution to the collection in an Effective position based on the assessment of Core Principle Zakat (ZCP).

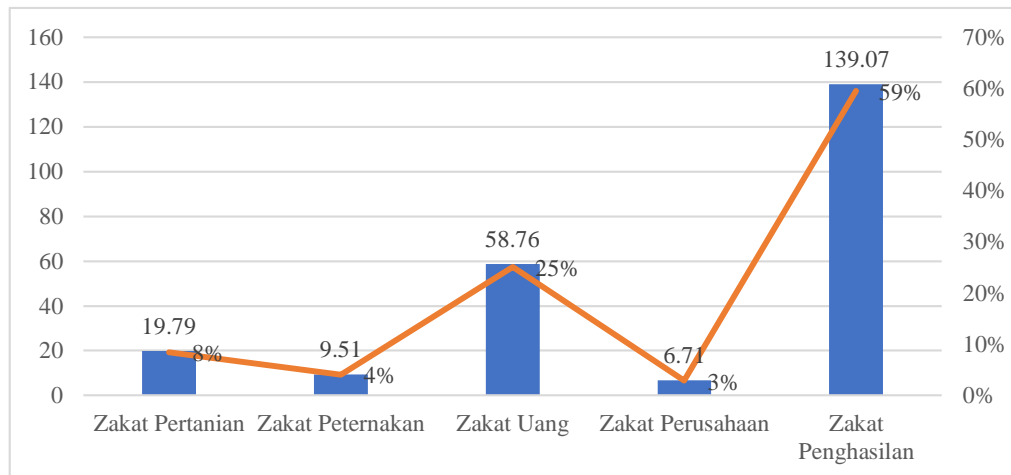


Fig. 1. Potential of Zakat in Indonesia. Source: [8], [1], processed

Law No.23 of 2011 concerning Zakat Management mandates two objectives of Zakat management. First, to increase the effectiveness and efficiency of services in managing Zakat. Second, increasing the benefits of Zakat for realizing people's welfare and poverty alleviation. [9], [10], [11]

One way to determine the level of effectiveness of Zakat management is to use the Allocation to Collection Ratio (ACR) formula. ACR is the ratio between the proportion of Zakat funds distributed and the Zakat funds raise [12]. The purpose of ACR is to measure a Zakat institution's ability to distribute its Zakat funds by dividing the total distribution funds by the total funds raised [9].

It is essential to measure the effectiveness of Zakat. According to [13], the effectiveness of Zakat can have an incredible impact on the mustahiq. The effective distribution of Zakat can reduce poverty significantly [14]. Along with the increasing effectiveness of Zakat management, trust, quality, and credibility will also increase, which will significantly affect muzaki preferences in paying Zakat [15]. Thus, better Zakat management can increase muzaki trust in Zakat management organizations [2].

Research on the effectiveness of Zakat distribution has been conducted before on the National Zakat Agency (BAZNAS) and Rumah Zakat. The results of ACR measurement against BAZNAS using the Zakat Core Principle (ZCP) formula show that the level of distribution effectiveness for 18 years of operation is 90% (ninety percent) with the Very Effective category where the Allocation to Collection Ratio (ACR) reaches ≥ 90 percent [9]. Furthermore, the ACR measurement results for Rumah Zakat with a distribution effectiveness level of 87% or included in the Effective category, where the Allocation to Collection Ratio (ACR) reaches 70-89% percent in the significant category [10].

Meanwhile, the ACR measurement carried out by [16] on the Indonesian Zakat Initiative Amil Zakat Institute (LAZ IZI) was only carried out for 2016, 2017, and 2018. The ACR measurement results against LAZ IZI show that the level of effectiveness of distribution at LAZ

IZI in 2016 was 51%; in 2017, the score was 92%, and in 2018 the score was 96%. The increase in the ACR ratio, in 2018, LAZ IZI [17] received appreciation from the Ministry of Religion as the Best LAZ in 2018. This award is given for LAZ IZI's ability to innovate and develop Zakat science's world to answer the challenges of the times and methods that facilitate society.

In fact, in 2019, the BAZNAS Strategic Studies Center assessment results showed that LAZ IZI achieved the highest National Zakat Index value in 2019 with a value of 0.87. Therefore, based on the description above, we are interested in measuring the ACR LAZ IZI in the 2016-2019 period to determine the level of effectiveness of distribution for four years from 2016-2019 with the title of the research is "Analysis of the Effectiveness of Zakat Distribution at the Amil Zakat Institution Initiative Zakat Indonesia (LAZ IZI)." From this research, it is hoped that it can contribute to the development of science, develop research methodologies, and increase the effectiveness of Zakat distribution to other Zakat managers, including BAZNAS, Provincial BAZNAS, Regency/City BAZNAS, and LAZ.

2 Literature Review

2.1 Definition of Zakat

The word Zakat means al-barakatu (blessings), an-namaa (growth and development), ath-thaharatu (holiness), and ash-shalahu (success) (Dhaif, 2011), Hafidhuddin (2002), [18], blessings, clean, developed and useful [9]. Furthermore, the meaning of Zakat according to the term is a certain amount of property which is obliged by Allah to be handed over to the person entitled to receive it, in addition to means spending a certain amount itself (Qardhawi; (Deni Lubis, 2018), is given to those who have the right to receive it according to the provisions stipulated by Islam which according to Ibn Taymiyyah, the hearts and assets of those who pay Zakat become pure and clean and develop meaningfully (Chaniago, 2015), [9].

In terms of regulation, according to Law No.23 of 2011 concerning Zakat Management, Zakat is a property that must be issued by a Muslim or a business entity to be given to those entitled to receive it following Islamic law. Furthermore, Zakat is a religious obligation [19], which is classified as one of the five pillars of Islam [20], the third pillar of Islam [21], is considered the purification of acquired property [22], one of the pillars of Islam with a socio-economic pattern [5].

2.2 Disbursement of Zakat

Zakat funds that have been collected are then distributed to mustahiq [19], with the category of eight asnaf following Surah At-Taubah [23]. In BAZNAS Regulation No.3 of 2018 concerning Distribution and Utilization, it is explained that Zakat distribution includes two areas, namely: distribution and utilization. Distribution is defined as the distribution of Zakat to mustahiq in the consumptive form. At the same time, utilization is the optimal use of Zakat without reducing its value and usefulness in the form of productive business so that it is useful to achieve the ummah benefit [9].

ZIS and DSKL funds that are distributed to distribution programs are expected to be able to cover all the needs of the people and the interests of the community [24], meet daily needs [25], [26], dihabiskan untuk kebutuhan rumah tangga [27], be spent on household needs [28], meet the basic needs of mustahiq [29].

Meanwhile, ZIS and DSKL funds that are distributed to empowerment programs are used to increase income [30], empowerment efforts [31], [32], alleviate poverty (Sadeq, 1997), [33],

[34], improve economic life the mustahiq [35], and build mentally independent mustahik so they can turn into muzak [36].

2.3 Effectiveness of Zakat Disbursement

Effectiveness comes from the root word effective, with the meaning, according to KBBI, is influence, the effect can bring results or consequences [16]. Effectiveness is the success of achieving the goals previously set (Rifa'i, 2013), [9]. The purpose of evaluating the effectiveness of Zakat distribution is to determine the effectiveness of Zakat distribution. Thus, the management of ZIS and DSKL can be accounted for and can realize good Zakat governance (Susilowati & Setyorini (2018), [37].

The model for measuring the effectiveness of ZIS and DSKL disbursement can be done using the ACR formula model based on the Zakat Core Principle (ZCP). In this case, ACR illustrates the ability of Zakat institutions to disburse Zakat funds is the ACR ratio. ZCP is a best practice-based Zakat management framework and standards to improve the quality of the Zakat system [37]–[39], which was designed by Bank Indonesia, the National Zakat Agency (BAZNAS), and IRTI-IDB in 2016.

3 Research Methods

This study uses qualitative research methods with a literature study [40]. Data and documents were collected from various literature related to this research topic, sourced from journals, articles, books, and proceedings. A literature study [41] includes research where the object of study in the literature. Literature stud (Anjar Wanto, 2019:39); [25] conducted to complement the necessary knowledge and theory in this study. The purpose of the literature study [42] is to find references and theories or propositions that support and relate to this research theme.

This study uses the Allocation to Collection Ratio (ACR) in the Core Principle Zakat (ZCP). Based on the ZCP [9], ACR is obtained by dividing the total funds distributed by the total funds raised. The ACR [43] assessment consists of several categories, with the following details: 1. Highly Effective (if $ACR \geq 90$ percent) 2. Effective (if ACR reaches 70- 89 percent) 3. Fairly Effective (if ACR reaches 50- 69 percent) 4. Below Expectation (if ACR reaches 20- 49 percent) 5. Ineffective (if $ACR < 20$ percent)..

The object used in this research is the LAZ IZI distribution report for the period 2016 to 2019, where data is obtained from the LAZ IZI website. LAZ was chosen to be the object of this research because it received appreciation from the Ministry of Religion as the Best LAZ in 2018. Measurement of ACR against LAZ IZI has been carried out from 2016 to 2017. To find out the sustainable development, it is necessary to measure ACR for the period 2016 to 2019.

4 Results and Discussion

4.1 Profile of LAZ IZI

LAZ IZI was founded in 2014 and started implementing social programs in 2015 [44]. LAZ IZI became a new entity incorporated as a foundation right on Heroes' Day, 10 November 2014 [45] after the spin-off from its parent organization PKPU, which was initially a Zakat

management unit to become a new entity [46]. The primary mission of IZI is to focus on encouraging the potential strength of Zakat, donations, and alms (ZIS) to become an essential pillar of the strength of the people in the country and a high commitment to compliance both with regulations and sharia.

IZI's vision is to become a trusted professional Zakat institution that inspires policy and empowerment movements. Meanwhile, there are five missions carried out. First, carrying out the functions of education, information, consultation, and raising Zakat funds. Second, utilizing Zakat funds for mustahiq with the principles of independence. Third, forging partnerships with the community, business world, government, media, academia, and other institutions based on values alignment.

Fourth, manage all organizational processes to run following applicable regulations, good governance, and sharia principles. Fifth, play an active role and encourage the formation of various forums, collaborations, and other essential programs that are relevant to increasing the effectiveness of the role of Zakat management institutions at the local, national, regional, and global levels. The value developed is to make it easier, more comfortable. From the name IZI, the word "easy" appears. Prayers that we pray to the Most Giving Ease will only be realized when we want to make it easier for others so that all matters will always be facilitated. [46]

To optimize the achievement of the vision, mission, and values, LAZ IZI designed an organizational structure consisting of a Board of Trustees, a Board of Directors, a Supervisory Board, and a Sharia Supervisory Board. In detail, the organizational structure can be seen in Fig. 2 below.

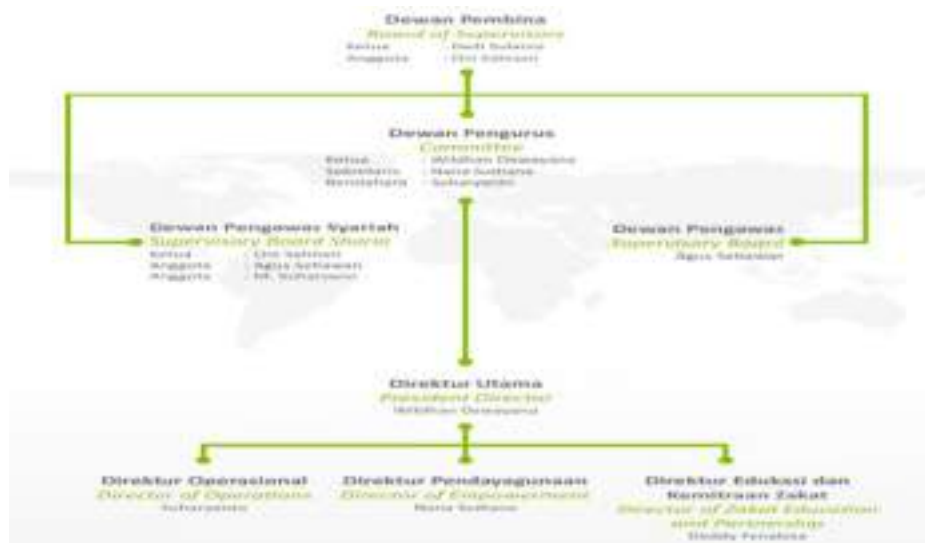


Fig. 2. LAZ IZI Organizational Structure, Source: [45]

During its operation, LAZ IZI won many awards and appreciations, including (1) Achieving the Predicate of Fair Opinion Without Exclusion (WTP) Financial Audit from an Independent Public Accountant Firm 2016-2017, (2) Achieving Accreditation Predicate A in sharia evaluation and audit from Ministry of Religion of the Republic of Indonesia 2018, (3) Achieved the Best LAZ Predicate in West Java Province 2018, and (4) Zakat Manager with the highest national compliance value from the Directorate General of Islamic Community Guidance at the Ministry of Religion of the Republic of Indonesia 2019.

4.2 Collection and Distribution Development

Fund receipts collected by LAZ IZI consist of the receipt of Zakat Funds, Infaq / Alms Funds, Waqf Funds, and Fasum and Bansos Funds. The process of collecting IZI Funds, based on research [47] on one of LAZ IZI's branch offices in Bengkulu City, is carried out through brochures, Zakat education, Zakat outlets, attacks on, banners and billboards. LAZ IZI also optimizes online media [48], and has digital assets, as shown in Fig.3.

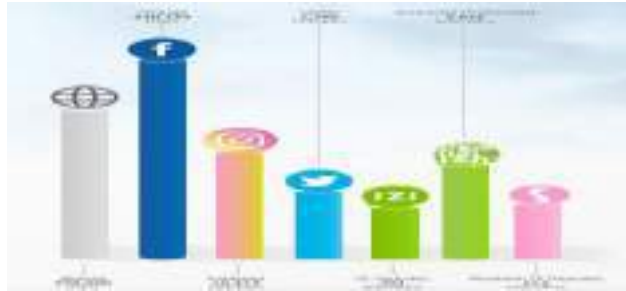


Fig. 2. Digital Asset LAZ IZI. Source: [45]

The total collection of ZIS and DSKL during the 2016-2019 period reached IDR 321,350,782,254.00. The largest collection occurred in 2018 amounting to IDR 90,906,847,774.00. Meanwhile, the lowest collection was in the first year of LAZ IZI operation after the PKPU spin-off with the achievement of IDR 69,973,548,817.00. The details are described in Table 1. Thus, the achievement of the highest collection growth at LAZ IZI occurred in 2018, reaching 22.62%. However, this high growth rate did not continue in 2019. The growth of ZIS and DSKL in 2019 edged up by 0.48% or increased from Rp90,469,130,362.00 to Rp90,906,847,774.00.

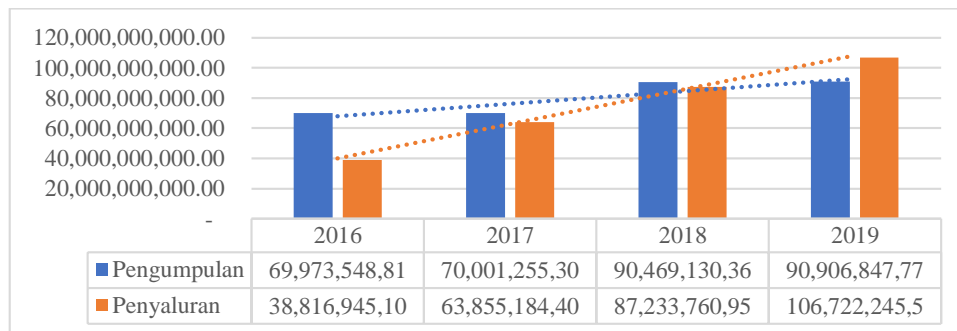


Fig. 4. Collection of Zakat, Infaq/Alms, and Other Religious Social Funds at LAZ IZI for the 2016-2019 Period (In IDR000,-), Source: LAZ IZI Financial Statements, Audited (processed)

From the aspect of distribution, as presented in Figure 4, in the 2016-2019 period, the distribution reached IDR 296,628,136,022.00 with an average amount per year of IDR 74,157,034,005.50. The largest distribution occurred in 2019 reaching IDR 106,722,245,568.00. Meanwhile, the lowest disbursement occurred in 2016, amounting to IDR 38,816,945,100.00.

ZIS and DSKL LAZ IZI funds are distributed with the target of eight asnaf and five program areas. The eight mustahiq asnaf, namely: Poor, Poor, Amil, Muallaf, Riqob, Ghorimin,

Ibn Sabil, and Fii Sabilillah. It is following the provisions of Surah At-Taubah verse 60. Meanwhile, the five program fields consist of economics, education, health, da'wah, and social sectors. The five fields are packaged into five that program: IZI to Success, IZI to Smart, IZI to Fit, IZI to Iman, and IZI to Help.

From the aspect of the number of mustahiq served, it continues to increase from year to year. In 2016, the number of mustahiq beneficiaries served by LAZ IZI only reached 59,470 people. Meanwhile, in 2019 the number of mustahiq served increased by 82% or reached 108,176 people. The increase in the number of mustahiq beneficiaries was in line with the increase in collection, distribution, and level of effectiveness. It is explained in detail in Fig. 5.

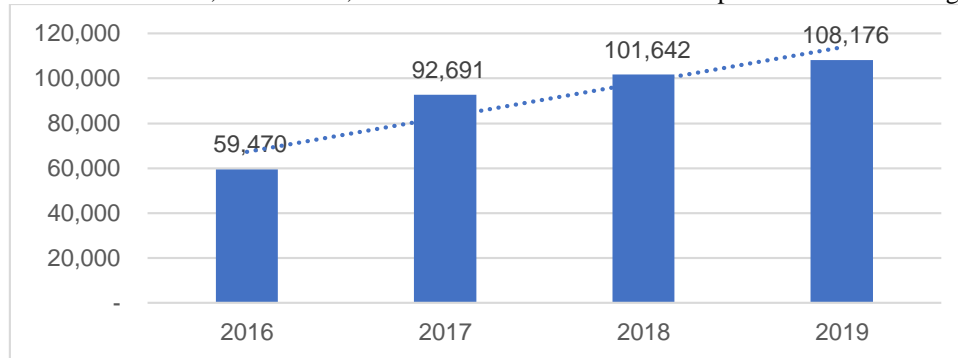


Fig. 5. Number of Mustahiq Beneficiaries (People) for the 2016-2019 Period.

Source: [46], [45], processed

4.3 Effectiveness of LAZ IZI Distribution

The effectiveness of distribution describes the achievement of Zakat distribution for a certain period, either short, medium, or long term. To optimize Zakat's distribution, Amil Zakat must manage it well by compiling distribution planning, implementation strategies, implementing control, and fair reporting. Thus, mustahiq feel the benefits and blessings of Zakat. The more significant the distribution, the greater the benefits of Zakat felt by the mustahiq.

In the Zakat Core Principle [49], it is explained that to assess Zakat distribution's performance can be seen from the ratio of distribution to the collection of Zakat. The higher the ratio of distribution to Zakat's collection, the more effective the management of Zakat. The high level of effectiveness also illustrates that Zakat is well managed and distributed to mustahik. The sooner Zakat is distributed to mustahiq, the better. Therefore, the method and time limit of distribution needs to be a concern for Amil Zakat.

Measurement of BAZNAS Zakat distribution's effectiveness level in this study is carried out using the Zakat Core Principles (ZCP) method, namely: the effectiveness ratio of the absorption of Zakat funds or called the Allocation to Collection Ratio (ACR). The ACR ratio aims to measure a Zakat institution's ability to distribute its Zakat funds by dividing the total disbursement funds by the total funds raised. Following the ACR method, the level of effectiveness is divided into the following categories: 1. Highly Effective (if $ACR \geq 90$ percent) 2. Effective (if the ACR reaches 70-89 percent) 3. Fairly Effective (if the ACR reaches 50- 69 percent) 4 Below Expectation (if ACR reaches 20-49 percent) 5. Ineffective (if $ACR < 20$ percent).

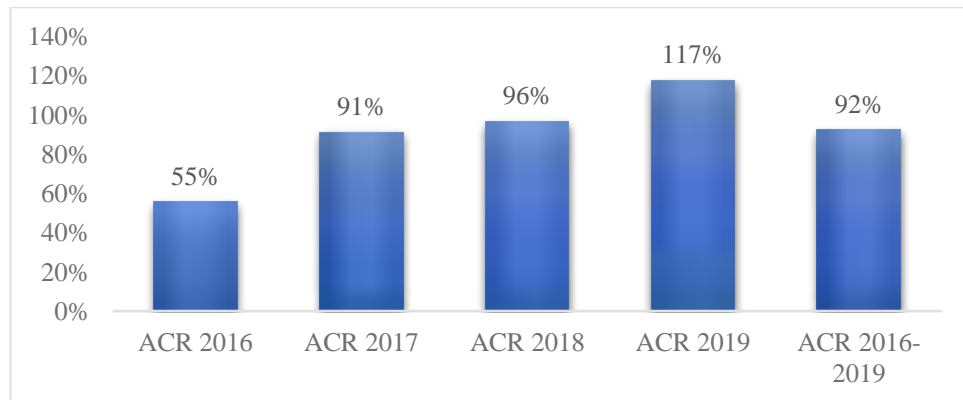


Fig. 6. Hasil Pengukuran Rasio Allocation to Collection Ration (ACR) LAZ IZI Periode Tahun 2016-2019. Source: LAZ IZI Financial Statements, Audited (processed)

Based on the ZCP, the level of distribution effectiveness for four years with the period 2016-2019 reached 92% or included in the Highly Effective category, $ACR \geq 90$ percent. The lowest level of distribution effectiveness in 2016 reached 55%. The level of effectiveness of LAZ IZI distribution continues to increase in succession with the achievement of 91% (2017), 96% (2018). In fact, in 2019, it was able to reach 117%. Thus, the level of effectiveness of distribution for four years was able to reach 92%..

Increasing the ACR, of course, will provide a perfect space to raise more ZIS and DSKL Funds. It is hoped that an increase in the ACR ratio can contribute to the interest and trust of muzaki in LAZ IZI. Thus, the benefits of Zakat are increasingly felt by mustahiq as the goal of Zakat management.

5. Conclusion

This study's results indicate that the total collection of ZIS and DSKL at LAZ IZI for the 2016-2019 period reached IDR 321,350,782,254.00 with an average annual collection of IDR 80,337,695,563.50. Meanwhile, the amount of ZIS and DSKL distribution to LAZ IZI for the 2016-2019 period reached IDR 296,628,136,022.00 with an average per year of IDR 74,157,034,005.50. The distribution of ZIS and DSKL includes eight asnaf following the provisions in Surah At-Taubah verse 60, namely: Fakir, Poor, Amil, Muallaf, Riqob, Ghorimin, Ibnu Sabil, and Fii Sabilillah. Meanwhile, the five program areas consist of economics, education, health, preaching, and social activities, packaged into five programs: IZI to Success, IZI to Smart, IZI to Fit, IZI to Iman, and IZI to Help. The number of mustahiq beneficiaries for the four years 2016-2020 reached 361,979 people.

Based on the ZCP, the level of distribution effectiveness in the four years 2016-2020 with an ACR ratio of 92% or included in the High-Effective category, where $ACR \geq 90$ percent. That is the distribution of High-Effective ZIS and DSKL. This research suggests that LAZ IZI can maintain distribution effectiveness with an ACR ratio of ≥ 90 percent, in the Highly-Effective category.

References

- [1] E. S. Bahri and Z. Arif, "Policy Analysis of Zakat Profession in Indonesia," *Test Eng. Manag.*, vol. 83, no. May-June, pp. 29059–29067, 2020.
- [2] B. R. Hakim, "Analisis Terhadap Undang-Undang Nomor 23 Tahun 2011 Tentang Pengelolaan Zakat (Perspektif Hukum Islam)," *Syariah J. Huk. dan Pemikir.*, vol. 15, no. 2, pp. 155–166, 2016, doi: 10.18592/syariah.v15i2.552.
- [3] S. Nurhasanah, "Akuntabilitas Laporan Keuangan Lembaga Amil Zakat Dalam Memaksimalkan Potensi Zakat," *Akuntabilitas*, vol. 11, no. 2, pp. 327–348, 2018, doi: 10.15408/akt.v11i2.8826.
- [4] M. I. A. Aziz and H. Susetyo, "Dinamika Pengelolaan Zakat Oleh Negara Di Beberapa Provinsi Di Indonesia Pasca Undang-Undang Nomor 23 Tahun 2011," *J. Huk. Pembang.*, vol. 49, no. 4, p. 968, 2020, doi: 10.21143/jhp.vol49.no4.2352.
- [5] A. Satori Ismail *et al.*, *Fikih Zakat Kontekstual Indonsia*. BAZNAS, 2018.
- [6] D. Firstiana, "Analisis Indeks Kemiskinan dengan Menggunakan Pendekatan FGT INdex sesudah Program Ikhtiar (Studi Kasus : Program Ikhtiar Masyarakat Mandiri di Desa Tegal dan Desa Babakan Sabrang, Kecamatan Ciseeng, Kabupaten Bogor)," *Media Ekon.*, vol. 20, no. 1, p. 63, 2017, doi: 10.25105/me.v20i1.777.
- [7] BAZNAS, *Statistik Zakat Nasional 2017*. BAZNAS, 2017.
- [8] Puskas BAZNAS RI, *Indikator Pemetaan Potensi Zakat (IPPZ)*. Puskas BAZNAS, 2019.
- [9] E. S. Bahri and S. Khumaini, "Analisis Efektivitas Penyaluran Zakat pada Badan Amil Zakat Nasional," *Al Maal J. Islam. Econ. Bank.*, vol. 1, no. 2, p. 164, 2020, doi: 10.31000/almaal.v1i2.1878.
- [10] E. S. Bahri and Z. Arif, "Analisis Efektivitas Penyaluran Zakat pada Rumah Zakat," *Al Maal J. Islam. Econ. Bank.*, vol. 2, no. 1, p. 13, 2020, doi: 10.31000/almaal.v2i1.2642.
- [11] I. F. Hikmah and A. Shofawati, "Tge Efficiency Analysis of 7 National Zakat Management Organizations (OPZ) Using Data Envelopment Analysis (DEA)," *J. Ekon. Syariah Teor. dan Terap.*, vol. 7, no. 6, pp. 1178–1192, 2020, doi: 10.20473/vol7iss20206pp1178-1192.
- [12] A. Yudhira, "Analisis Efektivitas Penyaluran Dana Zakat, Infak dan sedekah Pada Yayasan Rumah zakat," *J. Ilm. akutansi Keuang. dan bisnis*, vol. 1, no. 1, pp. 1–15, 2020.
- [13] P. BAZNAS, *Dampak Zakat Terhadap Kesejahteraan Mustahik Evaluasi Program Zakat Produktif 2018*, vol. 57. 2019.
- [14] M. Bouanani and B. Belhadj, "Does Zakat reduce poverty? Evidence from Tunisia using the Fuzzy Approach," *Metroeconomica*, no. November 2018, pp. 1–16, 2020, doi: 10.1111/meca.12304.
- [15] F. R. Muslih and I. Noor, "Pengaruh Kepercayaan, Kualitas dan Kredibilitas, dan Transparansi terhadap Preferensi Muzaki dalam Memilih Membayar Zakat Maal melalui Lembaga Amil Zakat (Analisis pada Kecamatan Banyuwangi, Bnyuwangi)," *J. Ilm. Mhs. Fak. Ekon. dan Bisnis*, vol. 8, no. 2, 2020, [Online]. Available: <https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/6551>.
- [16] M. Burhanudin and R. Indrarini, "Efisiensi dan Efektivitas Lembaga Amil Zakat Nasional," *Jesya (Jurnal Ekon. Ekon. Syariah)*, vol. 3, no. 2, pp. 453–461, 2020, doi: 10.36778/jesya.v3i2.221.
- [17] F. Ismanto, "Inisiatif Zakat Indonesia Raih Anugerah LAZ Terbaik 2018,"

- Tribbunnews.com*, p. 2018, 2018.
- [18] N. Triyani, I. S. Beik, and L. M. Baga, "Manajemen Risiko pada Badan Amil Zakat Nasional (BAZNAS)," *Al-Muzara'ah*, vol. 5, no. 2, pp. 107–124, 2018, doi: 10.29244/jam.5.2.107-124.
 - [19] D. Muhtada, "Islamic Philanthropy and the Third Sector: The Portrait of Zakat Organizations in Indonesia," *Islam. Indones.*, vol. 1, no. 1, p. 106, 2014, doi: 10.15575/isin.v1i1.43.
 - [20] I. Rachmawati *et al.*, "A Comparative Study on Zakat Management Law Practices between Malaysia and Indonesia," vol. 2, no. 2, pp. 329–342, 2020.
 - [21] M. Y. Owoyemi, "Zakat management: The crisis of confidence in zakat agencies and the legality of giving zakat directly to the poor," *J. Islam. Account. Bus. Res.*, vol. 11, no. 2, pp. 498–510, 2020, doi: 10.1108/JIABR-07-2017-0097.
 - [22] A. Y. Q. Saad and A. M. Al Foori, "Zakat and tax: A comparative study in Malaysia," *Int. J. Innov. Creat. Chang.*, vol. 10, no. 12, pp. 140–151, 2020.
 - [23] R. Saping, S. P. Nelson, and S. N. S. Obid, "Disclosure Practices and Efforts Toward Proposing I-ZKDI: a Case of Malaysian Religious Non-Profit Organisation," *Int. J. Psychosoc. Rehabil.*, vol. 24, no. 4, pp. 4712–4728, 2020, doi: 10.37200/ijpr/v24i4/pr201571.
 - [24] Maimun, "Pendekatan Maqashid Al-Syariah terhadap Pendistribusian Dana Zakat dan Pajak untuk Pembangunan Masjid," *J. Asas*, 2014, [Online]. Available: <http://www.ejournal.iainradenintan.ac.id/index.php/asas/article/view/235>.
 - [25] E. S. Bahri, P. Ariwibowo, and H. Robbani, "Productive Zakat on Sharia Perspective and Regulation in Indonesia," *J. Lit.*, vol. 2, no. 1, pp. 66–76, 2020, doi: <https://doi.org/10.3701>.
 - [26] E. S. Bahri and R. Oktaviani, "Zakat Produktif Sebagai Modal Kerja Usaha Mikro," *Perisai Islam. Bank. Financ. J.*, vol. 2, no. 2, p. 101, 2019, doi: 10.21070/perisai.v2i2.1686.
 - [27] Z. Zainuddin and H. Khalid, "Legal Perception of the Community Regarding Productive Zakat and Its Utilization In Makassar," *Fiat Justisia*, vol. 14, no. 1, p. 71, 2020, doi: 10.25041/fiatjustisia.v14no1.1796.
 - [28] Jamaluddin, I. Misbach, and A. Wahab, "The Distribution of Zakat Mal Based on Al- 'Adl in Order to Improve The Welfare of The Mustahiqs in The Laznas of Baitul Mal Hidayatullah South Sulawesi," *Al-Ulum*, vol. 20, no. 1, pp. 233–251, 2020, doi: 10.30603/au.v20i1.1146.
 - [29] M. Solikhan, "Analisis Perkembangan Manajemen Zakat untuk Pemberdayaan Masyarakat di Indonesia," *J. Ilm. Syiar*, vol. 20, no. 01, pp. 46–62, 2020.
 - [30] A. Widyatama, A. S. Baso, and F. Haq, "The Other Side of Zakat in Poverty Reduction: A Phenomenology Study," *Iqtishadia*, vol. 13, no. 1, p. 77, 2020, doi: 10.21043/iqtishadia.v13i1.5993.
 - [31] E. S. Bahri, M. M. A. Aslam, A. A. Hj Hasan, and H. Wibowo, "Maqasid Al-Shariah in Micro-entrepreneurs Development: an Overview," in *International Conference of Zakat*, 2019, pp. 258–267, doi: 10.37706/iconz.2019.182.
 - [32] Suarni, "Productive Zakat: Alternatif Solution Empowering Ummah Economy," in *Proceeding International Seminar on Islamic Studies*, 2019, vol. 1.
 - [33] A. M. H. A. P. Md, "Integrating financial inclusion and saving motives into institutional zakat practices: A case study on Brunei," *Int. J. Islam. Middle East. Financ. Manag.*, vol. 8, no. 2, pp. 150–170, 2015.
 - [34] M. M. Akram and M. Afzal, "Dynamic Role of Zakat in Alleviating Poverty: A Case

- Study in Pakistan,” *Munich Pers. RePEc Arch.*, vol. 56013, no. 56013, pp. 1–45, 2014, [Online]. Available: <http://mp.ra.ub.uni-muenchen.de/56013/>.
- [35] S. Zalikha, “Pendistribusian Zakat Produktif Dalam Perspektif Islam,” *J. Ilm. Islam Futur.*, vol. 15, no. 2, p. 304, 2016, doi: 10.22373/jiif.v15i2.547.
- [36] M. Z. Aminudin and L. P. Hadiningrum, “Pengelolaan ZIS dalam Upaya Meningkatkan Kesejahteraan Masyarakat dan Penanggulangan Kemiskinan (Studi Deskriptif dan Preskriptif di BAZNAS Kabupaten/Kota di Eks-Karesidenan Surakarta),” *Ziswaf J. Zakat dan Wakaf*, vol. 6, no. 1, pp. 101–113, 2019, doi: 10.21043/ziswaf.v4i1.3037.
- [37] I. P. Lenap, E. E. Sasanti, N. K. Karim, and N. K. Sari, “Zakat Disbursement Efficiency Based on Zakat Core Principles in Managing Zakat Funds in Baznas of West Nusa Tenggara Province,” *J. Akunt. dan Bisnis*, vol. 20, no. 1, p. 103, 2020, doi: 10.20961/jab.v20i1.500.
- [38] A. S. Rusydiana and I. Firmansyah, “Efficiency versus Maqashid Sharia Index: an Application on Indonesian Islamic Bank,” *Shirkah J. Econ. Bus.*, vol. 2, no. 2, 2018, doi: 10.22515/shirkah.v2i2.154.
- [39] A. C. Yaacob, S. Mohamed, A. Daut, N. Ismail, and M. A. M. Don, “Zakat Disbursement via Capital Assistance : A Case Study of Majlis Agama Islam Johor,” *J. Emerg. Econ. Islam. Res.*, vol. 1, no. 2, pp. 1–19, 2013, doi: 10.1088/1751-8113/44/8/085201.
- [40] Y. Bastiar and E. S. Bahri, “Model Pengukuran Kinerja Lembaga Zakat di Indonesia,” *ZISWAF J. Zakat dan Wakaf*, vol. 6, no. 1, p. 43, 2019, doi: 10.21043/ziswaf.v1i1.5609.
- [41] T. Sawarjuwono, “Intellectual Capital: Perlakuan, Pengukuran Dan Pelaporan (Sebuah Library Research),” *J. Akunt. dan Keuang.*, vol. 5, no. 1, pp. 35–57, 2003, doi: 10.9744/jak.5.1.pp.35-57.
- [42] D. Mulyani, “Model Sistem Informasi Keuangan Bank Sampah Syariah/Micro Finance,” 2016.
- [43] Puskas Baznas, *Outlook Zakat Indonesia 2018*. 2018.
- [44] AR Utomo, “Laporan Keuangan Yayasan Inisiatif Zakat Indonesia untuk Tahun yang berakhir 31 Desember 2017 dan 2016 dan Laporan Auditor Independen,” 2018.
- [45] IZI, *Annual Report 2019 “5 Tahun Bersama Menebar Kebahagiaan.”* 2020.
- [46] IZI, “Annual Report 2018 “3 Tahun Memudahkan Ummat),” 2018.
- [47] A. Cahyadi and Suryani, “Zakat Management Application in IZI (Inisiatif Zakat Indonesia),” *J. Dawuh*, vol. 1, no. 2, pp. 49–54, 2020, Accessed: Sep. 15, 2020. [Online]. Available: <https://siducat.org/index.php/dawuh/article/view/71>.
- [48] S. D. Ananda, “Pemanfaatan Media Online dalam Program-Program di Lembaga Zakat Inisiatif Zakat Indonesia (IZI),” 2020.
- [49] M. Nasir *et al.*, “Rencana Strategis 2016-2020 Badan Amil Zakat Nasional,” pp. 1–37, 2018.

Preservation of The Begawi Abung Siwo Migo Tradition Development Oriented and Social Welfare in Lampung Multicultural Community

Ghozali Timbasz¹, Syaripudin Basyar², Fitri Yanti³, Hasan Basri⁴
{ghozalitimbasz@gmail.com¹, syaripbasar@gmail.com², fitriyanti@radenintan.ac.id³,
gadila.lpg12345@gmail.com⁴}

Raden Intan State Islamic University of Lampung, Bandar Lampung, Indonesia¹, Raden Intan State Islamic University of Lampung, Bandar Lampung, Indonesia², Raden Intan State Islamic University of Lampung, Bandar Lampung, Indonesia³, Tulang Bawang University, Bandar Lampung, Indonesia⁴

Abstract. The Begawi tradition is the Pepadun Lampung culture and part of the national culture. The preservation of traditions that are oriented towards development and community welfare is a complex issue when faced with the progress of the times and diversity, so that efforts are needed to respect, maintain and preserve it. Therefore, this research is expected to provide positive output. This research focuses on the preservation of the Begawi tradition, as the highest ritual in the Lampung Pepadun traditional ceremony, Sub Fokus Abung Siwo Migo. This research is a field research. Based on the research results, tradition can contribute to the welfare of society if there are efforts to develop identity, including respect for traditional cultural values and values of social solidarity. To achieve the objectives in this study, changes are needed that lead to the development of the character of society to include harmony in individual aspects and human sociality, meaning that tradition is carried out because of tradition, for the sake of tradition. and the existence of a tradition that underlies the identity of the Lampung people, so that the tradition can be lived with a sense of comfort and safety by its owner. In addition, the community is expected to be able to identify the values and ideals of the tradition itself, as the heir of responsibility, both individuals, the wider community and local governments, in carrying out the mandate of the law.

Keywords: Begawi ASM Tradition, Development Oriented, and Social Welfare

1 Introduction

Culture as a result of the development of a nation is critical to learn in order to know and maintain various aspects of diversity that exist in pluralistic Indonesian society, both in terms of ethnicity, social, culture, politics, and religion, so that people can always live in harmony amidst the diversity of cultures and systems. Kinship as the identity of the nation and the State.

The concept of cultural diversity, which is multiculturalism, is also regulated in the 1945 Law, Article 32 paragraph (1) and paragraph (2), concerning the State's obligation to promote national culture and Article 18 B paragraph (2) concerning Regional Government. These laws and regulations place national culture at a high degree and guarantee the elements of regional culture and emphasize the nation's diversity by the principle of *Bhinneka Tunggal Ika*.

The preservation of diversity, plurality, or multiculturalism in a community is lovely and can provide positive energy and can be used as capital to live together to build a nation in a give and take relationship. However, it requires cultural resilience to reduce the forces that arise as a result of diversity. As explained by Masdar Helmi [1], if diversity is seen as different and is still framed by an interpretation that comes from a symbol that suppresses prejudice, suspicion, bias, and reduction against groups outside of itself, it can lead to cultural domination, which in turn creating a cultural clash, this will only be a bomb that destroys the structure and pillars of the nationality. Lampung people are an indigenous ethnicity who has built a system of social life with unique traditions, unique languages, and uniqueness of writing for centuries. The uniqueness of tradition is that the people of Lampung have a muaghi tradition, a ninjuk or sebambangan tradition in a marriage, a begawi tradition, and so on. While the language tradition, the people of Lampung have two dialects, namely the dialect of "Api" (A), which is identical to the people of the margins, and the dialect of "Nyo" (O), which is identified with the Abung people. In terms of tradition, the people of Lampung consist of two major groups: the Jurai Pepadun, which is followed by the Abung people, and the Jurai Sebatin, followed by the People who are marginalized or coastal.

In one element of cultural activities (culture traits), large ceremonies that have become the society's traditional culture in several regions in Indonesia are often found or found differences in technicalities and procedures for their implementation. Like the Begawi Puppung Pepadun tradition, which applies to the Lampung Pepadun people. The Begawi traditional ceremony aims to increase one's social strata to be more respectable in a position of customs or balance and take the title Suttan or Suntan or the like. The title Suttan can be interpreted as the title of a person given by local traditional leaders after fulfilling specific requirements, namely by slaughtering several buffaloes/cows and various other ritual activities carried out during the ceremony. The implementation of begawi involves clan and customary community leaders, is costly, and takes three to seven days. Almost the same meaning as the Batagak Pengulu ceremony tradition in the Minangkabau ethnic community (West Sumatra). When a tribe or clan appoints a new leader of its people, the Batagak Pangulu ceremony is held. This ceremony is a meaningful ceremony by slaughtering a buffalo and holding a party for three days or even a week. Many other traditional traditions exist in Indonesia as a form of diversity and plurality, multiculturalism, and cultural pluralism, all of which is the grace of Allah SWT.

Seeing the importance of the socio-cultural life system as a legacy of the past and becoming a nation's identity, traditional socio-cultural values must be respected, preserved, and preserved. They are well preserved and not eroded by the times. Because of the weak understanding and knowledge of the meaning and reduction of traditional values, it tends to make people prefer and adopt foreign cultural practices rather than preserving their own regional culture. Therefore, a traditional culture which is taught from generation to generation, there is no guarantee that it will remain strong in facing globalization, which offers a pragmatic and consumptive lifestyle, including the ability of local communities to identify potential cultural wisdom, both in the form of natural resources, social capital, and values. Moreover, local institutions or other sources are owned.

Traditional culture is considered an ancient, worthless scene, expensive, convoluted and tedious, the incomprehensible language of the embodiment, and so on, is a point of view that cornered to identify weaknesses in preserving traditional culture. Lampung's cultural philosophy, which is always echoed, researched by many experts, cannot always change modern society's principles to prioritize tradition over modern culture. This is a challenge to describe a series of science as well as about the meaning and main ideas contained in the

Lampung Pepadun customs, especially the begawi tradition, as an implementation of the development of a cultured and religious society, as well as finding solutions to develop traditional Lampung culture with national and international expectations to achieve prosperity. Social for the community.

The ethical and moral values contained in the tradition of a society are the main social assets or capital in order to empower the community in order to improve the quality of life and welfare, at the same time eliminating access to modernization, which can destroy the bonds of traditional values such as kinship, cooperation. Religious values, local customs, and cultural institutions are entrenched and rooted in social life formation, thus forming national cultural values.

Arif Budimanta et al. [2] explain that cultural development is an effort to improve or maintain society's traditions in community development studies that describe how cultural and community changes occur from time to time due to globalization. In general, community development (community development) is a development activity carried out systematically, planned, and directed to increase public access to achieve better social, economical, and quality of life conditions compared to previous development activities.

Cultural development must be based on noble values based on Pancasila so that it always animates every aspect of development. It needs to be directed to revitalize local values, norms, traditions, and wisdom in responding to various acute problems of the nation such as corruption, poverty, and social inequality through government support and exemplary community organizations in elevating the noble traditional regional cultural values, as well as filtering and absorbing positive external cultural values towards the advancement of civilization and enhancing the degree of humanity in line with changing times as well as beneficial interests for the improvement of progress, welfare, and community independence. Thus the goal of developing traditional culture can be achieved. The potential richness of local wisdom can be found as an identity of an inseparable area from national culture.

Etymologically according to Nanih Machendrawati [3]. Development means empowering, strengthening, fostering, and prospering. In terms of terminology, the development of an Islamic community means a concerted and planned effort to prosper Muslims in all aspects of their lives according to the Koran and Sunnah's demands, whereas lexically, empowerment means strengthening. Technically, the term empowerment can be equated or at least equated with the term development; even these two terms, to some extent, are interchangeable or interchangeable.

To realize community development systematically, planned manner to achieve better social, economic, and quality conditions of life. According to Jim Ife, [4], cultural heritage must not be separated but must be seen as a real part of people's lives. If this is done, tradition can become a central point for social interaction and an essential process in community development such as social, economic, and political development. This means that the developer requires community participation as a form of social action that can be assumed as a pattern of community action that responds to what is happening around them. The response, in this case, is aimed at making use of local wisdom as a means of supporting the development of traditional culture in order to improve social welfare.

Development-oriented traditional culture and social welfare is a complex problem that must be faced when faced with the progress of the times in the current era of globalization. National culture, which is expected to be able to act as a catalyst in adopting universal values as well as a filter against the entry of negative global cultures, has not been able to function correctly, resulting in a symptom of an identity crisis as a result of the weakening of cultural norms that have not been adequately consolidated. This results in ambivalence and

disorientation in values. The disorientation of values impacts the development of a spirit of freedom that creates a permissive viewpoint. If this develops excessively, it will make it difficult for efforts to integrate development measures and trigger conflicts in various levels of life.

Therefore, an urgent problem in the development of traditional culture is the tendency to decrease the level of management of local cultural assets, both tangible and intangible, especially traditions that exist after regional autonomy. This will be dangerous for preserving local culture and even national culture, which plays a vital role in maintaining historical ties and is also very important as a source of knowledge.

This research is focused on the study of the preservation of the Abung Siwo Migo begawi tradition. This study's sub-focus is Begawi Puppung Pepadun, where this activity is the highest or peak ritual in a Lampung Pepadun ritual to improve the social balance strata on the position of customs and the development of traditional culture in order to achieve social welfare for the community.

Based on the background of the problem as described above, problems can be formulated regarding; What is the accommodation of the Abung Siwo Migo begawi tradition for the social welfare of the community and how are the strategic initiative of the Regional Government and stakeholders in developing the Abung Siwo Migo begawi tradition in the Multicultural Lampung community. The goals to be achieved are:

- a. The traditional culture of begawi is preserved in the Abung Siwo Migo community of Lampung province as mandated by the Constitution.
- b. Developing national and international cultural begawi
- c. Encouraging government and stakeholder policies to initiate the preservation of traditional culture, oriented to the development of social welfare

2 Literature Review

2.1 Begawi Tradition Accommodation for Social Welfare

The term accommodation always appears in various science fields with different meanings, such as accommodation in education, health, communication science, psychology, and others. The point is that accommodation aims as an adjustment so that problems, conflicts do not occur, conflict, and creates comfort. In the Big Indonesian Dictionary, viewed from a sociological perspective, accommodation means a social adjustment in humans' personal and group interactions even though there are differences. In other understanding, Richard West [5] defines accommodation as the ability to adjust, modify, or regulate one's behavior in response to others.

According to Gillin and Gillin in Soerjono Soekanto [6], accommodation is a social relationship process that leads to adaptation. Between individuals or groups, there is an adaptive relationship to overcome tensions. These social adjustments can take the form of coercion, compromise, arbitration involving other parties, conciliation, tolerance, stalemate, adjudication, or legal settlement. However, understanding in the context of social accommodation of the tradition in question is more towards tolerance of thought, which can agree on the meaning and main ideas of a custom or custom in a community organization, especially the begawi tradition realize cooperation between living social groups. Collectively but have different perspectives on culture and religion, and unite these social groups to increase social welfare by developing their traditional culture.

Tradition is the habit of society in interacting with the environment and the universe. The values contained therein have been arranged in such a way from time to time, and are used as a means of non-formal education regarding the values of life for the generation to generation. This means that indirectly, tradition has taught the relationship between people, safeguarding human dignity, and others. In essence, we are required to take responsibility for its preservation so that tradition will always exist in the life of society, nation, and State.

In the sociology dictionary, tradition is defined as a hereditary belief that can be maintained. Meanwhile, according to Piotr Sztompka [7], another definition of tradition is all material objects and ideas that come from the past but still exist today, have not been destroyed, destroyed, or forgotten. Here tradition only means inheritance; what is left from the past.

Likewise, Muhammad Abed al-Jabiri [8] explained that the meaning of tradition in Arabic is understood by the word *turat*, which comes from the letters *ث*, (*wa*), *ر* (*ra*), and *ث* (*tha*), which in the classical dictionary emphasizes with the words *irth*, *wirth*, and *mirath*. Everything is a form of *masdar* (verbal noun) that shows the meaning of everything humans inherit from their parents, either in the form of property or rank or dignity.

Specifically, by C.A. Van Reusen [9]. Tradition is translated as inheritance or customary norms, rules, assets. However, tradition is not something that cannot be changed, uplifted, and rejected; on the contrary, it can be combined with various human actions and raised on the whole. Furthermore, the understanding, according to Bastomi Suwaji [10], that tradition is the spirit of a culture, with the cultural system, the tradition will become strong. If tradition is eliminating, the hope of culture will end right away. Everything becomes a tradition, its effectiveness, and level of efficiency have been tested. Its effectiveness and efficiency always follow the development of cultural elements. Various forms of attitudes and actions in overcoming problems if the level of effectiveness and efficiency are low will soon be abandoned by the perpetrators and will not become a tradition. Of course, a tradition will fit and fit the situation and conditions of the people who inherit it. Based on this understanding, it can be summarized that tradition is a legacy of the past as a form of richness in the history and spirit of a culture so that tradition can create a harmonious life in various communities of society if it is lived with mutual respect, respect, by existing values and rules.

Abung Siwo Migo is one of Lampung's indigenous people with the Pepadun culture, which became the forerunner to the formation of Central Lampung Regency. Siwo Migo said because he has nine clans or brothers or kinship that are scattering several areas in Lampung Province. The nine elements of culture: Buay Niliki, Buay Unyi, Buay Subing, Buay Nuban, Buay Beliuk, Buay Nyerupo, and Buay Selagai, Buay Kunang, and Buay Anak Tuho.

There are five customary unitary sub-communities within the Pepadun customary Lampung community, namely Abung Siwo Migo, Megow Pak Tulang Bawang, Way Kanan Limo Kebuayan, Pubian Telu Suku, and Sungkai Bunga Mayang. The five customary sub-communities are scattering in various regencies/cities in Lampung Province, such as Central Lampung Regency, North Lampung Regency, East Lampung Regency, Way Kanan Regency, Tulang Bawang Regency, Tulang Bawang Barat Regency, and Bandar Lampung City, including a small number of Regencies. South Lampung.

The Pepadun customary unit's sub-community above is included in the form of a stratified (genealogical) customary community tied to the same lineage from one ancestor. Each group has similarities in terms of custom elements, both the marriage system and the Begawi traditional ceremony, all of which have been regulated in the decisions of traditional balancing figures in each region.

In the implementation of the begawi tradition, it is motivated by several reasons, namely because of the cause of marriage, and because of deliberate reasons to carry out begawi to improve one's social status. The series of begawi traditions, especially in the Abung Siwo Migo community, have various interpretations of benefits and Islamic principles, including aspects of social welfare. Therefore, this fact inspires researchers to examine matters related to customs, especially regarding the accommodation of Abung Siwo Migo's traditional begawi traditions for the social welfare of the people in Lampung Province, so that it expected to provide positive output to strengthen the function and role of traditional institutions in revitalizing the development of traditional cultural values, especially the Begawi Puppung Pepadun tradition as a form of community development participation.

2.2 The Development of Begawi Traditions Towards Social Welfare

Cultural wellbeing is an essential concept in cultural development and community development, which is always interesting to research. So far, there have been many discussion perspectives on cultural welfare that have become the focus of scientists, academics, and socio-cultural observers in Indonesia. However, studies of the traditional begawi cultural welfare that exist in the pepedun community in Lampung Province have not been widely developed, even though the begawi tradition in Lampung pepadun custom is a tradition that includes all the elements of existing traditional rituals, both rituals in marriage, rituals in the seangkanan / muaghi customs, dance traditions, kulintang art, tadisi bujang Gadis (ngedio), and others, where all these elements are summarized inside it. Therefore, through a qualitative approach that will be used in this study, related to aspects of cultural wellbeing on the case study of the Begawi Abung Siwo Migo tradition, it is hoped that it can have a positive impact in minimizing cultural shifts and identity crises so that the development of the begawi tradition can develop in terms of regulations. Broader in the context of realizing the social welfare of the community.

In-Law No. 11 of 2019, regarding social welfare. Article 1 explains that social welfare is a condition for the fulfillment of the material, spiritual and social needs of citizens in order to live correctly and be able to develop themselves so that they can carry out their social functions.

Albert and Hahnel, as quoted by Eddy Sugiarto [11], divide welfare theory into three parts, namely; Classical utilitarian, Neoclassical welfare theory, and New contraction approach. The classical utilitarian approach emphasizes that one's pleasure or satisfaction can be measured. The principle for individuals is to increase the level of their welfare as much as possible. As for the community, increasing their group's welfare is a principle that is upheld in their life. The neoclassical welfare theory approach is a function of all individual satisfaction. The new contraction approach is to raise the maximum freedom in an individual's life or a person. This approach emphasizes that individuals will maximize their freedom to pursue goods and services without interference from certain parties.

Based on the description above, to realize social welfare through the concept of traditional cultural development, of course, it cannot be separated from our understanding of traditional knowledge or better known as local knowledge or indigenous knowledge, whose meaning is to focus on knowledge that already exists in a community. The term traditional knowledge, M. Marwan and Jimmy [12] in the national law dictionary, means that traditional knowledge possessed by local communities or traditions that are hereditary includes the fields of art, plants, architecture, etc. Further defined by Henry Soelistyo, quoted by Muhammad Djumhana [13], traditional knowledge is knowledge whose status and use are part of society's cultural tradition. Understanding traditional knowledge can

also be seen in full in the article J. Traditional Knowledge, Innovations, and International Practices, in Agus Riswandi, et al. [14];

"Traditional knowledge refers to the knowledge, innovations, and practices of indigenous and local communities worldwide. Developed from experience gained over the centuries and adapted to the local culture and environment, traditional knowledge is transmitted orally from generation to generation. It tends to be collectively owned and forms stories, songs, folklore, proverbs, cultural values, beliefs, rituals, community laws, the local language, and agricultural practices, including plant species and animal breeds. Traditional knowledge is mainly practical, particularly in such fields as agriculture, fisheries, health, horticultural, and forestry."

Traditional knowledge refers to knowledge, innovations, and practices from indigenous and local communities around the world. Developed from experiences through countries and adapted to local cultures and environments, traditional knowledge is transmitted orally from generation to generation. It becomes collective ownership of the form of stories, songs, proverbs, cultural values, beliefs, rituals, community law, regional languages, and agricultural practices, including plant species and animal descent. Traditional knowledge is primarily a natural practice in agriculture, health, horticulture, and forestry.

Furthermore, in another sense, Afifah Kusumadara [15] argues that traditional knowledge is seen as intellectual work in the field of knowledge and technology, which contains elements of traditional inheritance characteristics that are produced, developed, and maintained by local communities or indigenous peoples in an area.

From some of the above definitions, it can help the author to explain the formulation of concepts and operational definitions of this scientific research, making it easier to understand problems, apply theory and research methodology consistently in their implementation in the field. Therefore, by referring to several theories correctly, logically, and systematically, it will be built on the grand theory, middle theory, and applied theory. The three complement and reinforce one another.

3 Research Methodology

This type of research is classified as field research (field research), namely research that uses information from the research objectives through observation, interviews, and documentation. The method used is a qualitative approach to finding and collecting various primary data sources (primary) and supporting data sources (secondary). The three mechanisms used in data collection in this study tend to use the Miles and Huberman model, described in the form of data analysis components. Furthermore, checking the validity of the data was carried out using four criteria: credibility, transferability, dependability, and confirmability.

4 Results and Discussion

Analysis of social change will touch on the concepts of traditional culture, accommodation, and modernization. These three concepts are inseparable because they give life to all the elements. Tradition is a mechanization tool to adapt to the progress of the times.

When the modernization tradition goes hand in hand, accommodation becomes part of the social process dynamics to anticipate problems that will arise later.

The essential thing about the Abung Siwo Migo begawi tradition accommodation is the information passed on from generation to generation, both oral and written, because, without this, traditional culture cannot contribute to society can even lead to extinction. Thus tradition is born in 2 (two) ways, namely:

- a. It is emerging from below through a mechanism of spontaneous emergence involving the public at large. For some reason, specific individuals find historical legacies that attract attention, unusualness, love, and admiration, spread in various ways, influencing society. This respectful attitude turns into behavior in the form of ceremonies, research and restoration of ancestral relics, and reinterpreting old beliefs.
- b. Appears from above through a mechanism that must be habituated or forced. This means that something that is considered a tradition is chosen and made public attention by an influential or powerful individual; in this case, it is the Government.

An analysis of social change should not make the difference between tradition and modernization. The terms traditional and modern society are just mental constructions that form simplified models to understand and explain the complexities of history, as Shil [16] in Piotr Sztompka's book [17] asserts that: *"Humans cannot live without tradition. although they often feel dissatisfied with their traditions."*

5 Conclusion

Based on the results of this study it can be concluded that; In general, the begawi tradition as traditional socio-cultural values is still very relevant and lives on in the midst of the multicultural society of Lampung. Considering that traditional values have a role in the relationship to the Abung Siwo Migo indigenous people, the begawi tradition is used as a sacred activity which is a representative or embodiment of the ideology or philosophy of the people of Lampung, namely Piil-pusanggiri (ashamed of doing despicable work according to religion and having self-respect); Juluk-adok (having a personality in accordance with the customary title it bears); Meet-nyimah (visit each other for hospitality and welcoming guests); Nengah-mixed (active in social interactions and not individualistic); and Sakai-sambaian (mutual cooperation and mutual assistance with other community members).

To achieve the objectives in this research; (first) there needs to be a change that leads to the development of the character of the community in order to contain the harmony of individual aspects and human sociality. Where the first principle in the development of tradition is co-existence. This means that the traditional culture (begawi) carried out by the indigenous people is based, because of the existence of tradition, for the existence of traditions, and for the sake of the existence of the traditions of the Lampung people. Co-existence is what underlies the identity of the people of Lampung, so that the tradition will be carried out with a sense of comfort and safety by the owner, besides that the community is expected to be able to recognize the values and ideals of the tradition itself, as an heir of responsibility, both individually, indigenous peoples or local governments, in order to carry out the mandate of the law. (second), it is necessary to have information transmitted from generation to generation, both oral and written, so that traditional culture does not become extinct, as well as an effort to develop traditional cultural wisdom. (third) motivate the development of tradition in two ways; (1). Emerging from the bottom (bottom up) through a

mechanism spontaneously and involving the public at large, for a reason, certain individuals find historical heritage that attracts attention, unusualness, love and admiration which are then spread in various ways, influencing the public at large. This respectful attitude turns into behavior in the form of ceremonies, research and restoration of ancestral relics and reinterpreting old beliefs. (2). Appears from above (top down) through a mechanism that must be habituated or forced. This means that something that is considered a tradition is chosen and made public attention by an influential or powerful individual in this case is the Government.

References

- [1] Afifah Kusumadara.: Maintenance and Preservation of Traditional Knowledge and Expressions of Indonesian Traditional Culture, pp. 22. Journal; Protection of Intellectual Property Rights and Non-Intellectual Property Rights (2011)
- [2] Agus Riswandi and M.: Syamsuddin. Intellectual Property Rights and Cultural Law, pp. 29. Jakarta: Rajawali Pers (2004)
- [3] Albert and Hahnel.: Traditional Welfare Theory, See Eddy Sugiarto, Socio-Economic Welfare Theory, and Its Measurement, pp.263-269. Executive (2005)
- [4] Journal: Volume IV, No II, (August 2007) Shils in Szompka, Sociology of Social Change, pp. 74. (Yogyakarta: Prenanda media group (2007)
- [5] Arif Budimanta and Bambang Rudito.: Community Development Management Methods and Techniques, pp. 33. Jakarta: CSD (2008)
- [6] Bastomi Suwaji.: Appreciation of Traditional Arts, pp. 14. Semarang: IKIP Semarang Press (1986)
- [7] C.A. van Peursen.: Cultural Strategy, pp. 115. Yogyakarta: Kanisius (1992)
- [8] Jim Ife, Frank Tesoriero.: Community Development, Alternative Community Development in the Age of Globalization, pp.451. Yogyakarta, Student Library (2016)
- [9] Gillin and Gillin.: Cultural Sociology, a Revision of An Introduction to Sociology. (New York: The Macmillan Company, 1954). See Soerjono Soekanto, Sociology of an Introduction. Jakarta: P.T. Raja Grafindo Persada (2007)
- [10] Big Indonesian Dictionary, Center for Language Development and Development. Jakarta: Balai Pustaka, cet. 3 (1990)
- [11] Masdar Hilmy.: Initiating a Multiculturalism-Based Education Paradigm. Ulummuna Journal; Volume VII, Issue 12 Number 2 pp. 333 (July-December 2003)
- [12] Muhammad Abed al-Jabiri.: Islamic post-traditionalism, trans. Ahmad Baso. Yogyakarta: Lkis (2000)
- [13] M. Marwan and Jimmy. P.: Legal Dictionary, pp. 613. Surabaya: Reality Publisher (2009)
- [14] Muhammad Djumhan.: Development of Doctrine and Theory of Protection of Intellectual Property Rights, pp. 14. Bandung: Citra Adiya Bakti (2006)
- [15] Nanih Machendrawati and Agus Ahmad Syafe' i.: Islamic Community Development, pp.27. Bandung: P.T. Rosdakarya (2001)
- [16] Piotr Sztompka.: Sociology of Social Change, pp.60-70. Jakarta: Prenada Media Group (2011)
- [17] Richard West and Lynn H. Turner.: Introduction to Communication Theory. pp.27. Jakarta: Salemba Humanika (2009)
- [18] Soejono Soekanto.: Sociology Dictionary, pp.69. Jakarta: P.T. Raja Grafindo Persada (1993)
- [19] Law (U.U.), Chapter I. General Provisions, Article 1, Concerning Social Welfare. L.N. 2009 / No. 12, TLN NO. 4967, LL SETNEG: 32 HLM, (16 January 2009)

Customary Law in An Effort to Implement Social Sanctions in The Midst of The Era of Globalization

Husni Mubaroq¹
{Husnimubaroq889@gmail.com¹}

Universitas Lampung, Lampung, Indonesia¹

Abstract. The enactment of customary law actually existed long before the teachings of Islam and Christianity entered Indonesia various interesting things about the effectiveness and how the efforts to apply social sanctions of indigenous law can persist and still exist in the era of globalization at this time that will be the subject of problems in this study. While the purpose of this research is to find out if the social sanctions received by the perpetrator can give a deterrent effect so that the action does not repeat itself. The research method used is to use literature studies as well as delve into various legal sources.

Keywords: customary law, social sanctions, effectiveness.

1. Introduction

From time to time man is inseparable from the interaction between one individual and another in order to fulfill life in the future. On the basis of this relationship, over time people began to coexist in a region commonly referred to as a group of people [1] In order to achieve a peaceful and safe community life, a rule was established as a guideline for conduct [1] In fact, the various legal developments in Indonesia itself are a source derived from the norms that have existed in society so it can be said that customary law is an unwritten law.

Indonesian has long been known by the international community about the variety of indigenous tribes and languages, so it is no wonder that in each region with a certain indigenous tribe has its own customary laws that must be obeyed by members of its community. It is natural that customary law is considered as an identity of the Indonesian nation, in addition to being considered a rule on the other side of customary law indirectly creating a sense of unity and brotherhood between communities [1]

The history of indigenous law travel is not in Indonesia is not a short matter easy to understand, it is because customary law was born before the country of Indonesia was formed, the reason that many legal experts and history experts are interested in researching the development and how customary law is able to survive until now, Van Vollenhoven once revealed a statement that if one has the desire to add to their insight into the laws that live on this earth because of the diversity that existed in the past to the present, so look for all the rules and history of the law in Indonesia then they will never run out of resources to learn, this subject states the expression that customary law is a characteristic of the Indonesian nation [2] Although indigenous peoples in Indonesia have various differences in customs guidelines but the goal remains the same is as a tool in controlling the life that exists in the community and sanctioning in the event of a violation so that customary law is considered as an effective.

Discussing the existence of customary law then the first question that will arise is how the position of the customary law itself in the national legislation to date, the statement that becomes the answer is that the customary law is certainly clearly included in the Basic Law 1945 namely in Article 18B paragraph (2), Article 28I paragraph (3) and Article 32 paragraph (1) and paragraph (2) of the 1945 Constitution. The description of the contents of these articles is:

1. Article 18B paragraph (2) states that the state recognizes and respects the unity of the indigenous legal community and its traditional rights as long as it is alive and in accordance with the development of the society and principles of the Unitary State of the Republic of Indonesia, which is governed by the law.
2. Article 28I paragraph (3) Cultural identity and the rights of traditional society are respected in accordance with the development of times and civilizations.
3. Article 32 paragraphs (1) and (2), Paragraph 1 (The State advances Indonesia's national culture in the midst of world civilization by guaranteeing people's freedom in maintaining and developing its cultural values), Paragraph 2 (The State respects and maintains the language of the region as a national cultural treasure).

Over time, conflicts have become more frequent as a result of the negative impact of the development of the times that seems to lead the younger generation to do something that violates social norms in society. Thus the impact of this era of globalization is what should make customary law play an important role in society because not all social cases that occur must be resolved into the realm of national law given the cost and time needed [6] Related to the research, this paper will examine several issues including: How are the efforts of indigenous peoples to impose social sanctions in the midst of the current globalization flow?. Is customary law effective in imposing social sanctions in the community? This research was conducted in order to find out if the social sanctions imposed by customary law can provide a deterrent effect for perpetrators who violate social norms.

2. Literatur Review

When looking at the cultural patterns and customs of Indonesian society should be reformed to the existing legislation undergoing changes, especially the Penal Code which is actually a relic of the Netherlands, indigenous legal experts such as Van Vollenhoven argue that the penal code originating from the windmill country is no longer suitable for good or bad an act that is the benchmark of the Indonesian nation, there are various problems that according to the Penal Code the act can not be criminalized such as the relationship of the blood "incest" [5] Understanding and exploring the values that exist in society is considered very important. As a part of the nation's personality, the existence of customary law must have characteristics and characteristics that correspond to the philosophy and culture of the nation. Sudarto responded that it is not wrong, if to some extent it can be said that the criminal law of a nation can be an indication of the civilization of that nation [5]

It is a pity if a country as large and rich in diversity as the Indonesian nation should forget the identity of customary law which is actually the source of the country's own power [6].

Social sanctions are a series of punishments for members of the public who commit mistakes such as the example described earlier usually the social sanctions that indigenous figures do against the perpetrators of immorality and adultery is by traveling around the

village or married at the same time. While for other cases such as fights, theft, persecution, the sanction stipulated leads to more damages in the form of material [4]

Most people especially who live in the city may only know about the written law or commonly known as the law and will feel confused if asked about the customary law, in fact the history of the customary law has been around since time immemorial even before the teachings of islam and Christianity entered Indonesia, with the entry of the teachings of islam and Christianity then there is a change in the system of order of the rules due to the mix of two different beliefs. In the era of globalization today the customary law that used to indirectly regulate the order of people's lives is now fading its existence. This is evidenced by the large number of people who prefer to settle their cases into the realm of national law, the emergence of the assumption that customary law is ineffective to solve the problems they face is because customary law is considered too ancient in the middle of the current era of globalization [3]. In every order of public life is inseparable from every legal dynamic regarding the good and bad of an act that happens so that something that will be regulated is considered important. It is not a rare event in any judiciary where a judge will dig in and make values in society in determining a verdict [3]

The impact of the era of globalization instead of affecting people living in urban areas alone but we have expanded into rural areas, in the modern era as it is now making it easier for people to interact with each other and seek information even though the development of the times seems to have a positive impact because facilitating activities in the present does not mean that there are no negative consequences that can be detrimental as we can see is that today there are many crimes committed by teenagers and parents due to from watching porn videos on the Internet, or as another example the rise of underage marriage due to the great curiosity of teenagers dating having free sex. Therefore the application of social sanctions by customary law is necessary for those who have violated the norms in society.

3. Methodology

This research uses normative legal research methods, by conducting literature studies as well as documents derived from secondary data sources, namely legal literature related to the problem as well as the purpose of this research.

4. Discussion

4.1 Indigenous Peoples' Efforts to Implement Social Sanctions In the Current Era of Globalization

The existence of indigenous peoples and the norms of life that seem to have coalesced in it makes the system of customary law order difficult regardless of all the activities of their lives including how to judge a behavior that is done whether it is good or bad, in addition to the development of the times from time to time as if it affects the thinking patterns and ways of view of the younger generation who consider things to be shunned even perceived to be a reasonable act , for example, the nature of polite speaking to an older Person who has ethics must apply polite attitudes and behavior both to young people and moreover to others who are older. For example, when speaking, the person will speak with manners and speak politely and softly. Spoken speech and speech also use intonation that is not high and does not involve

excessive emotion. Examples for this attitude are numerous and diverse, such as a student towards a teacher, a co-worker with another co-worker, a child to a mother, and so on. But in reality there have been many cases where a student mocks even the courage to persecute his own teacher or for another example there is a child who hit his own birth mother because when asking for money is not given.

The form of indigenous peoples' efforts in resolving conflicts varies greatly following the rules and guidelines of each of their respective regions, many indigenous legal systems that can be reviewed the order and the way they solve the problem, such as the following examples: the first balinese people who have guidelines in the implementation of their own customary law, they are based on awig-awig which is indeed in the regional regulation of Bali Province No. 3 of 2001 has regulated it , As revealed in article 1 number 4 clearly recognized pakraman village where that the village is entitled to its own household [7]According to local regulations awig-awig has a meaning that the regulation is made by pakraman village kerama or banjar pakraman kerama which is used as a guideline tri hita karana based on mawacara village and religious dharma in pakraman village or banjar pakraman respectively [7]

Another example that can be the study material is the indigenous people of Lampung who have Cepalo 12 as the basis of the law of guided and behaved, in accordance with the mention cepalo 12 itself has 12 prohibitions for each member of its community, among others: 1. Forbidden mandang majeu ulun and son mulei ulun jamo view jamo birahi. Hukumano dendo. It is forbidden to look at the wife of a person or a girl with a good view, and the punishment is a fine. 2. Balahkamah or obscene, incitement, mitnah, kabagh buhung. Hukumano dendo. It means that it is forbidden to speak dirty/ obscene, insanity, slander, false news, the punishment is fine. 3. It is forbidden to visit dipok sai more gecak anjak pok mejeng ulun tuho, or ulun sai gham respect. Hukumano dendo. That means it is forbidden to sit in a place higher than the seat of an old person or person we respect. The penalty is a fine. 4. It is forbidden to appear in front of the ulun ghamik. Hukumano dendo. It is forbidden to show the aurat in front of the public, the penalty is a fine. 5. It is forbidden to nepuk beteng in front of ulun sai lagei meteng.hukumano dendo. It means it is forbidden to pat the stomach in front of a pregnant person, the penalty is a fine. 6. No pedem tengkurep didawah haghei, in the middle of keppung / tiyuh / ghadeu. It means that it is forbidden to sleep face down in the middle of the day, in the middle of the village or in the middle of the village. The penalty is a fine. 7. Kughuk nuwo ulun baghih liwat belangan is forbidden. This means that it is forbidden to enter others without permission through the back door, the penalty is a fine. 8. It is forbidden to use the room without permission. That means it is forbidden to pass through someone else's room without permission, the penalty is a fine. 9. Bathe is not allowed in sebai baths/ vice versa. This means that it is forbidden to bathe in a women's bath or vice versa. The penalty is a fine. 10. It is forbidden to use ulun baghik tanpomizin pemilikno. It means it is forbidden to take away the rights of others without the permission of the owner, the penalty is a fine. 11. It is forbidden to run mejo ulun, hukumano dikucilken Means it is forbidden to bring /escape the wife of a person, the punishment is excommunicated or expelled. 12. It is forbidden to commit pervert/adultery, hukumano dipatieken. It means that it is forbidden to commit pervert/adultery, the punishment is killed [8]But as many local people do marriage with the migrant community so that gradually the indigenous order system begins to change, in addition many people who start to leave the area out of the island to travel and seek life in a new place.

Customary law is a fairly effective effort made by some communities when a case is considered sufficiently settled in a kinship without having to take the case to court. Van Vollenhoven argues that in order to know about customary law then especially it is necessary

to know, which areas have the nature and makeup of the federal bodies of law, where the people ruled by the law live daily. If the customary law today continues to live despite decades of obstacles and threats of various forms and if the customary law advances towards its own life, then all that is due to the power of sustaining and the power of life over a national law alliance itself [9] What is often the question among intellectuals is how the position of customary law itself in the national legal system [9]

If traced then it can be known that the position of customary law itself has been stated in Article 18B of the Constitution of the Republic of Indonesia year 1945, as a result of the first amendment of the 1945 Constitution, stating that "The State recognizes and respects the unity of the Indigenous Peoples and their traditional rights as long as it is alive and in accordance with the development of the people and principles of the Unitary State of the Republic of Indonesia, which is governed by the Law." The provisions of Article 18B of the 1945 Constitution are strengthened by the provisions of Article 281 paragraph 3 of the 1945 Constitution that "Cultural identity and traditional society are respected in accordance with the development of times and civilizations". The recognition of indigenous law by the constitution describes that Indonesian people are united on various differences both in terms of religion, tribe and culture which from there is symbolized as a single *bhineka ika* "different but still one" [10]

Efforts to impose social sanctions usually begin by taking mediation measures as a way of progressing towards negotiations by conflicting parties. This settlement is centered by police officers as well as indigenous and religious leaders who do have the right and authority to decide the conflict that occurs, the parties themselves who are trusted as mediators have integrity as well as expertise that is felt to be sufficient to solve the problem [10] Although when viewed based on the development of the era of case resolution efforts using customary legal sanctions is considered antiquated but the choice is considered better done for both parties who are troubled besides strengthening the fraternity rope such efforts can reduce the cost burden and a long time when processed through legal lines.

4.2 Effectiveness of Customary Law in Providing Social Sanctions In The Community

Imposed social sanctions by indigenous peoples starting when an act or crime has been committed by a person and judged by the community to have violated existing norms and customs so as to harm and tarnish the good name of the indigenous people's territory, this social sanction is given to the perpetrator in order to cause deterrent effect without having to have a sense of vengeance and drop his or her self-respect. The provision of social sanctions themselves based on the deliberations of indigenous, religious, and local legal officials from the police. For every member of the indigenous community itself is required to comply with the customary law sanctions that apply this is feared given the risk of being excommunicated from the environment in which even some indigenous peoples in Indonesia have strict sanctions on members of the community who violate that is with the punishment of being expelled from the indigenous area. For example, Lampung indigenous people who have their own customary law which is all set out in *Cepalo 12* in the process of resolving a case by indigenous figures that exist starting from the handling after the case occurs to the stage of making peace accords as well as sanctions given to the perpetrators, in their handling in addition to Lampung indigenous figures also involved police officers as mediators of this matter because the police have the right to discretion [8]

If you want to know the effectiveness of indigenous law then there are various supporting aspects that serve to support the real justice of the law. Soerjono Soekanto argues, the theory of legal effectiveness is that effectively not a law is determined by the legal factors

themselves, law enforcement factors namely the parties that shape or apply the law, the factors of means or facilities that support law enforcement, the socio-economic factors that are the environment in which the law applies or is applied, cultural factors namely as a result of work, copyright, and taste based on human behavior in the association of life. The relationship between the existence of the law and its effectiveness means that certain laws achieve the goal, meaning that the law actually applies and functions in the middle of society[11]

Among the functions of customary law is as a tool of social control and can run properly when there are things that support it. This function is closely related to clear and good legal content material. In addition, the subject that will actualize this law is no less important its role in the implementation of the law as a tool of social control.

Discussing social conflict, customary law as a means of the legal system that has a set of rules or patterns of its own in conflict resolution. That customary law has different characteristics than other legal systems. Conflict is an undeniable and avoidable occurrence in every joint of societal life, this is because conflict is a very fundamental part of the existence of human life itself. The emergence of the conflict must still be faced and resolved by members of the conflicting community not to be avoided, either as a person or a conflicting party, or as a person who will later become the person who mediate to participate in helping to resolve the conflict due to the re-creation of harmony between the warring parties [12]

The discretion itself in its meaning is more towards the moral side than the legal aspect, in addition the authority of the police force itself has been regulated by Law No. 2 of 2002 on the National Police of the Republic of Indonesia, Article 18. Based on the explanation of Article 18 paragraphs 1 and 2 of Law No. 2 of 2002 on the National Police of the Republic of Indonesia it can be understood the Police have the right to act in accordance with its own judgment which means the police have the right to stop or proceed with a complaint or report a criminal offence. The discretionary authority of the police also has a function in the process of solving crimes that are resolved traditionally Lampung because in the peace process between the child perpetrator of the crime and the victim or the victim's family of the crime, the police serve as a mediator or facilitator in the peace of both parties who are troubled and the police also as witnesses of peace from both sides because in making a peace treaty letter in the settlement of child criminal cases that are resolved traditionally Lampung police involvement very important because the peace treaty letter is also held by the police [8]

The effectiveness of the implementation of social sanctions itself can be said both if the people themselves are obedient and obedient to the customary laws that have been passed down a long time ago by their ancestors. Strict social sanctions but do not provide too severe a psychic burden for violators of norm rules in terms of both customary law and national law. The participation of religious beliefs that can help prevent bad deeds from being repeated. As well as the activeness of indigenous and religious leaders in briefing the younger generation not to do deeds outside the prevailing norms and participate in preserving customary law is an action that can be said to be effective so as not to repeat similar events in the future.

5. Conclusion

Customary law is a rule and a set of norms that have lived in the community since time immemorial, although the turnaround of the times is growing rapidly but the existence of customary law as an unwritten rule can still be felt in the application of cultured and national life, although the state does not specify clearly about the rules related to customary law but its

enforcement still exists in the midst of society. Therefore if looking at the enactment of customary law will be more appropriately judged than how sanctions are given more towards having the sense of justice expected by all members of the community. Based on the exposure that has been discussed it can be concluded that customary law as a foundation in the effort to implement social sanctions is still much needed in the midst of the era of globalization. Because customary law is a set of values that arise from the sense of justice that society itself creates. Actually, the public's desire is about the truth not about procedural enforcement.

6. Advice

The important position of indigenous law for some people is expected to be able to open a common consciousness so that the identity of the nation that should be preserved is not lost eroded by the changing times, this can be an input for the government to participate in making customary law as a source of renewal of national law later so that the Indonesian nation itself is able to have its own laws that do reflect the identity of the nation.

References

- [1] E. Susylawati, "Eksistensi hukum adat dalam sistem hukum di Indonesia," *Al-Ihkam J. Huk. dan Pranata Sos.*, vol. 4, no. 1, pp. 124–140, 2013.
- [2] L. Abubakar, "Revitalisasi hukum adat sebagai sumber hukum dalam membangun sistem hukum Indonesia," *J. Din. Huk.*, vol. 13, no. 2, pp. 319–331, 2013.
- [3] M. H. P. Hamzah, "Customary Law Impact in the Development of Indonesia's Criminal Code," *J. Crit. Rev.*, vol. 7, no. 3, pp. 233–236, 2020.
- [4] L. O. M. La Ode Raumin and B. Y. Bouto, "BENTUK-BENTUK SANKSI SOSIAL MASYARAKAT TERHADAP PERILAKU MENYIMPANG REMAJA (Studi Di Desa Mabodo Kecamatan Kontunaga Kabupaten Muna)," *J. Neo Soc.*, vol. 3, no. 1, 2018.
- [5] R. H. Abdullah, "Urgensi Hukum Adat dalam Pembaharuan Hukum Pidana Nasional," *FIAT JUSTISIA J. Ilmu Huk.*, vol. 9, no. 2, 2015.
- [6] I. N. Nurjaya, "Memahami kedudukan dan kapasitas hukum adat dalam politik pembangunan hukum nasional," *Perspektif*, vol. 16, no. 4, pp. 236–243, 2011.
- [7] I. W. G. Wiryawan, K. S. L. P. Perbawa, and I. W. Wiasta, "Hukum Adat Bali di Tengah Modernisasi Pembangunan dan arus Budaya Global," *J. Bakti Sar.*, vol. 4, no. 2, 2015.
- [8] H. Pratama, "Penyelesaian Perkara Pidana Anak Secara Adat Lampung Megow Pak Tulang Bawang Dalam Rangka Restorative Justice," *FIAT JUSTISIA J. Ilmu Huk.*, vol. 10, no. 1, 2017.
- [9] A. A. S. P. Paraniti, "Eksistensi Masyarakat Adat Bali Dalam Era Globalisasi (Suatu Kajian Filosofis, Yuridis dan Sosiologis)," *J. Ilm. Raad Kertha*, vol. 1, no. 1, pp. 94–107, 2018.
- [10] H. S. Haq and H. Sumanto, "Mengukuhkan Eksistensi Hukum Adat dalam Sistem Hukum Indonesia (Studi terhadap Pengembangan Kelembagaan Mediasi Komunitas)," *J. Yust. Merdeka*, vol. 2, no. 2, 2017.
- [11] A. Surya and S. Suhartini, "Efektivitas Penyelesaian Tindak Pidana Ringan Melalui Lembaga Adat (Sarak Opat)," *J. Huk. IUS QUIA IUSTUM*, vol. 26, no. 1, pp. 91–112, 2019.
- [12] S. Warjiyati, "Eksistensi Hukum Adat Dalam Penyelesaian Konflik Pada Daerah Otonom," *Ahkam J. Huk. Islam*, vol. 6, no. 2, pp. 389–410, 2018.

Human Rights Enforcement Through The Implementation of Public Service-Based Criminal Justice

Maroni¹, Nenny Dwi Ariani²
 {maroniunila@gmail.com¹, nennydwiariani@gmail.com²}

Faculty of Law, University of Lampung, Indonesia¹, Faculty of Law, University of Lampung, Indonesia²

Abstract. The court is one of the administrators of the state's duties in the judiciary, as mandated by the 1945 Constitution. Every state administrator must carry out public services under Law Number 25 of 2009 concerning Public Services. Based on Law Number 8 of 1981 concerning the Criminal Procedure Code, criminal justice in Indonesia demanded transparency, accountability, and equality. Therefore the form of public service of criminal justice in protecting the human rights for justice seekers shall implement the principles of transparency, accountability, participative, and equality before the law in investigating criminal cases in court. Implementing a proper public service-based in criminal justice is expected to improve the performance of criminal investigators in achieving substantial justice and accommodating the legal interests of justice seekers. Moreover, the application of public service in judicial institutions will improve society's prestige to accomplish one the indicator of the state's duties in the judiciary.

Keywords: Criminal Justice, Public Service, Human Rights.

1. Introduction

A person's status as a suspect or defendant does not necessarily cause the loss of human rights in the criminal justice process. In reality, there are still many violations of justice seekers' human rights in the criminal justice process. The rights of justice seekers tend to be disadvantaged in the criminal justice process due to abuse of power by law enforcers for specific reasons (vertical human rights violations) such as (1) equality of rights; (2) inalienability of rights; and (3) universality of rights.

Abuse of power within the scope of, "The Protection of Human Rights in the Administration of Justice" includes (1) prevention of discrimination; (2) statelessness and refugees; (3) the principle of legality; this includes the principle of non-retroactivity of criminal law; the principle of presumption of innocence and the principle of *ne bis in idem*; (4) right to life and freedom from inhuman and unusual punishment; (5) right to liberty and prisoners' rights; (6) right to a fair trial; (7) administration of juvenile justice; (8) victims' rights and remedies [1][2]."

In Indonesia, the provisions governing criminal justice procedure is subjected under the Law Number 8 of 1981 concerning the Criminal Procedure Code (KUHP). However, the Criminal Procedure Code provides inadequate protection for justice seekers' legal interests,

such as witnesses and victims of criminal acts. The form of protection for witnesses and/or victims solely includes: “(1) compensation due to legal termination of investigation or prosecution (Article 81); (2) merger of claims for compensation in criminal cases (Article 98 paragraph (1)); (3) The witness has the right to receive reimbursement for attending the trial (Article 229 paragraph (1)).” Considering the Criminal Procedure Code does not comprehensively regulate the protection of witnesses and victims, various laws and regulations besides the KUHAP have emerged to regulate the protection of witnesses and criminal acts.

For instance, the provisions regarding the protection of witnesses and victims in corruption cases are regulated under Article 15 of Law Number 30 of 2002 concerning the Corruption Eradication Commission. Moreover, provisions related to human rights violations are outlined in Government Regulation Number 2 of 2002 concerning Procedures for Protection of Victims and Witnesses. As for victims of sexual violence cases, it regulated under Law Number 23 of 2004 concerning the Elimination of Domestic Violence. Unfortunately, the aforementioned statutory regulations' existence is still inadequate to protect witnesses and/or victims of criminal acts. One of the concrete examples taken from the case of Endin Wahyudin back in 2001 was when he complained about the Supreme Court Judge's bribery. In this case, he was unfairly accused of defamation and later sentenced to three months imprisonment.

To overcome such conditions, it is necessary to have criminal law enforcement practices that uphold human rights as outlined under the International Bill of Human Rights and related international instruments concerning criminal justice administration. These international bills of human rights include four United Nations (UN) documents, namely: (1) Universal Declaration of Human Rights; (2) International Covenant on Economic, Social and Cultural Rights; (3) International Covenant on Civil and Political Rights; and (4) Optional Protocol to the International Covenant on Civil and Political Rights. Additionally, there are more than 20 international instruments that regulate the protection of human rights in criminal justice administration.

The enforcement of criminal law under the provisions, as mentioned earlier, is a criminal justice process that applies the principles of public service, namely: fast, precise, accurate and have a decent quality. These are in-line with fast, straightforward, accurate, impartial, low cost and free judicial principles as subjected under the Law Number 8 of 1981 concerning Criminal Code Procedures in conjunction with Law Number 48 of 2009 concerning Judicial Power. Also, the principles of public service in the form of transparency, accountability, conditionality, participation, equality before the law, and balance of rights and obligations are in line with the principles of justice based on Almighty God or justice based on God's guidance, namely equality, objectivity, impartiality, and not taking sides, which is the goal of Indonesian justice [3]. Based on that background above, this research will examine problems related to how human rights enforcement through the implementation of public service-based criminal justice?

2. Literature Review

2.1 Protection of Human Rights

The protection of humans rights explained above is related to the rights of the detained suspect/defendant. Meanwhile, the rights of the defendant related to the administration of the

bureaucracy of the criminal court include: (1) the defendant has the right to have his case immediately submitted to the trial; (2) notification of the commencement of the trial and the attendance date for the suspect to the court session must be submitted legally; (3) a defendant has the right to obtain a duplication of the inspection report for the sake of his defense, as well as a duplication of the case transfer letter and the indictment letter; (4) The judge is obliged to ask the defendant whether he understands the meaning of the contents of the indictment which has been read out by the public prosecutor; (5) the trial is conducted open to the public; (6) The judge presiding over the session is obliged to guard against being asked questions or an atmosphere that causes the defendant or witness to give answers freely, including questions that are intended to interrupt; (7) The judge shall give sufficient time for the defendant or the legal advisor and the public prosecutor to ask various questions to the witnesses or in the case of filing other evidence; (8) the defendant cannot be afflicted with the burden of proof, namely in the form of various actions that force him to answer or make confessions; (9) the public prosecutor cannot present a witness who is also a defendant in the same case (crown witness), even though the witness has the status of a defendant in the case file which was not tried simultaneously; (10) all evidence submitted must be verified against the testimony of the witnesses presented, and all evidence is shown to the accused; (11) a defendant has the right to be given time to argue against the testimony of a witness after he finished giving his testimony before the trial; (12) a defendant/legal advisor has the right to submit evidence in the form of material or witnesses that mitigate (A de charge), besides being able to present expert witnesses, namely people who have special expertise on a matter related to the case being tried; (13) all forms of objections or important notes submitted by the defendant/legal adviser and public prosecutor which take place in court at their request, the judge orders the clerk to record them; (14) A defendant or his legal adviser has the right to submit a defense which is read openly before the trial [4].

The principles mentioned above align with the least guarantee fair trial set by the A Competent, Independent, and Impartial Tribunal Including: (1) suspects are given information quickly and clearly on the charges against them; (2) sufficient readiness, both time and facilities to defend themselves and communicate with legal advisors; (3) get on the trial as quickly without undue delay; (4) get on trial in his presence; in the 'In Absentia' matter, suspect/defendant must have substantial grounds and conduct based on democratic laws; (5) balanced testimony; (6) the right to appeal; (7) free from "Miss-interpretation of justice"; (8) "Right to Habeas Corpus Mechanism"; (9) Legal Assistance; (10) Equality of Arms Between The Parties; Legality Principle; (11) The Principle of Presumption of Innocence [1].

2.2 Quality Public Service

Public service is an activity of providing goods and services to the society by the government, either given directly or through partnerships with the private sector and the community based on the type and intensity of community needs, community capacity, and the market. This concept emphasizes how successful public services are provided through a healthy delivery system. The purpose of public services is to provide the best goods and services for the community. The best goods and services fulfill what is promised or what society needs. Thus, the best public services provide satisfaction to the public, if necessary, to exceed public expectations [5].

People always demand quality public services from public service providers, although these demands are often not in line with expectations because empirically, the public services that have occurred so far are still convoluted, slow, expensive, and displeasing [6]. To overcome this condition, Osborne and Plastic characterize the government (bureaucracy) as

expected above as ‘government-owned by the people’, namely the government, which transfers the control authority it has to the people. The community is empowered so that it can control the services provided by bureaucrats. Moreover, people tend to have an exemplary commitment, are more caring and more creative in solving problems, so that society's role in improving public services is needed. Public services will still be borne by the bureaucrats appointed by the state as public servants. Therefore, a strong commitment to serving must be built to be more responsive to community needs and design a more creative and more efficient service model [7].

Moreover, quality public services can also be done with the concept of “wholehearted service,” as defined by Patton et al. (2002), which means self-service that reflects emotions, character, beliefs, values, and points of view. In Patricia's concept, the real value in wholehearted service lies in the seriousness of the four “P” attitudes, namely (1) passionate, such as presenting life and vitality at work; (2) progressive, such as being creative and attractive to improve services; (3) proactive, such as the passion for conceiving the right initiatives to achieve service quality; (4) flattering, such as being a personally warm person in welcoming consumers and being more thoughtful in asking any question considered inappropriate [8][6]. Also, quality public services are similar to the meaning of trustworthy governance, namely: democratic, fair, cost-conscious, transparent, accountable [9][10]. These concepts are summarized in the cultural concept of FAST disseminated namely *Fathonah*, *Amanah*, *Shiddiq*, and *Tabligh* [11].

3. Methods

This study uses the normative legal method (library law research) with the type of descriptive analytical research. The data obtained are secondary data from literature sources such as book, journal, articles and internet sites.

4. Result and Discussion

The human rights protection for justice seekers in the criminal justice process is conducted in two models, as proposed by Herbert L. Packer, namely the Crime Control Model (CCM) and the Due Process Model (DPM). In CCM, the obligation to work as efficiently as possible is the main requirement so that law enforcement officers' mistakes are tolerated to a certain degree in determining whether someone is guilty. The CCM assumes that everyone involved in the criminal justice process is likely to be guilty. Therefore, the use of power in law enforcement officials' hands must be as maximum as possible. However, there is a concern that officers who are required to work efficiently will neglect human rights in this model.

Whereas in DPM, the criminal justice system is likened to a “conveyor belt” mechanism, and at each particular stage, a “test” is taken whether a process has been carried out properly by officers who operate in their respective authority. The DPM model is made due to the CCM model's concern that only prioritizes the efficiency aspect and caused irregularities in the implementation of the criminal law procedure. Therefore, DPM places more emphasis on implementing the existing legal rules properly and adequately.

The DPM is based on the “presumption of innocence” principle as the justice system's essential values. The main objective of DPM is to protect those who are genuinely innocent and prosecute those who are truly guilty [12]. If the two models put forward compare to the Criminal Procedure Code (KUHAP) as the law-procedural basis for Indonesia's criminal justice system, it seems that the Criminal Procedure Code adheres to both the CCM and the DPM. It is supported by the fact that several principles regarding both models are contained in the Criminal Procedure Code itself. Those principles illustrate that the Criminal Procedure Code focuses primarily on protecting a suspect or defendant's dignity, as intended by DPM. Meanwhile, the *'constante justitie'* principle is in-lined with what is meant by the CCM. In addition, those principles conveyed in its purpose to limit the attitudes and actions of law enforcement officials. These principles should be contained in the Criminal Procedure Code, considering that the criminal procedure law is designed to control law enforcers, not criminals, as stated by Skolnick [13].

The protection of the human rights for suspects or defendant contained in KUHAP is regulated under Article 57 to Article 63, includes: (1) the right to contact a legal advisor; (2) the right to contact and speak with representatives of their countries, for suspects/defendants who are foreign nationals; (3) the right to contact and receive visits from private doctors for the sake of their health; (4) the right to be notified to his family or other people whose assistance is needed regarding his detention; (5) the right to contact and receive visits from parties who have family or other ties; (6) for work or family purposes the right to contact and receive visits from family or other parties, either directly or through a legal advisor; (7) the right to send and receive letters from legal advisors and their families, and writing instruments are provided for this purpose; (8) the right to contact and receive visits of the clergy.

However, the protection for other justice seekers' legal interests, such as witnesses and victims of criminal acts in the Criminal Procedure Code, is still considered inadequate. The form of protection for witnesses and/or victims solely includes: (1) compensation due to legal termination of investigation or prosecution (Article 81); (2) merger of claims for compensation in criminal cases (Article 98 paragraph (1)); (3) The witness has the right to receive reimbursement for attending the trial (Article 229 paragraph (1)). Considering the Criminal Procedure Code does not comprehensively regulate the protection of witnesses and victims, various laws and regulations besides the KUHAP have emerged to regulate the protection of witnesses and criminal acts.

The protection of witnesses and victims in the criminal justice process, outlined in various laws. For instance, the protection for witnesses and victims in corruption cases is regulated under Article 15 of Law Number 30 of 2002 concerning the Corruption Eradication Commission. Moreover, in the scope of human rights, the protection of witnesses and victims is outlined in Government Regulation Number 2 of 2002 concerning Procedures for Protection of Victims and Witnesses and Law Number 23 of 2004 concerning the Elimination of Domestic Violence as for victims of sexual violence cases. However, the legal protection outlined in those mentioned laws and regulations was deemed inadequate. It was needed for the government to enact specific laws regarding the protection of witnesses and victims. This concern then becomes the background of the enactment of Law Number 13 of 2006 concerning Witness and Victim Protection.

The urgency for the protection of witnesses and victims is related to the court's role as a government bureaucratic institution. The court is a government organization expected to become an organ for the community to perceive justice. In optimizing its role as the state's organ in society, the Criminal Procedure Code adopts a service-based model in criminal justice administrations to achieve the highest justice capacity. Judicial institutions, as

administrators of state duties in the judiciary, possess the same purposes as other state institutions in the executive and legislative sectors in providing service to every citizen and resident of Indonesia. The establishment of the judiciary by the state is one way to fulfill its obligation in providing society to meet their fundamental rights and need as mandated under the 1945 Constitution of the Republic of Indonesia in Law No. 25 of 2009 concerning Public Services. As well as mandated in Law Number 25 of 2009 concerning Public Services.

Based on the explanation of Article 5 paragraph (4) "letter a that public services in this provision are for example, including health services (hospitals and puskesmas), educational services (primary schools, junior high schools, high schools, and colleges), marine navigation (lighthouses and beacons), judicial services, traffic services (traffic lights), security services (police services), and market services."

In this regard, the importance of public services in the administration of criminal justice bureaucracy will determine the government system's effectiveness in fulfilling the administrative service compliance as one of the fundamental needs of every citizen.

Concerning the implementation of the criminal justice bureaucracy, public services, as described above, are essential, considering that the core of public service is excellent service run under four main principles (FPAQ), namely fast, precise, and accurate. These FPAQ principles are in line with the principles of constant just tie, honest and impartial, which underlie the administration of criminal justice in Indonesia under the Law Number 8 of 1981 concerning KUHAP in conjunction with Law Number 48 of 2009 concerning Judicial Power. Besides, the principles of public service in the form of transparency, accountability, conditionality, participation, equality before the law, and balance of rights and obligations are also in line with the principles of justice based on Almighty God or justice based on God's guidance, namely equality, objectivity, impartiality, and not taking sides, which is the goal of Indonesian justice [3].

The implementation of public service principles in the process of implementing criminal justice in the context of protecting the human rights of justice seekers is as follows:

4.1 Transparency Principle

The principle of transparency in public services requires services that are open, easy, and accessible adequately to all parties who need them, and easily understood. The principle of transparency is related to human rights to obtain public information as one of the essential features of a democratic country and put forward and upholds the sovereignty of people to accomplish good state administrations. Moreover, public information disclosure is a means of optimizing public supervision of the administration of the state and other Public Organs and any purposes related to the public interest. The right to obtain information is fundamental because the more open the state is to be monitored by the public, the more accountable the state administration is. People's right to obtain information is also relevant for improving the quality of community involvement in the public decision-making process. Public participation or involvement requires a guarantee of the openness of Public Information in Preamble and General Elucidation of Law No. 14 the Year 2008 on Freedom of Information.

The implementation of this principle in the criminal justice process in protecting the human rights of justice seekers, through the provisions of the Supreme Court Circular Letter (SEMA) No. 4 of 2012 concerning the Recording of the Court Process. This provision determines that in order to ensure the implementation of the trial to be more transparent, accountable, and thorough, in future, it is necessary to take an audio-visual recording that directed systematically, regularly, and inseparable from the trial procedure, as an addition for the substitute clerk's records (Article 202 paragraph (1) of Criminal Procedure Code). For

instance, to accomplish this future purpose, the proceedings at the court shall gradually commence utilizing an audio-visual with the following conditions: (1) The result of the audio-visual recording is a complement to the Trial Minutes; (2) Audio-visual recording is carried out systematically, and its integrity is guaranteed; (3) Audio-visual recordings of the trial shall be managed by the Registrar and (4) Audio-visual recordings as part of bundle A.

4.2 Accountability Principle

Based on the principle of accountability, public service providers' services must be accountable following the provisions of laws and regulations. This principle requires that all public service providers' activities, both at the process and outcome level, must be accounted for following the provisions of laws and regulations. Concerning the criminal justice bureaucracy, this means that examining criminal cases by judicial officials, in this case, judges and clerks, must comply with the provisions of laws and regulations. Compliance is demanded since there is no absolute freedom without responsibility. Judicial independence must be balanced with Judicial Accountability. Impartiality, honesty, fairness, transparency, and professionalism are attitudes that must be upheld by each Judge as a form of accountability for the judicial power they possessed [14].

The implementation of this principle in the criminal justice bureaucracy in the framework of Human rights protections of justice seekers conducted by condition as follows: (1) the public can directly access a judge's decision after it is read out; (2) function of a legal institution with a dissenting opinion by requiring every Judge to draft a decision, especially legal considerations that will be used as a reference for the final decision by the panel of judges. The concept of each Judge's decision is an integral part of the final decision of panel judges, meaning that the concept of the decision made by each Judge must be attached to the panel's final decision. Since principally the Judge's responsibility to conceive his decision is utterly individual, the Judge is independent and solely responsible to God Almighty. More than that, as a law enforcer, the Judge has an ideology and dissenting opinions that explicate the transparency and clarity of the judges' accountability for their professional duties. According to Article 14 paragraph (2), "the court's decision and (3) Law Number 48 of 2009 is required. In a deliberation session, each Judge must convey a written consideration or opinion regarding the case being examined and become an integral part of the decision. If a unanimous consensus cannot reach a deliberative session, the Judge's different opinions must be included in the decision." (3) opportunities are opened to ensure court decisions are guaranteed by independent institutions such as the Judicial Commission, academics, and Community Social Institutions (NGOs) that focus on justice.

4.3 Participatory Principles

The definition of participatory principle is a service that encourages society's participation in providing public services by taking into accounts the aspirations, needs, and expectations of the society. The embodiment of this principle in the criminal justice process in the framework of protecting the rights of justice seekers, namely: (1) by carrying out the functionalization of legal institutions for Case Settlement outside the court (adorning bitten process). This legal institution already exists based on the provisions of Article 82 of the Criminal Code called afoot (Article 82 of the Criminal Code), which regulates that if an offense is punishable only with a fine, then the prosecution can be avoided by paying the maximum fine directly [15]. In this case, a diversion mechanism is used, namely for minor cases resolved outside the court (non-litigation process) with the victim; (2) using the Plea Bargain mechanism or negotiating demands. Plea Bargain is an agreement mechanism in

criminal cases between the public prosecutor and the defendant, where the defendant must admit guilt in exchange for the prosecutor's offer or when the Judge has mentioned informally that the Judge will reduce the sentence if the defendant admits guilt. Plea Bargain's natural principle is "based on the idea that to prevent the inability of the court institution to handle cases that are getting more and more massive overtime. This mechanism is then believed not to violate legal principles and is morally acceptable because both parties agree voluntarily to receive benefits from this mechanism."

In Indonesia, a smuggling case is frequently settled out of court by paying a "conciliation fine" agreed between the suspect and the prosecutor that the Attorney General agrees [15]. The Attorney General's determination is called shacking based on the legal basis of opportunity. The policy was imitated by the *Wet op de economische delicten* in 1950.

4.4 Equality before the Law Principle

The principle of equality before the law in public services means services that do not discriminate against justice seekers from any aspect, especially ethnicity, race, religion, class, social status, etc. The implementation of this principle in the criminal justice process, namely: (1) there is an obligation that every defendant who is incapable of all criminal cases receives free legal assistance; (2) recognition of the existence of witnesses in the criminal justice process. The witness's position in the Criminal Procedure Code is unfortunately inadequate, and it is proven that there are very few provisions of the Criminal Procedure Code regulating the rights of witnesses compared to their obligations. The Criminal Procedure Code views witnesses about their obligations. Even if a witness refuses his obligation, he can be held hostage in a state detention center for fourteen days based on the provisions of Article 161 paragraph (1) of the Criminal Procedure Code.

5. Conclusion

Based on the study explained above, the implementation of public service in criminal justice bureaucracy in the context of human rights protection on justice seekers is a bureaucratic model that accommodates the parties involved in the criminal justice process. Moreover, the recommendation to accommodate the interests of these parties is to implement values of justice outlined in Pancasila as the philosophy or way of life of the Indonesian people related to the purpose of public service to provide the best goods and services for the society in the sense that the best goods and services fulfill what is promised or what society needs. However, the best public services provide satisfaction to the public, if necessary, exceeding public expectations.

The embodiment of public service principles in the criminal justice bureaucracy, namely the improvement of the provisions of the trial procedure law, including making public service the principle of the trial. These improvements include: (1) the existence of provisions on the obligation to carry out transparency in the process of examining criminal cases by means of, among other things, the use of information technology facilities; (2) there is a provision that every decision read out by the panel of judges can be directly accessed by the public; (3) there is a provision on the functionalization of a dissenting opinion legal institution in which each Judge is obliged to draft a decision as material for deliberation by the panel of judges and as an attachment to the final decision; (4) there is an obligation to conduct examination of some instances by independent institutions; (5) there is a provision on the authority of the KPN to

combine cases against the same defendant; (6) there is a provision on the authority of the KPN to appoint a single judge in cases deemed easy to prove; (7) there are provisions regarding the functionalization of legal institutions for Out-of-Court Case Settlements (adorned bitten process); (8) there are provisions on the mechanism for Negotiation on Claims (plea bargain) that apply as in the standard law system; (9) there is a provision on the obligation of free legal aid to all criminal cases for an incapacitated defendant, (10) there is a provision on witness protection in criminal proceedings.

References

- [1] Muladi, "Membangun 'Grand Design' Kebijakan Penegakan Hukum Pidana Yang Mengakomodasi Keadilan di Era Demokrasi," Bandar Lampung, 2011.
- [2] R. Marbun, "Grand Design Politik Hukum Pidana dan Sistem Hukum Pidana Indonesia Berdasarkan Pancasila dan Undang-Undang Dasar Negara Republik Indonesia 1945," *PADJADJARAN J. Ilmu Huk. (Journal Law)*, vol. 1, no. 3, pp. 558–577, 2014.
- [3] B. N. Arief, *Pendekatan Keilmuan dan Pendekatan Religius dalam Rangka Optimalisasi Penegakan Hukum (Pidana) di Indonesia*. Semarang: Badan Penerbit Universitas Diponegoro, 2010.
- [4] B. Widjojanto, *Fair Trial: Prinsip-Prinsip Peradilan yang Adil dan Tidak Memihak*. Jakarta: YLBHI, 1997.
- [5] Y. T. Keban, "Etika Pelayanan Publik: Pergeseran Paradigma, Dilema dan Implikasinya bagi Pelayanan Publik di Indonesia," *bappenas.go.id*, no. March, p. 2011, 2011.
- [6] L. P. Sinambela, *Reformasi Pelayanan Publik: Teori, Kebijakan, dan Implementasi*. Jakarta: Bumi Aksara, 2007.
- [7] D. Osborne and P. Plastrik, *Memangkas Birokrasi: Lima Strategi Menuju Pemerintahan Wirausaha*. Jakarta: Pustaka Publik, 1999.
- [8] W. D. Patton, S. Witt, N. Lovrich, and P. J. Fredericksen, *Human Resource Management: The Public Service Perspective*. Boston: Houghton Mifflin, 2002.
- [9] R. Hanna and S.-Y. Wang, "Dishonesty and Selection into Public Service," *Natl. Bur. Econ. Res.*, 2013.
- [10] A. L. Al-Khasawneh, "The Relation between Human Resource Management (HRM) Strategies and Job Loyalty as Practiced at the Public Relations (PR's) Units in the Government Ministries of Jordan," *J. Manag. Res.*, vol. 5, no. 3, p. 146, 2013.
- [11] Surjadi, *Pengembangan Kinerja Pelayanan Publik*. Bandung: Refika Aditama, 2009.
- [12] H. L. Packer, *The Limits of Criminal Sanction*. Stanford University Press. California: Stanford University Press, 1968.
- [13] J. H. Skolnick, "Justice Without Trial: Law Enforcement in Democratic Society," in *Lawrence M. Friedman dan Stewart Macaulay (ed), Law And The Behavioral Sciences*, New York: The Bobbs- Merrill Company, 1966, p. 903.
- [14] T. Syahuri, "Peran Komisi Yudisial Dalam Mewujudkan Peradilan Bersih dan Berkeadilan," Bandar Lampung, 2011.
- [15] A. Hamzah, "Pembangunan Hukum Pidana Indonesia," in *Seminar Pengaruh Globalisasi terhadap Hukum Pidana dan Kriminologi Menghadapi Kejahatan Transnasional*, 2008.

Efforts to Eradicate Corruption in Indonesia's Local Government Environment

Rita Susanti¹
{rita.susanti1412@gmail.com¹}

Universitas Lampung, Lampung, Indonesia¹

Abstract. Indonesia is still suffering as a result of the seemingly endless rise in corruption crimes, various efforts have been made to eradicate and punish the perpetrators of corruption crimes in the local government, people's concern about corruption and the attempted sentencing of regional heads who become perpetrators of corruption crimes became the focus of this research. The Research Method uses primary ingredients and secondary materials to answer the problems that have been formulated.

Keywords: corruption, crime, local government

1. Introduction

The current government is very driven by the problem of covid-19 which somehow ends, the budget of funds that continues to be given to health workers seems endless, on the other hand the entire Indonesian community is experiencing a difficult economic situation as a result of the covid-19 pandemic is not without reason millions of workers throughout Indonesia are very forced to accept mass layoffs due to the company in which they work in bankruptcy. Some regions in Indonesia to implement the PSBB system because of the surge in victims are increasingly falling. On the other hand the number of corruption crimes seems to be increasing, especially in the territory of local government, local officials who stumble on corruption cases as if dancing on the suffering of their people, this raises negative stigma and loss of public trust in its own leader, not uncommon for the swearing and swearing out aimed at those caught doing the hand of corruption crimes, moreover, the faces of the perpetrators who do not appear guilty of doing the act, they instead spread a big smile in front of the mass media spotlight. The mushrooming of corruption crimes is like an endless outbreak of covid-19 even though it is eradicated to its root.

To know the understanding of corruption crimes can be seen the provisions of Article 2 paragraph (1) of the Law of the Republic of Indonesia No. 31 of 1999 j.o Law of the Republic of Indonesia No. 20 of 2001 on the Eradication of Corruption Crimes which states that any person who unlawfully commits an act of enriching themselves or others or a corporation that may harm the state's finances or the economy of the State, sentenced to a maximum prison sentence of 4 (four) years and a maximum of 20 (twenty) years and a maximum fine of Rp. 200,000,000.00 (two hundred million rupiah) and at most Rp. 1000,000,000.00 (one billion rupiah).

The explanation based on the above article provides an understanding of the criminal acts of corruption that are actions aimed at enriching themselves or others or corporately or individuals unlawfully and such actions may harm the State's finances. This Tipikor Act can

reach various modus operandi of state financial irregularities or the state economy yanzg growing its crime mode.

Corruption itself is like not looking at one's strata in the system of government ranging from executive, judicial, and legislative institutions. Therefore, corruption eradication efforts should be part of the government's focus on the current declining economy, government assistance for people affected by covid-19 should be closely monitored lest funds that should be received by underprised people be abused by those who are greedy about wealth.

Corruption Eradication Commission and The Prosecutor's Office of the Republic of Indonesia as a trusted institution in dealing with corruption cases will not mean without the support of the wider community, Efforts have been taken, both to prevent and eradicate corruption crimes. Although the crime of corruption is considered an exceptional criminal case, until now none of the perpetrators of corruption crimes have been sentenced to death. Based on his understanding of corruption is interpreted as an act of bribery or receiving some money for something that has been done. According to The lexion Webster Dictionary corruption has meanings of decay, evil, depravity, dishonesty, can be bribed, immoral, deviations from chastity, derogatory or defamatory words or utterances [3]

Some of the reasons that make corruption in this country will never be exhausted due to several factors as stated by the opinion of Abdullah Hehamahua, among others are:

- a. Erroneous State Maintenance System
As a developing country, the government should be focused on the development sector in the field of education. But so far the move made only to the development in the field of economic decision struck has been a long time since the era of the old order. Whereas every country that is still developing, limited in having quality human resources, money, management, and technology. As a result, all are brought from abroad which, in turn, results in a second cause of corruption.
- b. Low Civil Servant Compensation
It is natural that Indonesia as a developing country does not have enough budget in terms of pay large compensation to all its employees instead of the existing budget is diverted to development in the economic sector. thus physically giving birth to a pattern of consumerism, so that most civil servants do KKN. Both in the form of time corruption, pungli activities and small-scale corruption in order to balance income and personal expenses.
- c. Greedy Office
The excessive lifestyle born by the above development system encourages officials to choose to take actions outside the limits of authority so as to commit an unlawful act by choosing an act of corruption. There was a greedy attitude in which officials abused their authority and position, boycotted development projects, even did business with entrepreneurs, both in the form of being commissioners and being one of the leaders of the company.
- d. Law Enforcement Does Not Run
As a result of the emergence of greedy nature both from all the lower strata groups to the upper reaches of various government agencies to the public institutions all problems are assessed in terms of money where it appears the presumption of bringing everything will be completed when tucked away with money. Even for them money is his god.
- e. Ineffective Surveillance
In modern management system there is always an internal instrument of in-build control in each work unit, so that the slightest deviation will be detected early on and automatically repaired. Internal control in each unit does not work because the relevant

officers or employees are KKN. Some information in many mass media, to overcome it was formed Irjen and Bawasda who are in charge of conducting internal audits.

f. No Exemplary Leader

When Indonesia went into economic recession none of the country's leaders set an example of being able to live in a simplicity that should be able to make its people not experience a sense of despair, unlike any other country where a leader can be a good daulan to dare to step into the middle of life away from luxury so that the moral and material support of every society is born.

g. Conducive Community Culture of KKN

In a country that is low on the quality of human resources people in Indonesia tend to do something on the basis of what they see, such as doing driver's license, ID card, registration, even until applying to school or university is done with KKN because local officials even like religious leaders do and give such examples[3]

As the system of governance in an area can be said to be left behind sometimes there are many problems that must be faced when making a policy and a program of governance system order. Because in making management practices must have a broad dimension so that certain aspects must be corrected first[4]

Corruption in this country seems to be common and reasonable for officials and employees who have often asked for compensation for their services when it is an obligation for them to serve the community as a form of mandate responsibility that they are undergoing. Based on the description of the discussion, this study will examine several issues including: 1. What is the role of society in eradicating corruption in local government? 2. How does the Judge's Ruling Punish the Perpetrators of Corruption in The Local Government?. The efforts of anti-corruption institutions such as the KPK to eradicate corruption and the rise of corruption crimes make writers feel interested in writing this scientific work.

2. Literatur Review

Various efforts have been made by the KPK and the Indonesian Prosecutor's Office as law enforcement officials in eradicating corruption crimes both in the central government environment and even to the local government system, as has recently occurred in some districts where some village chiefs have had to deal with the law due to misappropriation of village funds. The government's efforts to optimize the eradication of corruption have been carried out since the era of leader Susilo Bambang Yudhiono who at this time SBY as president published Presidential Instruction No. 2 of 2014 "on Prevention and Eradication of Corruption", previously the President has also issued a number of instructions and directives to prevent and eradicate corruption. The instructions include Presidential Instruction (Inpres) No. 5/2004 on Accelerating The Eradication of Corruption, Inpres No. 9/2011 on Corruption Prevention and Eradication Action year 2011, Inpres No. 17/2012 on Corruption Prevention and Eradication Action year 2012, and Inpres No. 1 of 2013 on Corruption Prevention and Eradication Action year 2013. In addition, President SBY has also issued Presidential Regulation No. 55/2012 on National Strategy for Prevention and Eradication of Long-Term Corruption in 2012-2025 and Medium Term year 2012-2014[5]

Based on historical data from 2004-2019 the KPK and the Prosecutor's Office have arrested and completed as many as 114 regional heads, namely 17 governors, 74 regents, as well as 23 mayors, that number will increase even higher considering that in 2019-2020 there

has been a hand-catch operation that dragged several regional heads, various stigmas began to emerge from the alleged background of the perpetrators of corruption until now due to the alleged large covid-19 outbreak relief fund[1] Along with the implementation of the regional autonomy program, hope also emerged from the community about the welfare of the quality of public services provided. The community's response to being active in public policy making seems to be not responded to by local and central governments. Since the enactment of Law No. 22 of 1999 on Local Government and Law No. 25 of 1999 on Financial Balance between Central and Local Governments since January 2001, there has not been a fact that the expectations of the community have become real[1]

In an era of decentralized transition of prevailing authority that raises new problems that make various irregularities of abuse of power, corruption collusion and nepotism. The most common case of money political games in regional elections, as well as misappropriation of local revenue and expenditure budgets (APBD), highlights that there is clearly no attempt to side with the community. The number of agencies that bring up budget disallocation. As well as the levy through local regulations that clearly burden the community and is not conducive to economic development in the region[1]

Looking at and reviewing existing legislation and the rise of corruption crimes in Indonesia is not very appropriate if the perpetrators are sentenced lightly even in cases of corruption that cost the country tens of billions to be punished more lightly than someone who only steals rice to survive, refers to the written articles and laws and has the freedom to determine the punishment should the judge be appropriate to impose the death penalty for the perpetrators of corruption[2] as for the reason for the reinforcement of the statement can be seen in the following articles: the first, article 2 of Law No. 31 of 1999 jo Law No. 20 of 2001 on the eradication of corruption crimes, which reads as follows:

1. Any person who unlawfully commits an act of enriching himself or another person or a corporation that may harm the state's finances or the country's economy, sentenced to life imprisonment or a maximum prison sentence of 4 (four) years and a maximum of 20 (twenty) years and a maximum fine of Rp. 200,000,000.00 (two hundred million rupiah) and a maximum of Rp. 1,000,000,000.00 (one billion rupiah).
2. In the case of corruption crimes as referred to in paragraph (1) carried out under certain circumstances, the death penalty may be dropped.

Furthermore, the second reason is that the judge imposed the death penalty based on his conviction based on Article 24 paragraph (1) of the Constitution of the Republic of Indonesia year 1945 affirms that the power of the judiciary is an independent power to hold the judiciary to uphold the law and justice. If you look at the current conditions in which the Indonesian people still have to deal with the outbreak of Covid-19 virus and the issue of Presidential Decree No. 12 of 2020 on the determination of Non-Natural Disasters spread Corona Virus Disease 2019 (Covid-19) As a National Disaster, it further strengthens article 2 of Law No. 31 of 1999 jo Law No. 20 of 2001 where perpetrators of corruption can be sentenced to death if under certain circumstances.

3. Methodology

This research uses primary ingredients and secondary ingredients to answer the problems that have been formulated.

4. Discussion

4.1 The Role of Society in Eradicating Corruption in Local Government

The efforts of law enforcement officials in eradicating corruption crimes committed by regional heads seem to be entering a new round sheet. The growing number of provincial chiefs to the village government has felt the cold of prison, but the cases of hand-catching carried out by law enforcement officials seem to give fear to others, for example the legal snares that must be faced by some regents in Lampung province as regional heads, among them the bribery case of the head of the former regent of central Lampung, as well as the case of hand capture operation (OTT) carried out by the KPK to the head of the regent of north Lampung on Sunday 6/10/2019. The community itself has a role to play in assisting law enforcement officers in eradicating criminal corruption. The role of the community itself is much needed considering that actually being victimized there is a society itself is very reasonable because the community is part of the country. Indications of a country's success in eradicating corruption can be judged on how good cooperation between law enforcement officers and society, because if the people themselves have a lack of care and are only silenced for the acts of corruption that they know then it can be certain that the country will be destroyed over time[6]

As long as corruption is rampant in all sectors of government, it will be very difficult to develop into a better regional system and be able to be competitive against other areas that have advanced in various sectors of government. The clean system of governance basically takes place in areas where people respect the law. Such local governments are also referred to as good governance. Good local government can only be built through a clean government with members of its bureaucratic staffing freed from the KKN[7]

The participation of the community itself has a clear legal basis as set out in article 108 paragraph 1 and paragraph 3 of Law No. 8 of 1981 on the Book of Criminal Proceedings Law namely: 1. Any person who experiences, sees, witnessed and or becomes a victim of an event that is a criminal offence has the right to file a report or complaint to the investigator and or investigator, whether oral or written; 2. Every civil servant in order to carry out his/her duties knowing about the event that is a criminal offence must immediately report it to investigators or investigators [6] In addition to the article that has been mentioned the strength of the law on the basis of community involvement in the eradication of corruption crimes is further strengthened by Law No. 31 Year 1999 jo Law No. 20 of 2001 on The Eradication of Corruption Crimes in article 41 paragraph 2 mentioned that the participation of society in the eradication of Corruption Crimes can be realized in the form of:

- a. The right to seek, obtain and provide information on suspected corruption.
- b. The right to obtain services in the search for, obtain and provide information on the alleged corruption to law enforcement handling corruption cases.
- c. The right to provide advice and opinions responsibly to law enforcement handling corruption crimes.
- d. The right to obtain answers to questions about its reports given to law enforcement within a period of no later than 30 (thirty) days.
- e. The right to obtain legal protection in the case of: Exercising its rights as referred to in letters a, b, and c; and required to be present in the investigation, investigation and court hearing as a whistleblower witness, witness or expert witness, in accordance with the provisions of the applicable laws and regulations[6]

Appropriate measures are needed to prevent and eradicate corruption. The public is expected to have a strategic position within its movement space, but it is difficult to see some of the rules and policies made by the government in eradicating corruption not fully supporting it. Several acts of community participation in eradicating corruption, among others: First, the public plays a role in conveying information and reporting to the authorities if they know and see the crime of corruption. Second, the community plays a role in spreading the word on the issue of corruption that occurs as a form of low response of local law enforcement. All three communities can participate in overseeing the process of linking corruption cases[6]

In realizing a country that is clean from corruption is not something that can only be dreamed of if the whole community has a full awareness of avoiding corruption and helping law enforcement officials to eradicate corruption by performing their role as already ens found in the law.

4.2 Judge's Ruling Sentencing For Corruption Perpetrators In Local Government

The settlement of corruption cases in some Indonesian areas is now a benchmark for the public in assessing the success or performance of law enforcement officers in creating a sense of justice in Indonesia. Corruption in Indonesia became the biggest contributor from the beginning of the destruction of the Indonesian nation in the economic sector so as to make people fall within the poverty line, as a country based on Indonesian law has actually had its own rules relating to corruption crimes such as the enactment of Law No. 31 of 1999 as amended to Law No. 20 of 2001 on the Eradication of Corruption Crimes which regulates all formulations of corruption crimes that are material and the pattern of settlement of cases is formal [8]Implementatively there are various rulings that by the judge sentencing criminals against the head of the region who commit corruption is carried out under the threat of funding that has been regulated in the specific criminal law of corruption crimes. This ruling will be a question for the public in general even if the decision the judge has made is *inkracht*. In the order of the system in the judicial world the existence of judges is considered very important, judges are officials who exercise judicial power, so the freedom of judges must always be in the corridors of independence of the institution of judicial power as specified in Article 3 of Law No. 48 of 2009 on the Judicial Commission which states that in carrying out its duties and functions, judges are obliged to maintain judicial independence [8]As an example of concrete efforts to eradicate corruption that is the verdict of the panel of judges against mustafa former regent lampung central which is in the sentence of 3 years less prison and required to pay a fine of Rp. 100 million subsidier 3 months imprisonment.

The judge's decision to sentence the perpetrators of corruption offences by several regional heads is based on the law and the conviction of the judge without any intervention from any party, the judge's decision is based on the evidence and the facts revealed in the court. Sudikno Mertokusumo argued that the judge's ruling was a judge's statement, in his capacity as an officer authorized by law, in the form of a speech at trial and aimed at ending or resolving a case or a dispute between the parties [9]

In the law it has been explained about the freedom of judges in imposing a minimum or maximum sentence but the freedom stipulated must still be under the provisions of Article 12 of the Penal Code, imprisonment is life or for a certain time. (1) Imprisonment for a certain period of at least one day and at least fifteen years in a row. (2) A prison sentence for a certain period of time may be imposed for twenty consecutive years in the case of a crime for which the Judge may choose between the death penalty, a life sentence, and a prison sentence for a certain period of time, or between a life imprisonment and a prison sentence for a certain

period of time; similarly, in the case of the fifteen-year limit exceeded for additional criminal reasons due to the same, repetition or because it is determined Article 52. Based on the above and based on the elements contained in each verdict, of course the Judge in sentencing should have complied with the sound of the indictment article in the sense that the judge is bound by the minimum limit and maximum limit so that the Judge is judged to have upheld the law appropriately and properly[9]The judge is allowed to freely determine the conviction that arises from him based on the evidence presented to the court but outside of that context the judge should not have any reason to influence it.

From the analysis, the juridical co-dependency to the judge's ruling that imposes a special minimum criminal in the case of corruption crimes under Article 197 paragraph 2 which is not fulfilled in paragraph (1) letter a, b, c, d, e, f, h, i, j, k and l of the article, in this case does not comply with the provisions of paragraph 1 letter f i.e. the article of legislation that is the basis of the criminality that is in violation of the provisions of Article 3 of UUPTPK: 1. From the prestige of imprisonment as mentioned in Article 3 i.e. a minimum of 1 (one) year; 2. Without criminal fines as stipulated in Article 3 i.e. minimum criminal fine of Rp. 50.000.000,- (fifty million rupiah). Thus the verdict Number: 2031 K/Pid.Sus/2011 resulted in null and void this also in accordance with the principle of Legality and the principle of universal minimum maximum special or special minimum principle / minimum means the Judge shall not impose a sentence lower than the minimum limit as set forth in the Law No. 31/1999 on the eradication of corruption crimes as changed and coupled with Law No. 20 of 2001 on the change of Law No. 31 of 1999 on eradicating corruption crimes[9]

Based on the description can be concluded that in giving a decision of the judge given the freedom to determine the weight or lightness of the punishment based on the evidence presented in the trial including in the freedom of the judge to give the death penalty to the head of the district who still dare to commit a criminal offence of corruption, the decisive verdict is an appropriate choice as proof to the public that the judge participated in the eradication of corruption.

5. Conclusion

Efforts to eradicate corruption carried out by law enforcement officials both from the Indonesian prosecutor's office, the Corruption Eradication Commission and the authorities will not run effectively if not supported by all Indonesians, corruption will become more rampant freely if the public is only silenced against the abuse of authority committed by the leaders in the region, the discussion of the sentencing of perpetrators of corruption crimes until now is considered less effective as long as severe punishment has never been applied in the world of Indonesian criminal justice.

6. Advice

It is expected that the public will participate in supervising and reporting to the authorities in the event of corruption in the region, and it is also expected that the government may soon reform criminal law, especially on corruption crimes as proof that the government is supporting the efforts to eradicate corruption in the country.

References

- [1] Y. M. Deswantara, "Upaya Pemerintah Mewujudkan Pemerintahan yang Bebas dari Korupsi, Kolusi, dan Nepotisme," *DiH J. Ilmu Huk.*, vol. 8, no. 16, 2012.
- [2] E. N. Butarbutar, "Kebebasan Hakim Perdata dalam Penemuan Hukum dan Antinomi dalam Penerapannya," *Mimb. Hukum-Fakultas Huk. Univ. Gadjah Mada*, vol. 23, no. 1, pp. 61–76, 2011.
- [3] M. Maryanto, "Pemberantasan Korupsi Sebagai Upaya Penegakan Hukum," *CIVIS*, vol. 2, no. 2/Juli, 2012.
- [4] M. Hartana, "Efektivitas Penerapan E-Government dalam Pencegahan Tindak Pidana Korupsi di Lingkungan Pemerintahan Daerah," *Panggung Huk. J. Perhimpun. Mhs. Huk. Indones. Cab. Drh. Istimewa Yogyakarta*, vol. 1, no. 2, 2015.
- [5] B. Waluyo, "Optimalisasi pemberantasan korupsi di indonesia," *J. Yuridis*, vol. 1, no. 2, pp. 162–169, 2017.
- [6] M. Bunga, M. D. Maroa, A. Arief, and H. Djanggih, "Urgensi Peran Serta Masyarakat Dalam Upaya Pencegahan Dan Pemberantasan Tindak Pidana Korupsi," *Law Reform*, vol. 15, no. 1, pp. 85–97, 2019.
- [7] R. Hamzah, "Implementasi Peran Serta Masyarakat dalam Pemberantasan Tindak Pidana Korupsi di Sumatera Barat," *J. Ilm. Penegakan Huk.*, vol. 6, no. 1, pp. 1–13, 2019.
- [8] A. Anshar and S. Suwito, "INFRA PETITA PUTUSAN PENGADILAN TINDAK PIDANA KORUPSI YANG MENEROBOS KETENTUAN PEMIDANAAN MINIMUM," *J. Yudisial*, vol. 11, no. 2, pp. 151–170, 2018.
- [9] G. G. A. Pah, E. Iriyanto, and L. Wulandari, "Analisis Yuridis Penjatuhan Pidana Oleh Hakim Dalam Tindak Pidana Korupsi (Putusan Nomor: 2031 K/Pid. Sus/2011)," *Lentera Huk.*, vol. 1, no. 1, pp. 33–41, 2014.

Analysis of The Empowerment Policy of The Ethnic Community in Building Social Harmony (Case Study of Lampung Transmigrant)

Tauhidi¹, Fauzi Nurdin², Bambang Budiwiranto³, Fitri Yanti⁴
{tauhidiismaik@gmail.com¹, a.fauzie.nurdin@gmail.com², bambangbudiwiranto@radenintan.ac.id³,
fitriyanti@radenintan.ac.id⁴}

Student PMI Doctoral Program of UIN Raden Intan Lampung, Indonesia¹, Lecture UIN Raden Intan Lampung, Indonesia², Lecture UIN Raden Intan Lampung, Indonesia³, Lecture UIN Raden Intan Lampung, Indonesia⁴

Abstract. The research aims to conduct policy analysis on empowering ethnic communities in building social harmony—the research conducted in the transmigrant area of Lampung. The research method used is qualitative research. Data collection techniques were carried out through field observations and documentary studies. The findings reveal that government policies have an essential role to play in building the empowerment of ethnic communities in creating a much better social harmony. However, in the field, this has encountered various obstacles and challenges. Social harmonization constrains by anti-social behavior. Debates in different social communities and the lack of guidance and socialization on the empowerment of ethnic communities are practical and efficient. However, the social structure of Lampung transmigrants, which was built based on the principles of cooperation, openness, tolerance, and healthy competence, led to much better empowerment of ethnic communities. The implication of this research is to provide input on the policy direction of stakeholders in formulating strategies for empowering ethnic communities to build social harmony, avoid conflicts between ethnic groups, and create social welfare in Indonesia.

Keywords: Policy, Empowerment, Ethnicity, Social Harmony.

1 Introduction

The empowerment of ethnic communities is increasing globally. The aim is to build social harmony in society to live side by side without any socio-economic conflicts. In this case, of course, government policy plays an important role. Developing creativity and promoting social harmony is one way that can be done [1]. Social harmony campaigns can reflect the social qualities of a region [2]. In other words, to find out the social quality in an area can be seen from the behavior of the community in implementing ethnic community empowerment policies.

The development of community empowerment studies occurs in line with social, economic, religious, government, political, and cultural development. This dynamic has led to many changes in the structure of agriculture, plantations, trade, and industry. Also changes in the function of social institutions, transmigration, economic behavior, politics, and religion among more rational citizens. By encouraging social harmony through the empowerment of ethnic communities, these government policies can increase social resilience. Unfortunately, some cities are sometimes more difficult to activate. It is the reason why it is essential to

conduct further research. Previous studies have shown that stakeholder support can create healthy ethnic communities [3]. It further explained that if a country wants an ethnic community that can build social harmony, then the intervention must be designed together with all citizens of society. The social dynamics that occur in society indicate by the insight into the positive role of social harmony on various problems of social life and the dynamic plurality of local cultures. Psychologically, the balance between groups indicates the ability to absorb information and a culture that develops rapidly in line with science, technology, and communication [4].

In Indonesia, policies related to the empowerment of ethnic communities build social harmony based on the Marine Policy of the Minister of Religion and the Minister of Home Affairs Number 9 and 8 of 2006. It was carried out through a forum for empowering religious harmony. Recent studies reveal that the success of policies is highly dependent on the role of the government in granting authority to the management of the forum to take action as a management team for delivering information on policies formulated by the central/regional government [5].

Policies for empowering social, religious, local cultural communities and regional development can be more effective if a well-integrated social system is homogeneous. Although it also needs to be observed, the diversity and dynamics of the community in the plurality local cultures. There are complexities of power and adverse circumstances, each of which is central to understanding and leading to a more empowered and useful society. The idea and actualization of community empowerment are involved, both in itself and in the process of interaction with communities outside it, which in its dynamics often occurs cooperation, competition, and conflict in various social, political, and economic fields. Conceptual community empowerment policies have a variety of strategies to achieve the goals and objectives of disadvantaged groups [6]. These strategies can broadly classify policies and planning, social action, economy, politics, education, and self-awareness in various social communities.

Some of these historical and empirical arguments indicate how it must admit that no single approach can provide a complete and comprehensive explanation of the existing social harmonization because there is always a mutual relationship between concepts, theories, and policies with one another. Social harmony in social order can identify through ties to self-help groups, and the relationship between members of the self-help group and the wider community [7][8]. Given that each research approach used to uncover and explain scientific truth has its basis for arguments with the level of truth determined by how closely the views are built based on social, economic, cultural, and regional development problems observed and studied scientifically.

2. Methods

This research is a qualitative descriptive study conducted in transmigration areas, especially in Bagelen Village, Pesawaran District, Lampung Province, as the selected locus. After further investigation, the chosen objects were the Javanese Muslim Ethnic Community. And the Muslim Lampung Ethnic Community in the transmigrant area, which was active in carrying out harmonious community development activities in the first transmigration area during the colonial period in Bagelen village, Gedong Tataan sub-district, Pesawaran Regency. Therefore this research was deliberately carried out on the transmigrant community

of the Javanese Muslim and Muslim Lampung ethnic groups who could empower to build social harmony among the Bagelen transmigrants in Lampung. Strictly speaking, this research focuses on government policies and their activities in building social peace.

Data collection techniques carried out by field observations, interviews, and documentation studies; so that the real problems that occur can be studied, compared, and analyzed scientifically. Interviews can work with several community members. Who understood and knew the history of colonization in its early days, religious leaders, traditional leaders, sub-district government officials, and village officials. Then the information was cross-checked to test the validity and accuracy of field data. Meanwhile, documents based on records of past events related to the focus and sub-focus of research can trace from the presence of writings, pictures, or monumental works of a particular person, family, group, and social community.

3. Result and Discussion

The initial description of these findings base on the results of researching theories that implement correctly to become creative learning and training so that they stimulate a positive, informed, innovative and reflective approach to a society based on shared awareness to build the future. Based on the theory of community empowerment, which has been formulated by experts,

“Empowerment is a word that has been overused and is in danger of losing its substantive meaning. It is the center of community work ideas, and many community workers will choose to define their role in terms of an empowerment process. However, a simple work definition will suffice, namely: Empowerment aims to increase the charge of disadvantaged (the disadvantaged) [9].”

Based on this theory, it can conceptually clarify the existence of a pluralist perspective of empowerment. Empowerment through policy and planning achieved by developing or changing structures and institutions to gain fairer access to resources or services and opportunities to participate in community life. Positive affirmative action or discrimination policies recognize the existence of disadvantaged groups (sometimes expressed specifically in structural terms) and seek to remedy this by 'changing the rules' to benefit the disadvantaged group [9].

In the transmigrant area of Lampung, in Bagelen village, Pesawaran District, Lampung Province, there have been many events of changing social structures and empowering social institutions. The Javanese Muslim and Lampung Muslim Ethnic Communities in transmigrant areas are quite active in carrying out harmonious community development activities in the transmigration areas. The first was during the colonial period in Bagelen Village, Gedong Tataan sub-district, Pesawaran Regency. More focus can see the empowerment of ethnic communities to increase resources, access, and opportunities for the community. Interviews conducted with several traditional adat leaders and religious leaders in the transmigrant area of Lampung expressed the same view of efforts to build social harmony, namely by providing sufficient and safe resources to the people,

“The transmigrant community tries to avoid social conflicts. The city established a community forum as a forum for community aspirations. Regardless of ethnicity, people voluntarily cooperate, tolerate, and exchange ideas in creating mutual security and comfort. People live side by side and try to make a healthy competition in business.”

According to Jim Ife and Frank Tesoriero (2008), empowerment through social and political action emphasizes the importance of struggle and political change in increasing adequate power. How this is applied depends on our understanding of power in the political process (pluralist, elite, structural, or post-structural). But he emphasized an activist approach and sought to enable people to increase their power through direct (and often collective) action, or by equipping them to be more effective in the political arena [9].

In the process of building towards social harmony, the Javanese Muslim ethnic community and the Muslim Lampung ethnic group experience the process of mixing two or more cultures that meet. And influence each other or the operation of the entry of foreign cultural influences on society, some selectively absorb few or many elements of the foreign culture. And some try to resist this influence or the result of a cultural or linguistic encounter between members of a bilingual society, characterized by borrowing or bilingualism.

In the transmigrant area of Lampung, everything arranged like the Javanese village pattern, including the government structure with the *kamituwo*, *lurah*, and assistant *wedana*, which was different from the surrounding government structures. In connection with the village government system, which has a community service function and as a permanent residence for Javanese people, in the hinterland, it is a jurisdiction that is also the center of the lowest regional level government. Administratively, the village is directly under the control of the sub-district government and consists of *dukuh-dukuh*. A *dukuh* head chairs each part of the village [10].

The empowerment of the Lampung transmigrant community is dynamically in line with development developments, as indicated in the existence of the product in all fields. However, these government policies have not succeeded in alleviating poverty and the increasing number of unemployed workers, difficulties in obtaining job opportunities, and high basic needs and living costs. Development claimed to be the government's authority so that people must submit and obey the implementation process, which is planned by the government itself, which tends to without involving the aspirations of the community. "Mobilization to participate in development is the obligation of a society as a form of obedience and devotion to the state and not based on existing awareness in society. As a result, development becomes a centralized and biased center [11]."

Empowerment of communities of different ethnicities and adherents of religion can be carried out through human resource development in accordance with Islamic religious values [12]. The empowerment of the Islamic community is an empirical model for developing individual and collective behavior, emphasizing solving various concrete problems, including the management of conflict resolution faced by local communities.

Based on Figure 1, it can be understood that empowering as a basis for social movement towards a harmonious society, of course, needs to teach people not to be arrogant, proud of themselves, commit *zolim*; practice in order to be able to master and control feelings of envy, jealousy and jealousy of others. This means that religious empowerment (*ruhaniyah*) for social groups, communities of various ethnicities, as well as every family and individual of course must be based on faith, *taqwa*, morality and high and consistent religious moral values. It is interesting to study expert testimonials.

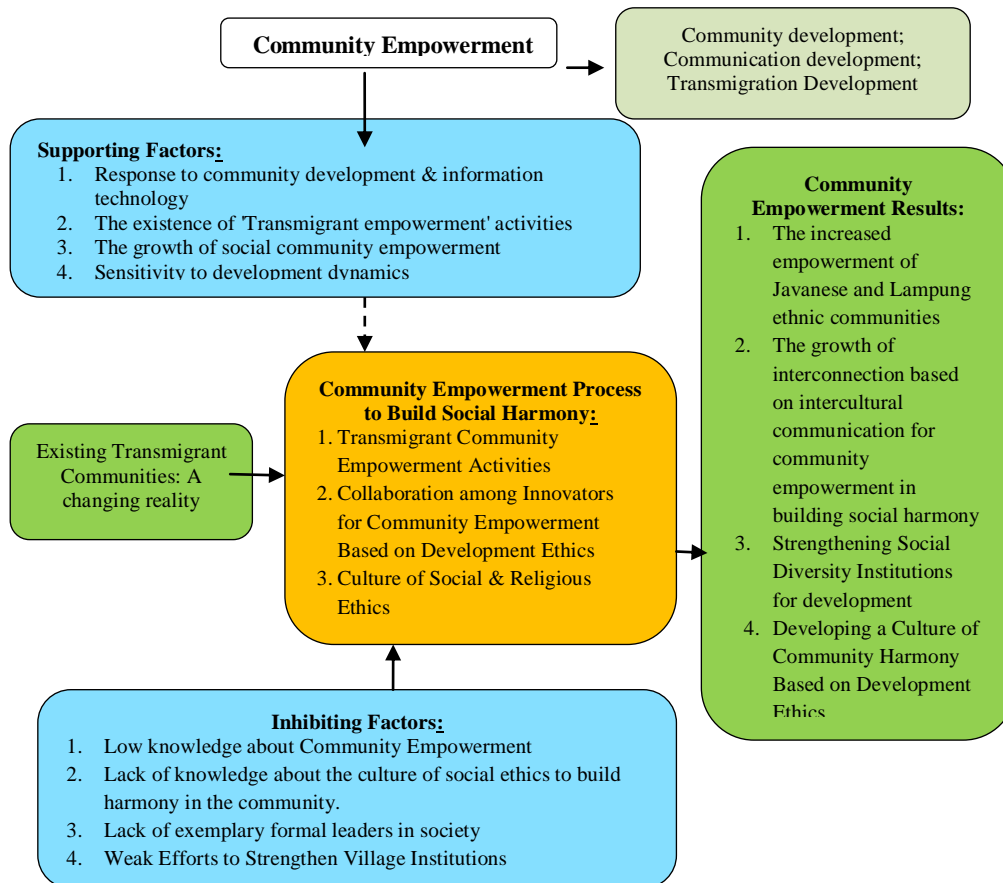


Fig. 1. Empowerment of Muslim Javanese and Muslim Lampung ethnic communities in building social harmony

The interconnection of social community empowerment can apply Community Development theory as a normative concept and efforts to improve and change the living conditions of each individual (which focuses on the social, religious, and local cultural community. Including the Javanese Muslim and Lampung Muslim ethnic communities, which are diverse and dynamic. In various districts and cities in the province of Lampung, which aims to change the pattern of orientation, attitude, positive moral behavior in the development process. For this reason, a community development strategy is implemented based on the principle of good cooperation from government elements, community organizations, religious institutions, and local non-governmental organizations, especially in underdeveloped villages. On that basis, the framework in this study refers to the model cited and modified from community empowerment researchers,[13] which is described as follows

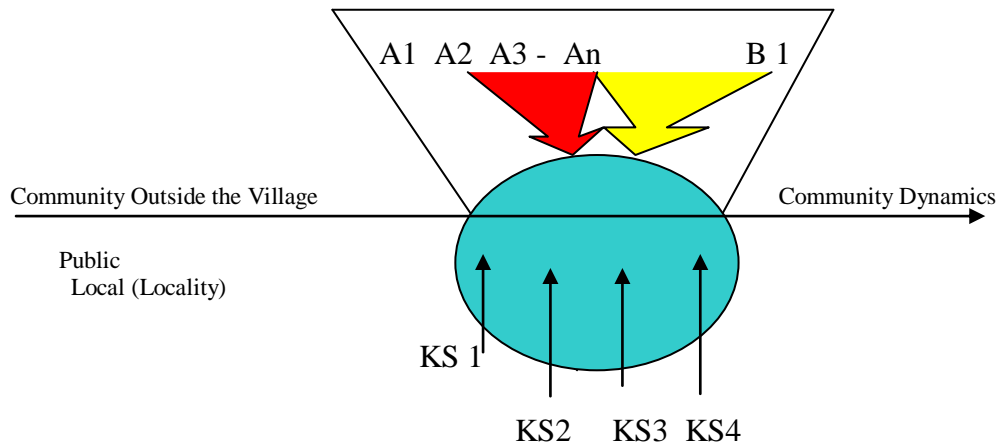


Fig. 2. Local Community Development Model

Information:

A1, A2, A3 – An = Government program

B1 = Non-government program

KS1-KS4 = Non-governmental organizations

In the context of implementing governance in the transmigrant area of Lampung, it certainly expected that all elements of society, together with government officials in the regions, can increase their capabilities, both extractive and regulative. Formulating various signs of participatory and proactive community development towards the needs and opportunities of regional development is a challenge in itself, especially about national and global competition. For that, it means that the development of local potential can also be done through innovation to increase the productivity of reformists, capable and willing to take risks in their implementation. Likewise, those who can develop cooperation or build networks. Both within (organization consolidation with all staff and workers) and outside the region and even abroad.

The empowerment process can carry out with an intervention model such as local community development, social planning and policy, and social action. The three models of intervention are: The process of community empowerment can carry out through consensus approaches such as local community development (locality dev), “compliance” such as social planning and policy approaches (social planning/policy), or through “conflict” approaches such as social action [14]. Another study states that in formulating new policies, it is necessary to consider the following, namely: 1) the government must be fair and sincere in public communication; 2) Stakeholders support and respect each other with integrity and dedication; 3) dedication to work and community by helping each other; and 4) creative and tolerance among religious communities [6].

Empowerment needs to be formulated and must respond to changes in society to anticipate various problems that will arise in implementing development programs in the field. It means that implementing community empowerment in different communities requires a participatory approach and building an equal relationship between the community and program organizers. Mean,

"Community development based on local culture can function as a process aimed at creating social and economic progress for the community through the active participation and initiative of community members themselves. Community members are seen not as a

problematic client system, but as a unique and potential society; it's just that this potential has not fully developed [14]."

Next, the study of community empowerment begins with understanding the meaning of "community" in a sociological perspective differentiated from society (in English), the Indonesian translation means "society." In this case, community development experts formulate,

"Community is a social unit or unit organized into groups with a common interest, both functional and territorial. The term community can translate as a local community. The community within certain boundaries can refer to residents of a hamlet (dukuh or kampung), village, city, tribe, or nation. If members of a group, whether large or small, live together to feel that the group can fulfill the main life interests, then the group is called a community [15]."

A community has various typologies and characteristics in its respective locality. Organizations that have permanent and permanent residence tend to have strong solidarity ties due to the unity of their home. It is interesting to look at the opinion of this expert, which states:

For a group of community members, development claimed to be the government's authority so that people must submit and obey the implementation process planned by the government itself, which tends to without involving the aspirations of the community. Such community development conditions indicate there is

"Mobilization to participate in development is the obligation of a society as a form of obedience and devotion to the state and not based on existing awareness in the community. As a result, development has become a centralized and biased center [16]."

It means. Clearly, this context emphasizes that community empowerment as a community-focused development approach increasing needed in the framework of developing a more dignified and democratic society in the future. Indeed, so far, the role of the state has been prominent in implementing a centralized and top-down development strategy and approach. A further implication is that patterns that emphasize uniformity dominated.

Overall, the findings indicate that social harmony in the transmigrant area of Lampung built on acculturation between religion and culture. Although sometimes there are differences of opinion in the ethnic community, these problems do not seem to trigger conflict. There is healthy mediation, a high sense of tolerance, cooperation, and implementing the norms that apply in society to carry out a social and economic life. This study is in line with research conducted by Stein (2013), which revealed that useful community mediation has a positive impact on social harmony [17]. The policies developed by the government to campaign for social harmony appear to be quite useful. In the future, government policies expect to bridge the gaps between various ethnic groups in Indonesia to create national peace and security.

4. Conclusion

A more interconnected approach in a cross-scientific manner, of course, hoped that the root causes of social and religious conflicts can identify, which can then be watched out for and attempted to prevent so that such problems can adequately manage to build social harmony. In the future, it will not happen again and develop widely so that it disrupts national disintegration. However, making social peace appears to be that the government does not have adequate instruments to pay special attention to social conflict issues so far. The handling seems sporadic, then late, disorganized, and even tends to drag on.

The benefits of the research expected to be useful for the development of science, both theoretically and conceptually in the field of Islamic community development, which focuses on (1) Empowerment of Javanese Muslim and Lampung Muslim ethnic communities to build social harmony in a plurality of local cultures. (2) The concept of empowering Javanese Muslim and Muslim ethnic Lampung communities can create social harmony in most local cultures, especially among Bagelen transmigrants.

References

- [1] K. I. P. Vong, "Developing creativity and promoting social harmony: The relationship between government, school and parents' perceptions of children's creativity in Macao-SAR in China," *Early Years*, vol. 28, no. 2, pp. 149–158, 2008.
- [2] C.-M. R. Chau and W. S. Yu, "Social quality and the social harmony campaign in Hong Kong," *Dev. Soc.*, vol. 38, no. 2, pp. 277–295, 2009.
- [3] M. Markantoni, A. Steiner, J. E. Meador, and J. Farmer, "Do community empowerment and enabling state policies work in practice? Insights from a community development intervention in rural Scotland," *Geoforum*, vol. 97, no. May, pp. 142–154, 2018.
- [4] N. S. Kteily and K. J. McClanahan, "Incorporating insights about intergroup power and dominance to help increase harmony and equality between groups in conflict," *Curr. Opin. Psychol.*, vol. 33, pp. 80–85, 2020.
- [5] M. T. Tanggung, S. Suwitri, E. Larasati, and R. Gonibala, "Implementation of Joint Regulation Policies of the Minister of Religion and Minister of Home Affairs Number 9 and 8 of 2006 through Empowerment of Religious Harmony Forums in Manado City," vol. 2, no. 4, pp. 95–110, 2020.
- [6] S. S. M. Ho and R. S. Y. Chan, "Social harmony in Hong Kong: Level, determinants and policy implications," *Soc. Indic. Res.*, vol. 91, no. 1, pp. 37–58, 2009.
- [7] G. Knowles and B. Luke, "The impact of microfinance programs and self-help groups on social order in poor communities," *Third Sect. Rev.*, vol. 24, no. 2, pp. 35–56, 2018.
- [8] L. Tomba, "Of quality, harmony, and community: Civilization and the middle class in Urban China," *Positions*, vol. 17, no. 3, pp. 591–616, 2009.
- [9] J. Ife and F. Tesoriero, *Community Development: Alternatif Pengembangan Masyarakat di Era Globalisasi*. Yogyakarta: Pustaka Pelajar. Yogyakarta: Pustaka Pelajar, 2008.
- [10] Kodiran, *Kodiran, Kebudayaan Jawa , dalam Koentjaraningrat, Manusia dan Kebudayaan di Indonesia , Jakarta, Penerbit Djambatan, cet.20, 2004*. Jakarta: Djambatan, 2004.
- [11] I. Setiawan, *Agribisnis kreatif: pilar wirausaha masa depan, kekuatan dunia baru menuju kemakmuran hijau*. Cimanggis, Depok: Swadaya Grup, 2012.
- [12] M. Thoyib, "Pesantren and Contemporary Multicultural Islamic Education: Empowering plurality toward realizing social harmony and peace in Indonesia," in *Advances in Social Science, Education and Humanities Research*, 2019, vol. 307, no. SoRes 2018, pp. 543–551.
- [13] A. F. Nurdin, *Pemberdayaan Dai Dalam Masyarakat Lokal (Studi Kasus di Dua Desa Tertinggal Kabupaten Lampung Selatan)*. Yogyakarta: Gama Media, 2009.
- [14] Alfitri, *Community Development: Teori dan Aplikasi*. Jakarta: Pustaka Pelajar, 2011.
- [15] F. Tonny Nasdian, *Pengembangan Masyarakat*. Jakarta: Yayasan Pustaka Obor Indonesia, 2014.
- [16] "Susetawan, 'Pemberdayaan Masyarakat antara Ide dan Komoditi Baru Untuk Perubahan Sosial', dalam Suparjan dan Hempri Suyatno, Pengembangan Masyarakat dari Pembangunan Sampai Pemberdayaan, (Yogyakarta: Aditya Media, 2003), h. xii-xv," p. 2003, 2003.
- [17] D. Stein, *Community Mediation And Social Harmony In Nepal*, no. May. London: Department, LSE, Houghton Street, 2013.

Analysis of Government Policy on Disaster Management System

Tb. Ace Hasan Syadzily¹
{ace.hasan@gmail.com¹}

Faculty of Economics and Business, Syarif Hidayatullah University Jakarta, Indonesia¹

Abstract. This study aims to analyze government policies on disaster management systems in Indonesia. The research method used is a literature study. The data sources come from primary law and previous research that is relevant to the investigation. The results reveal that for disaster risk reduction, the policy needs to be revised. There are various types of disasters, avoiding policy ambiguity, and technological developments that have obstacles and challenges to implementing these policies, especially in the Government Regulation Law Number 24 of 2007 concerning Disaster Management. There are five main aspects of the disaster management system that require renewal, namely institutional aspects, budgetary aspects, disaster management implementation aspects, policy aspects, and disaster types aspects. These findings also indicate that to increase joint responsibility, especially the government. So that it is more focused and integrated into disaster management, government policies must be continuously updated. This research contributes to improving disaster management and helps guide policies for stakeholders so that the implementation of disaster resilience policies becomes more effective and efficient..

Keywords: Policy; Disaster Management System

1 Introduction

Based on data from the National Disaster Management Agency (BNPB), in recent decades, all regions of Indonesia have faced disasters. For example, the four major disasters that have hit in 2018-2020, the earthquake in the West Nusa Tenggara region, the earthquake and tsunami in Southeast Sulawesi, the Sunda Strait Tsunami, and the 2019 Coronavirus Disease pandemic (COVID 19). From the disasters in West Nusa Tenggara, Central Sulawesi, and the Sunda Strait area, 4,814 people have died, and 592 people are declared missing. Meanwhile, until 2020, as many as 135,123 people have contracted the Covid-19 pandemic, 89,618 people have recovered, and 6,021 people have died. It indicates that every district/city is vulnerable to disasters. It's just that in different levels of qualifications and standards. Therefore, the government in the disaster management system certainly has the policy to deal with this situation. What is clear, as in the preamble of the 1945 Constitution, states that "the safety of the people is the highest law as the state aims to protect the entire nation and all blood Indonesia [1]."

Disaster management is a shared responsibility of all members of the community. Previous research revealed that low shared responsibility indicates the failure of disaster management discourse. Research suggests that an incomplete normalization process is the cause of failure in implementing disaster management policies. What is clear is that disaster policy is a social contract that articulated as a form of socio-economic resilience linked to community powerlessness [2]. Policies in disaster management systems can adopt the concept

of resilience as the main objective of emergency policies and disaster management. It can be understood that policies should be able to overcome this powerlessness instead of being ineffective and right on target.

Previous studies raised the same problem about the benefits of policy analysis on disaster management systems in various parts of the world. The bureaucracy is considered a key instrument of more modern public administration. It is because an efficient bureaucratic machine has a vital role in public affairs, especially in implementing policies and programs and providing available services [3]. In China, by conducting policy analysis, it can be seen how a pattern of policy change on disaster management can be identified [4]. That way, the risk of future disasters can be avoided. The implementation of disaster management policies in Malaysia has an impact on the governance framework. In other words, significant strategic changes and the introduction of an appropriate framework for disaster management can improve the performance of relevant agencies involved in disaster management [5]. Recognizing the importance of effective policies, systematic steps to implement national frameworks must link economic, community, environmental, and development concerns as a whole for better response and disaster mitigation [6].

Pada dasarnya regulasi pemerintah saat ini telah aktif dan cepat tanggap dalam They are facing various disasters. The implementation of Law Number 24 of 2007 concerning Disaster Management can show the progress that the government has made. For example, in policies and institutions for managing natural and non-natural disasters, understanding risks and disaster early warning systems, utilizing science and education, and government preparedness for disaster. Previous research states that policy in the expected implementation has several shortcomings and weaknesses that must be corrected immediately [7]. It is not without reason that there are technological developments, Indonesia's archipelagic region, and densely populated people, as well as various types of disasters that require policies which of course deal with different [8]. Also, policies that have specifically revised can improve the performance of disaster management in a more prosperous, targeted, and integrated manner [9][10]. Indicate that there is a need to revise Law Number 24 of 2007 concerning Disaster Management. This policy revision is part of the improvement of disaster management by Commission VIII of the House of Representatives of the DPR RI) to work more effectively and efficiently.

2. Methods

This study aims to analyze government policy problems in the disaster management system that occurs in Indonesia. By using a literature study research method, researchers attempted to explore policies and procedures for disaster management during the period 2018-2020. In particular, the Covid-19 Pandemic response system. the content analysis method, identified important documents are then studied and recorded to determine the contribution and support that these documents provide to disaster management in Indonesia.

This literature study explores the central and crucial material in government regulations and policies, especially in disaster management systems. Primary legal data comes from Law Number 24 of 2007 concerning Disaster Management, which takes effect after it promulgated in the State Gazette of the Republic of Indonesia of 2007 Number 66 and an explanation of Law Number 24 of 2007 concerning Disaster Management in Supplement to the State Gazette of the Republic of Indonesia Number 4723 Law Meanwhile. Secondary data comes from the Disaster Management Agency, the Central Bureau of Statistics, and previous research by the research objectives.

3. Result and Discussion

3.1 Disaster Management Policy in Indonesia

The direction of the disaster management system developed in Indonesia for the community is to make Indonesia ready for disasters. It does as a form of readiness from the government to anticipate a similar major disaster in Indonesia. The risks associated with disasters that must be faced and disaster management can have an impact on the disaster network [11]. The point is that disaster management policies are made based on disasters that occur, and it can be understood that the two are interrelated. Disaster management must also comply with applicable regulations, particularly the principles and principles contained in Law Number 24 of 2007 concerning Disaster Management CHAPTER II Foundation, Principles and Objectives of article 3 paragraph (1) and (2),

“Paragraph (1) Disaster management, as referred to in Article 2 shall be based on: a. Humanity; justice; equal position in law and government; balance, harmony and harmony; legal order and certainty; togetherness; environmental sustainability; and science and technology. Paragraph (2) Principles in disaster management as referred to in Article 2, namely a. Fast and precise; b. Priority; c. Coordination and integration; d. Efficient and effective; e. Transparency and accountability; f. Partnership; g. Empowerment; h. Non-discriminatory and i. Nonprolotion.”

Based on this article, it stated that policies must be supported by good governance, principles and principles so that these policies can implement more effectively [12]. So it's not just making revisions but also making changes to governance. The policy framework for a disaster management system must be based on an understanding of risk, not only at an ideological level. The main gaps and challenges identified include; 1) still weak coordination, cooperation, and linkages between sectors and institutions; 2) lack of skills in assessing post-disaster losses and needs; 3) lack of a strategic research agenda; 4) there is no agreement on terminology, and 5) limited coordination between stakeholders [13].

More profoundly, Surianto (2019) also revealed that there are four priority actions in the framework of a disaster management system that can be implied, namely: 1) understanding disaster risk; 2) strengthening disaster risk management; 3) investing in resilience to reduce disaster risk; and 4) increasing disaster preparedness as a form of effective response in building back better in the context of post-disaster recovery [13]. Of course, must be based on the objectives of disaster management as contained in Article 4,

“Disaster management aims to: a. Protecting the community from the threat of disaster 'b. Carry out existing laws and regulations; c. Ensuring the implementation of disaster management in a planned, integrated, coordinated, and comprehensive manner; d. Appreciate local culture; e—Building public and private participation and engagement; f. Encourage the spirit of cooperation, solidarity, and generosity; and g. Creating peace in the life of society, nation, and state.”

It is clear that in revising policies on disaster management systems, it must be based on the objectives of disaster management as already described. The central government and regional governments have the responsibility for its implementation. In this case, the National Disaster Management Agency has a role as stated in CHAPTER IV Institutional Section One National Disaster Management Agency Article 12,

“The National Disaster Management Agency has functions including a. Formulation and stipulation of policies for disaster management and handling refugees by acting quickly

and precisely and effectively; and b. Coordinating the implementation of disaster management activities in a planned, integrated, and comprehensive manner.”

There are three keys to success in implementing disaster management policies, namely 1) there is a balance between personal and public interests; 2) private participation; 3) overcoming barriers to policy implementation and effective implementation [9]. Note that post-disaster learning and adaptation does not occur at the local level [14]. So that success in implementing community-based policies must be resilient in practice.

There are five primary and crucial items in the Draft Law (RUU) on Disaster Management in Indonesia. First, from the institutional aspect. The Disaster Management Bill reinforces for BNPB to form regional work units (*satker*) to implement disaster management in the regions according to the needs and laws and regulations. The purpose of establishing the *satker* is to accelerate the implementation of disaster management and cut the flow of bureaucracy. Therefore, in carrying out their duties and functions, BNPB and the Regional Disaster Management Agency (BPBD) are given easy access during a state of emergency disaster to speed up the bureaucratic process. This bill will answer the doubts of several groups who think that this bill weakens BNPB and BPBD.

In implementing disaster management, BNPB and BPBD can mobilize and involve TNI Soldiers and Members of the Police. About other institutions, the Disaster Management Bill stipulates explicitly and firmly that the BPBD must be led by the head of the agency, not a daily executive. The Head of BNPB and BPBD can also serve by Civil Servants (PNS), TNI Soldiers, and Members of the Police. The Disaster Management Bill also removes the BNPB steering element.

Second, the budget aspect. Being in a disaster-prone zone forces the Government to allocate disaster management funds. However, the funds prepared are still insufficient to handle disasters. For example, in the 2016 Draft State Budget, the Government plans to provide a standby fund for BNPB of IDR 1.18 trillion, which is on call and ready to be used at any time if there is a request from BNPB. This budget was very far from the total need for disaster management throughout Indonesia, was estimated at Rp. 15 trillion per year. The low allocation of funds for disaster management shows that the Government has not made disaster management a development priority. The figures shown in the RAPBN seem to be a form of "formality" for fulfilling the demands of disaster issues, which often occur, rather than data-based budgeting for disaster hazards. In 2019, the government did increase the disaster budget from IDR 7 trillion to IDR 15 trillion. However, if in perspective, that figure is only 0.65% of the 2019 State Budget of IDR 3,210 trillion

The Disaster Management Bill regulates something new from the previous law, namely allocating funds for disaster management. If, in the last Law, the regulation on budget allocation states as "The government and local governments allocate disaster management budget adequately." This bill mandates that the central government allocates a disaster management budget of 2% (two percent) of the State Revenue and Expenditure Budget (APBN). Not only for the central government, but this bill also requires regional governments to allocate 2% (two percent) of the total provincial budget (APBD) for disaster management. This arrangement formulates considering the vulnerability of disasters that often occur and require a large account. This arrangement is also intended as mandatory spending and encourages local governments not to always "depend" on the central government.

Third, aspects of disaster management. In the previous Disaster Management Law, it stated that the implementation of disaster management consists of three stages, including pre-disaster, during disaster emergency response, and post-disaster. In the Disaster Management Bill, these stages will change to pre-disaster, disaster emergency, and post-disaster.

Implementing disaster management in disaster emergencies includes emergency preparedness, emergency response, and emergency transition to recovery. In this aspect of implementation, the Disaster Management Bill also strengthens BNPPB - both in coordination, command, and implementing functions - in handling disasters in more than one region.

Fourth, the policy aspect. This bill focuses on the distribution of mega-projects currently being worked on by the Government that have the potential to cause disaster. Therefore, this bill will "force" the executors of these large projects to complete disaster risk analysis documents so that the Government can control disaster mitigation measures. This law intends to stipulate the requirement that any development activity with high risk and causing disaster must be equipped with a disaster risk analysis.

Fifth, the type of disaster. The Draft Law on Disaster Management adds various kinds of disasters, both natural and non-natural. For the kind of natural disaster, liquefaction, land movement, tidal wave, extreme climate, extreme weather, dangerous sea waves, abrasion, and celestial bodies added. Meanwhile, for non-natural disasters, pandemic disasters, forest fires, land fires, residential area fires, pests, and transportation accidents are added.

Those are the five aspects that become the central and crucial material in the Disaster Management Bill. Disaster management, especially when facing COVID 19 at the moment, actually requires strengthening institutional management and coordination between the Central and Regional Governments. Previous studies have made it clear that the weakest aspect of the Law and Policy Framework of a disaster management system is that there are no clear guidelines for local government [15].

Therefore, this bill must be clear and able to strengthen state agencies responsible for disaster management. Collaboration between the government and the community in disaster management activities is also needed as a key to professionalism in disaster management activities at both the national and provincial, and municipal levels. Because there seems to be a limitation on one authority [16]. As explained in CHAPTER V Community Rights and Obligations Part Two Community Obligations Article 27,

"Everyone is obliged to a. Maintain a harmonious social life of the community, maintain balance, harmony, and preserve environmental functions; b. Carry out disaster management activities, and c. Provide the correct information to the public regarding disaster management."

Also, disaster management requires the convenience of mobilizing resources and establishing disaster management centers in disaster-prone areas. We hope that this bill can go passe immediately to become a new legal umbrella in disaster management, especially COVID 19. This Disaster Management Bill is an effort to present comprehensive regulations in dealing with increasingly religious and complex disasters.

4. Conclusion

Based on the findings and discussion, it revealed that government policies in the disaster management system require specific revisions. Five main aspects that need novelty, namely: 1) institutional aspects aimed at accelerating the implementation of disaster management and the current bureaucratic flow; 2) more good disaster management aspects; 3) aspects of disaster management including emergency, disaster response, and emergency transition to recovery; 4) parts of policies capable of controlling disaster mitigation measures; and 5) more varied aspects of disasters, such as the types of liquefaction and pandemic disasters.

Theoretically, research expected to be able to contribute to disaster management systems to be more effective and efficient. Research reveals that this can be done by updating the five materials. In practical terms, this research-based on science, particularly in terms of global disaster management law and policies.

References

- [1] Badan Nasional Penanggulangan Bencana (BNPB), "Pusat Data, Informasi, dan Penanggulangan Bencana Tahun 2018-2020," *BNPB.go.id*, 2020. [Online]. Available: <https://www.bnpb.go.id/>.
- [2] C. Atkinson and S. Curnin, "Sharing responsibility in disaster management policy," *Prog. Disaster Sci.*, vol. 7, no. 3, p. 100122, 2020.
- [3] N. I. Sarker and M. Wu, "Bureaucracy in Bangladesh: A Disaster Management Perspective," *Glob. Encycl. Public Adm. Public Policy, Gov.*, no. August, pp. 1–5, 2019.
- [4] Q. Zhang, Q. Lu, D. Zhong, and X. Ye, "The Pattern of Policy Change on Disaster Management in China: A Bibliometric Analysis of Policy Documents, 1949–2016," *Int. J. Disaster Risk Sci.*, vol. 9, no. 1, pp. 55–73, 2018.
- [5] S. Khairilmizal, M. F. Hussin, K. Ainul Husna, A. R. Hussain, M. H. Jusoh, and A. A. Sulaiman, "Implementation of disaster management policy in Malaysia and its compliance towards international disaster management framework," *Inf.*, vol. 19, no. 18A, pp. 3301–3306, 2016.
- [6] A. Jha, R. Basu, and A. Basu, "Studying Policy Changes in Disaster Management in India: A Tale of Two Cyclones," *Disaster Med. Public Health Prep.*, vol. 10, no. 1, pp. 42–46, 2016.
- [7] K. Alexander, A. M. G. Jarman, and U. Rosenthal, "Inter-organizational policy processes in disaster management," *Disaster Prev. Manag. An Int. J.*, vol. 4, no. 2, pp. 20–37, 1995.
- [8] D. A. Puspito Sari, I. Listiyowati, T. Nefianto, and Lasmono, "The Discrepancy between the Programs and Disaster Management Policy in Klapanunggal District, Bogor, West Java," *IOP Conf. Ser. Earth Environ. Sci.*, vol. 135, no. 1, 2018.
- [9] S. Siriporananon and P. Visuthismajarn, "Key success factors of disaster management policy: A case study of the Asian cities climate change resilience network in Hat Yai city, Thailand," *Kasetsart J. Soc. Sci.*, vol. 39, no. 2, pp. 269–276, 2018.
- [10] S. Hoossein, R. Tandlich, K. Whittington-Jones, R. Laubscher, P. Madikizela, and B. M. Zuma, "INTERNATIONAL PERSPECTIVES: Disaster Management Policy Options to Address the Sanitation Challenges in South Africa," *J. Environ. Health*, vol. 78, no. 7, pp. E1–E7, 2016.
- [11] M. Shimizu and A. L. Clark, "Interconnected Risks, Cascading Disasters and Disaster Management Policy: A Gap Analysis," *GRF Davos Planet@Risk*, vol. 3, no. 2, pp. 260–270, 2015.
- [12] S. Khairilmizal, M. F. Hussin, A. I. Mohd Yassin, A. R. Hussain, M. H. Jusoh, and M. H. Kasri, "Policy on disaster management in Malaysia: the need of supporting governance," *Adv. Sci. Lett.*, vol. 22, no. 12, pp. 4213–4215, 2016.
- [13] S. Surianto, S. Alim, R. D. Nindrea, and L. Trisnantoro, "Regional policy for disaster risk management in developing countries within the sendai framework: A systematic review," *Open Access Maced. J. Med. Sci.*, vol. 7, no. 13, pp. 2213–2219, 2019.
- [14] L. Drennan and L. Morrissey, "Resilience policy in practice — Surveying the role of community based organisations in local disaster management," *Local Gov. Stud.*, vol. 45, no. 3, pp. 328–349, 2019.
- [15] D. van Niekerk, "A critical analysis of the South African Disaster Management Act and Policy Framework," *Disasters*, vol. 38, no. 4, pp. 858–877, 2014.
- [16] I. Raungratanaamporn, P. Pakdeeburee, A. Kamiko, and C. Denpaiboon, "Government-communities Collaboration in Disaster Management Activity: Investigation in the Current Flood Disaster Management Policy in Thailand," *Procedia Environ. Sci.*, vol. 20, pp. 658–667, 2014.

Family Law: High Economic and Bachelor's Moeslem Couples Divorce Suit in Bandar Lampung City

Nunung Rodliyah¹, Ade Oktariatas K²
{nunungradliyah@yahoo.com¹, adeoktariatas@outlook.com²}

University of Lampung, Lampung, Indonesia¹; University of Lampung, Lampung, Indonesia²

Abstract. The freedom of the population to obtain the highest education has not had a full impact on the level of marriage. Divorce in the Religious Courts itself does not only originate from the husband's divorce, but also from the wife's lawsuit which is currently rife with wives who feel that the relationship between husband and wife has problems that cannot be resolved with their partners. The legal issues discussed in the research are the causes of divorce suits that are more frequent and increasing every year and what are the factors behind the highly educated divorce population? The scope of the research carried out is in the Klas I Tanjung Karang Religious Court in Bandar Lampung City. The writing method uses a normative and empirical approach. The results of the study show that it provides a solution for the entire community and government agencies to work together to support the bride and groom to prepare physically and mentally for the commitment to build a family that is in accordance with the ideals of law and religion in realizing a happy family with one. one more for life and to minimize any prolonged conflict after marriage that could lead to divorce.

Key Words: Marriage, Moeslem Couples, Education, Divorce Suit, Gender

1. Introduction

The provisions of laws and regulations in Indonesia, the term marriage / marriage actually goes far beyond the term marriage formulated by scholars' in their various fiqh literatures. In law number 1 of 1974 it is explained that: "Marriage is a physical and mental bond between a man and a woman as husband and wife with the aim of forming a happy and eternal family (household) based on one one godhead".

Ibn Al-Haytham explained that the concept of happiness is the freedom of the soul from something that grips it, either in the form of pain (rabab min alam) or from something other than pain (rahah min ghayr alam). Happiness because, freeing the soul from sorrow, for Ibn Al-Haytham, is not true happiness. Happiness like this is sought not because of what is sought in itself, but because of something else. When something that is sought has been achieved, the soul tends not to want it anymore. Happiness like this is a type of happiness that is temporary and not essential, this happiness is exemplified as a human being in a hungry state who is in a state of suffering and experiencing physical pain.[1]

Muhammad Abu Zahrah said that marriage / marriage is "a contract which has legal consequences in the form of halting intercourse between a man and a woman, helping each other and creating rights and obligations between the two." M. Azhar Basyir defines "Marriage is doing a contract or agreement to bind oneself between a man and a woman to legalize sexual relations between the two parties on a voluntary basis and the pleasure of both parties to realize a happy family life filled with affection. and peace in ways that are pleasing to Allah.

Husband and wife must be responsible for meeting each other's needs to build a harmonious and peaceful family. For the sake of success in realizing building a harmonious and peaceful family, it is necessary to have togetherness and an attitude of sharing responsibility between husband and wife. The Al-Qur'an recommends cooperation between them. In the al-Qur'an it is stated, that a husband and wife are to get along (in) good terms, in *ma'ruf* terms as emphasized by Allah SWT. in Q.S. An-Nisa '(4): 19. (Whereas what is said to interfere with a wife who is good is: (1) respect, respect, and good treatment, (2) increases the standard of life in the fields of religion, morals, and the necessary knowledge, (3) protects and maintaining the good name of the wife, (4) meeting the biological needs of the wife).

Carrying out the fundamental provisions of the Al-Qur'an as the main source of law of Islamic law, must be accompanied by the provisions of the Sunnah of the Prophet and Rasul. The discussion of Al-Sunnah within the scope of Islamic institutions refers to the meaning of the religious traditions pursued and carried out by the Prophet, on his missionary journey, including religious messages that were conveyed orally or acts of good behavior, and were recognized by his followers continuously from the early period, either in the form of teachings that come from Allah (the Qur'an) and from the Prophet himself.[2]

Every marriage is expected to last a lifetime. However, there are times when the journey across the household ark is not always smooth as expected, you must face obstacles that become problems in the household. If the problem is not resolved properly, it will cause a dispute and lead to divorce. But if the household can not be maintained, and if it is maintained it will cause prolonged strife and suffering. Islam is not absolutely binding on marriage, but it does not make divorce easier.

Divorce is part of a legal event that couples who are bound by the law of marriage are very much avoided, but it does not rule out as a last resort if the marital relationship is declared no longer in the harmonious category. The findings of the research that the author has conducted on the causes of divorce in the Muslim community in the Religious Courts (2006) and studies of several researchers have revealed that the divorce rate in urban areas is higher than in rural areas. This phenomenon is caused by several things, including people who have seen the stigma of divorce as a common thing in marriage and others.

In recent years, divorce has become a very popular term in the ears of the public, this is because the divorce rate continues to grow. There are always in the religious court every day several couples who have been married have changed their status to become widows / widowers. Interestingly, the large number of divorces is dominated by the number of divorcees (divorces submitted by the wife).

UU no. 14 of 1970, which has united the Religious Courts in an integral national justice system, needs to be reaffirmed in a special regulation, because later the Religious Courts could be merged with the General Courts, so it is necessary to establish a Law on Religious Courts. This effort then bore fruit in 1989 with the passing of Law no. 7 of 1989 concerning Religious Courts.[3]

Table.1 Divorce Case Decided at the Class IA Tanjung Karang Bandar Lampung Religious Court 2015-2019

No	Years	<i>Thalaq</i> Divorce	Suit Divorce	Total
1	2015	162	291	353

2	2016	169	294	363
3	2017	186	236	422
4	2018	223	298	521
5	2019	230	410	640

Based on the data above, it can be seen that every year the divorce rate tends to increase. In 2015, the number of divorce cases decided was 353, then increased to 363 in 2016, then increased to 422 in 2017, then increased to 521 in 2018, and increased in 2019 to 640 cases.

Of the divorce cases that have been decided, there are more litigated divorces compared to divorce divorces from 2015 to 2019. In fact, in 2015 the number of divorcees was almost twice as high as divorce *thalaq*.

This research discusses the scope of efforts to suppress the high divorce rate in society, in fact the Indonesian government has regulated the divorce issue to limit the divorce rate, such as divorce can only be done in front of a court (Article 39 of Law Number 1 of 1974; Article 115 Compilation of Islamic Law) , and divorce can occur for certain reasons (Article 19 of Government Regulation Number 9 of 1975; Article 116 Compilation of Islamic Law).

Marriage should be interpreted as a contract that will give birth to complex implications in domestic life, so that every individual who is included is capable (*istitha* '), which means being able to face the complexities of his domestic life. From here the points of marriage that should be actualized in the present life, towards eternal home life.

Based on the background of the legal issues, the main problems in this research are, 1) Why is divorce more prevalent and increasing every year? and 2) What are the factors behind the divorce of the highly educated population? The scope of the issue is accommodated from one area, namely the area of the Class I Religious Court of Bandar Lampung City.

2. Method

The approach to the problem used in this study is a normative and empirical approach. The normative approach to the problem, namely the approach taken by studying, examining the provisions / inventory of the laws and regulations related to the Marriage Law in connection with the divorce case. The inventory results are then classified in order, supported by supporting legal materials in the form of scientific articles, case studies, and expert opinions. Then in enriching the discussion it is supported by an empirical problem approach, namely the problem approach that is carried out with the direct problem conditions that exist, in this case a contested divorce which is handled by the Class I Religious Court of Bandar Lampung City. This is done so that the systematization of the formulation of the problem raised produces concrete discussions and clearly explains the science of law that implements its enforcement in the community.

3. Discussion

3.1 Increase in Divorce Claims Every Year

Marriage should be interpreted as a contract that will give birth to complex implications in domestic life, so that every individual who is considered capable (*istitha* ') means being able to face the complexities of his domestic life. From here the points of marriage that should be actualized in this life, to an eternal household life as aspired by the Al-Qur'an with the term

mitsaqan ghalidzan (strong and strong ties). When there is a dispute between the two parties, Islam does not directly ask the husband and wife to end the marriage,[4] but a deliberation is carried out first.

Divorce is often an option / compulsion that cannot be avoided by married couples, especially if the household relationship can no longer be maintained. Therefore, both Islamic law and government law provide a way according to the background of the case. Divorce in Islamic law is better known as *Thalaq*, which is to untie the bonds (*hall al-Qaid*), to release the bonds by using predetermined words. In Islam, basically *Thalaq* is an act that is permissible (halal) even though it is also something that is hated (*makruh*).

The absence of household harmony is the main cause of divorce, followed by a moral crisis which occupies the second cause of divorce in the people of Bandar Lampung, which is 11 cases or 22%, followed by absence of responsibility is the dominant factor affecting the divorce that occurs in the Muslim community of the city of Bandar Lampung. Respondents admitted that their husbands were often drunk, gamblers, and prostitutes so that the respondents were not happy with them. One example is he goes to work, it turns out that he comes home drunk and even comes home late at night, his body is unbalanced and he drinks too much.

By paying 'iwad' is the same as the right given to a husband to divorce his wife, then his wife can sue for divorce if the marriage was not her own will or was imposed by her parents. Divorce is often filed by wives if they feel physically or mentally tormented. Because from the beginning there was no sense of love in the marriage, so divorce was considered the best solution for the wife to be released from the marriage bond which actually made life tormented. KHI in Article 116 point (a) also justifies these reasons, namely: one of the parties commits adultery or becomes a drunkard, a prostitute, a gambler and others who are difficult to cure. Divorce is also a cause of the wife's right. The wife is given the right to commit a legal act which is the cause of the break-up of the marriage, the legal act is *khul'un*. [5] The wife asks her husband to break the marriage bond by means of the wife providing payment to redeem herself to the husband.

Many factors cause divorce, including economic factors, infidelity by one partner, disharmony in the family, incompatibility in the household, the presence of a third party, due to early marriage, and so on.

3.2. High Economic and Bachelor's Moeslem Couples Divorce Factors

Some indications of social changes that are quite influential in divorce:

- 1) Changes in the meaning contained in divorce, in the current sense that divorce is no longer considered a disgrace, in big cities the status of a widow or widower is a common thing because city people emphasize their role more than their individual status;

This stigma is increasingly prevalent in the community, considering that the existence of urban communities is not only seen from the level of marriage but also career achievements, especially those based on material values that are accommodated as living standards. The essence of marriage which must be in line with the careers carried out by husband and wife partners must synergize with each other, assist the authorities during pre-marriage, then the awareness of the partners to build good communication as long as they are married, and knowledge, scientific insight regarding the marriage that is Couples must have to overcome internal problems in the family must be strengthened, because the factor of higher education in this case is only as education that supports career orientation, often eroding the insight of

maintaining the integrity of the marriage which basically goes hand in hand with careers when a partner is bound by a marriage event.

- 2) Changes in loosening supervision of relatives, friends, and neighborhoods on family integrity;

Along with the times and development, the city of Bandar Lampung, which was originally an entity based on rural values which is thick with the values of mutual cooperation and kinship, is now starting to fade and be forgotten. A logical consequence in an era development and development where intercultural introductions occur resulting in changes to the original values of a community entity. These changes tend to have a negative impact that can diminish the original values that have long grown and developed in the community, so as to eliminate the identity or characteristics of a community entity, including a sense of caring for one another.

- 3) The availability of various options outside the family, in the sense that the needs that are usually met by the family, can now be obtained outside, causing less dependence between husband and wife;

Interviewed with Staff Registrar, and Annual Report of the Class IA Tanjung Karang Religious Court in Bandar Lampung City, changes in people's behavior due to changing times also affect the mindset of society in viewing a marriage. Based on the data obtained, it can be seen that the divorce rate in Bandar Lampung has increased every year. Most divorce cases in the Class IA Tanjung Karang Religious Court in Bandar Lampung are filed by the woman (wife). Most of the divorces filed with the Bandar Lampung City Religious Court are motivated by constant disputes. Moral crisis is also one of the main reasons for someone to file a divorce suit in court. And the reason there is no more harmony in the family, the majority of divorce cases at the Bandar Lampung City Religious Court are experienced by middle and highly educated economic groups.

Divorce is not only seen from a legal perspective but also from a social perspective. The family as the core organization in society is crucial in shaping the future generation of the nation. Through a family, it can form a child's soul and mindset. Happy families will be able to educate their children well. This is because the division of roles between father and mother goes accordingly. This is very interesting for the author to conduct a further study in addressing social changes in the Muslim community of Bandar Lampung City related to divorce issues. Because in families that already have children, children will be victims who are very vulnerable to their impact after the judge has decided to divorce their parents. It is feared that other disputes with regard to child custody will arise, although basically it can be decided again through the court, but the argued considerations to achieve justice in exercising custody of children must be taken into account as well as possible. In other countries, for example, Chinese judges[6] prefer certain factors that are easy to ascertain, such as the financial capacity of the parents and the sustainability of the situation, over other internal emotional factors, such as the needs and emotional attachments of children.

- 4) The emergence of demands for equal rights for men and women, such as at this time job opportunities or positions are no longer based on gender, but on the skills a person has, so that career opportunities for women are more open.[7]

There is an ethos of equality and demands for equal rights between men and women; The equality of positions between men and women has encouraged women to be more courageous in taking positions, including to divorce rather than live under pressure from men. In addition, with the emergence of demands for equal rights for men and women[8], currently job opportunities or positions are no longer based on gender, but on one's expertise, so that career

opportunities for women are more open. This can lead to a shift in the orientation of family building from having offspring to advancing careers.

4. Conclusions

Many factors cause divorce, including economic factors, infidelity by one partner, disharmony in the family, incompatibility in the household, the presence of a third party, due to early marriage, and so on.

The absence of household harmony is the main cause of divorce, followed by a moral crisis which occupies the second cause of divorce in the people of Bandar Lampung, which is 11 cases or 22%, followed by absence of responsibility is the dominant factor affecting the divorce that occurs in the Muslim community of the city of Bandar Lampung. Respondents admitted that their husbands were often drunk, gamblers, and prostitutes so that the respondents were not happy with them. One example is he goes to work, it turns out that he comes home drunk and even comes home late at night, his body is unbalanced and he drinks too much.

- 1) Changes in the meaning contained in divorce, in the current sense that divorce is no longer considered a disgrace, in big cities the status of a widow or widower is a common thing because city people emphasize their role more than their individual status;
- 2) Changes in loosening supervision of relatives, friends, and neighborhoods on family integrity;
- 3) The availability of various options outside the family, in the sense that the needs that are usually fulfilled by the family, can now be obtained outside, causing the dependence between husband and wife to decrease;
- 4) The emergence of demands for equal rights for men and women, such as at this time job opportunities or positions are no longer based on gender, but on one's expertise, so that career opportunities for women are more open.

Affirming to all elements of society (the surrounding community, community leaders, the role of the government in this case through related agencies, other state officials and non-governmental organizations to participate in educating people who will build a household ark as well as socializing and advocating for families that are threatened with breaking up marital ties through the divorce line. In addition, in every trial the judge always tries to reconcile the two parties. However, in reality the divorce rate in society is increasing. This shows that the existing laws and regulations are not effective enough to overcome the flow of divorce that occurs in society, especially in the Muslim community of Bandar Lampung. Therefore, it is necessary to increase public awareness to strengthen knowledge of the law of marriage which is not merely carrying out marriage, only ceremonially continuing the offspring or even following the trend of colleagues who were previously married.

References

- [1] U. M. Ishaq, "Konsep Kebahagiaan Menurut Ibn Al-Haytham," *Islam. J. Stud. Keislam.*, vol. 14, no. 2, 2020, [Daring]. Tersedia pada: <http://islamica.uinsby.ac.id/index.php/islamica/article/view/603/596>.
- [2] A. Manan et.al, *Peradilan Agama Ditinjau Dari Berbagai Aspek*. Bandung: E-Book Cendramata Diklat Cakim Angkatan II PPC Terpadu Seluruh Indonesia, 2013.
- [3] A. A. Al Hadi, "Kedudukan Hukum Al-Sunnah dalam Al-Qur'an," *Al-Daulah J. Huk. dan*

- Perundangan Islam*, vol. 8, no. 1., 2018, [Daring]. Tersedia pada: <http://jurnalafh.uinsby.ac.id/index.php/aldaulah/article/view/660/526>.
- [4] A. M. Hasyim, "The Principles Of Tightening Divorce In Semarang High Religious Court In Maqasid Al-Shari'ah Perspective.," *J. Islam. Law*, vol. XV, no. 1, 2015, [Daring]. Tersedia pada: <https://www.neliti.com/id/publications/42627/the-principles-of-tightening-divorce-in-semarang-high-religious-court-in-maqasid>.
- [5] N. M. Syaefullah, "Analysis of Causing Factors Divorce in Indramayu District (Case Study in The Religion Court of Indramayu District in 2018)," *Mahakim J. Islam. Fam. Law*, vol. II, no. 1, 2018, [Daring]. Tersedia pada: <https://jurnal.iainkediri.ac.id/index.php/mahakim/article/viewFile/974/573>.
- [6] X. Jianghao, "The Best Interest of the Child Principle in Residence Disputes after Parental Divorce in China," *Int. J. Law. Policy. Family*, vol. ebaa001, no. ebaa001, 2020, [Daring]. Tersedia pada: <https://academic.oup.com/lawfam/advance-article-abstract/doi/10.1093/lawfam/ebaa001/5880239?redirectedFrom=fulltext>.
- [7] R. Nunung, *Aspek Hukum Perceraian Dalam Kompilasi Hukum Islam*. Bandar Lampung: Aura, 2018.
- [8] R. Nunung, *Hukum dan Hukum Islam*. Semarang: Pustaka Magister, 2017.

Interviewed

Staff Registrar of the Class IA Tanjung Karang Religious Court in Bandar Lampung City

Rice Field Sale at the Village of Kuniran, District of Sine, Regency of Ngawi In Islam Perspectives

Murni¹, Indah Purbasari², Aprilia Dyah Suyanti³, Azizah⁴
 {murni@trunojoyo.ac.id¹, indah.purbasari@trunojoyo.ac.id², apriliadyahsuyanti97@gmail.com³,
 azizah@trunojoyo.ac.id⁴}

Universitas Trunojoyo Madura, Indonesia¹, Universitas Trunojoyo Madura, Indonesia², Universitas Trunojoyo Madura, Indonesia³, Universitas Trunojoyo Madura, Indonesia⁴

Abstract. Rice field sales on a yearly land tenure conducted by the Kuniran villagers over years are considered legally flawed. Despite the rice field purchase, ownerships are of the same landlords prior to the transactions. Those “unique” transactions inevitably raise questions and trigger legal issues within society as to whether such transactions have met the legal principles revealed in Islam and reasons for maintaining the respective traditions in society and whether such practices are justifiable in Islam. The method of empirical legal research and qualitative approach are used. Furthermore, the result demonstrated that the annual rice sales transactions are illegal under Islam as the sale involves a negative element in *fiqh muamalah* (a branch of Islamic jurisprudence involving commercial and economic activities) defined as *gharar* (uncertainty) since there is no deal concerning the ownership tenure settled between the parties involved in the transaction. Therefore, landlords could easily claim the rice fields previously purchased without the buyer’s consent at any time. Nonetheless, such land acquisitions make a little difference on the land ownership titles. In other words, the rice fields remain the landlords’ property despite the transaction. The business activity has been practiced by the Kuniran villagers out of tradition and economic factor.

Keywords: *Aqd*”, rice field annual sale and “*urf aqidah*”

1 Introduction

The Kuniran society commonly sell rice fields of which sale contracts last annually to make a living. The rice field owners or landlords usually sell their land to other parties within a certain period and a contract mutually agreed between the land owner and buyer for their benefits. For example, in this transaction, a landlord would sell one acre of rice field with four year tenure for IDR 25,000,000,00 (twenty five million) to the buyer. In this regard, valid prices are not the market price. Rather, the landlord sets the price on his own estimation and the sale contract should be valid within a particular land tenure. However, the sale contract merely includes the land tenure without stating the precise time of the land handover to its owner. Consequently, the landlord could claim for his land on short notice and without the buyer’s advance knowledge. Undoubtedly, these defective business activities have raised issues in Islamic law due to the absence of accepted *aqd* (agreement) in the transactions and it is seen as *gharar* (uncertain). Deriving from the background of study, this study aims to conduct an in-depth analysis in Islamic perspectives related to the agreement (*aqd*) made upon the sale of annual-tenure rice fields as to whether such business activity has met the standards and

requirements determined in Islam and whether the reasons the Kuniran society practice such transactions are justified by the Islamic laws.

2 Research Methodology

The study employs the empirical legal research in which collected data is described to oversee how laws are implemented in society and to enhance the society's knowledge on legal issues. Additionally, a qualitative approach is used in this study. In this context, the quality approach is opted to learn about phenomenon on the researched object and elaborate the data needed in the study to produce descriptive data.[1] While the Kuniran society in Sine district, the regency of Ngawi is chosen due to their ongoing business activity in the sale of annual-tenure rice fields.

3 Discussion and Implication

The village of Kuniran is located in Sine District, approximately 2 kilometers to the north of Sine District. Its area extends to 370,591 acres with a population of 4.196 comprises of 1,070 households. The weather in Kuniran is typically humid as those of other tropical regions that consists of two seasons: the dry and wet seasons. As such, these seasons affect the Kuniran village's planting system.

3.1 Analysis on the sale of rice fields on a yearly land tenure basis in the Kuniran village, Sine District in the Regency of Ngawi in Islam legal perspectives.

1. The Sale of Annual-tenure Rice Fields

On daily basis the Kuniran society work on farms to make a living. They generally cultivate their own rice fields or work on acquired rice fields by way of the common system for purchasing annual-tenure rice fields in their village. Historically, such transactions emerged since most villagers owned no rice fields to cultivate. Thus, the sale of annual-tenure rice fields by which the rice field owners were involved, turned out to significantly help the buyers in farming. In practice, land tenures are not restricted to specific time limits as deals were made on the free wills of both parties: the landlord and the buyer.

Once an aqd (agreement) is reached, the buyer is allowed to simultaneously cultivate the rice fields. In the case when the acquired land was fully planted with rice and the harvest time was eminent, the landlord would be entirely entitled to harvest the crops once the tenure expired without prior permission of the buyer.

Within a year of tenure there are three periods of rice plantings: the first planting season or so called the first planting in the wet (rending) season, the second planting occurs in the mid (*gaduan*) season and the final planting commences in the dry (Javanese language: *tigo*) season. During the dry season, the lands are planted with produce, chili pepper, vegetables and so forth. When the three seasons have passed by the Kuniran society consider that the land tenure has completely reached a year tenure.

2. The Price Basis

Prices are mainly determined by the landlords as sellers depending on the land fertility level and frequently applied beyond the market price. In other words, the prices are dependent upon the landlords' estimation.

3. Agreement (aqd) of buying and selling transaction

Agreement is one of the required principles to comply with within a buying and selling transaction. The agreement is reached in the sale of annual-tenure rice fields when the landlord states an oath, "I am selling this rice field for a tenure of a year or two". This agreement is made either verbally or in writing. Upon the end of the sale contract, the buyer would hand the land over to the landlord by stating "the tenure has expired"

The standard and requirements to be met in buying and selling transactions according to the proliferate ulema jumhur ulama are:

- a. There are people, specifically sellers and buyers, who hold agreements (al-muta'qidaini
- b. There are contracts (shighat or ijab and qabul).
- c. There are merchandise to be offered in the buying and selling transaction.
- d. There are means of exchanging the product values.

The compilation of Sharia Law of Economy also governs the methods of acquiring things as stipulated in article 1,[2] namely by way of:

- a. Trade
- b. Legacy
- c. Endowment
- d. Wills
- e. Natural addition
- f. Buying and selling transaction`
- g. Luqathah
- h. Waqf
- i. Other mechanisms provided that they are accepted in sharia

According to syafi'iyah doctrine, buying and selling transactions are agreements made upon trading things to transfer the item ownership or benefits eternally. In addition, the perception over buying and selling transactions stated in the Fatwa of Sharia Council of MUI No. 110/DSN-MUI/IX/2017 is agreements achieved between a seller (al-ba'i) and a buyer (al-musyitari) that subsequently results in the transfer of ownership of traded items (mabi'/mustman) and the item price (tsaman). The definition of ba'i described in Article 20 of the compilation of Sharia Law of Economy is buying and selling transactions between items or trading items with money. The Fatwa of Sharia Council of MUI No. 112/DSN-MUI/IX/2017 asserts that Aqd Ijarah is a contract made for renting property between mu'jir and musta'jir or a contract made between musta'jir and ajir to trade manfa'ah and ujarah, for the benefits of both parties either in terms of items or services.[3] In short, ijarah jarah is a contract by which items or services are rented in favor of both parties. The Hanafiyah ulema claim that ijarah standard performance is ijab and qabul, among other thing, by stating al-ijarah, al-isti'jar, al-iktira and al-ikra words of oath. While other ulema state that ijarah ijarah standard performance consist of four elements:

- a. 'Aqid (people who reach an agreement)
- b. Sighat (ijab and qabul)
- c. Ujarah (rewards as in tips)
- d. Benefits

Whereas the ijarah should be considered legal in Islamic law provided that:

1. There is an agreement between parties.
2. There are definite or specified contracts, benefits and objects involved in the agreement.
3. There are ma'qud alaih benefits that in general meet the purpose of making the agreement (aqad ijarah).

Based on the elaboration above, buying and selling transactions are agreements made for voluntarily trading products or valuable items among parties involved. Such agreement should last for eternity; one party accept the item/product, whereas the other accepts it according to the justified syara'(rules) and agreement. As stated in the first rule (rukun) on people (the buyer and the seller) who reach an agreement within aqd ijarah, the parties involved are mu'jir and his musta'jirnya, baligh (physically mature), sensible people on their free wills and capable of managing his wealth as well as understanding issues related to the transaction. While the second rule known as shighat which means to make a contract (ijab and qabul) as exercised in the sale of annual-tenure rice fields by the Kuniran society wherein two contracts are made: a contract of buying and selling and aqd ijarah, to which the seller makes an oath (ijab) upon the transaction by saying "I am selling my rice field to you" and qabul (expression of approval) is uttered by the seller to express the tenure which is valid on yearly basis. The object used in this transaction is considered lawful as there is no specific duration applied regarding the land occupation. Therefore, no rules nor requirements are fulfilled in this transaction due to numerous uncertain (gharar) elements: first, the contract is less specific as to whether it is a buying and selling contract or aqd ijarah (lease) is applied in the transaction. Hence, the transaction is considered as unlawful according to the Islamic law due to misfit in its practice. The rice field is meant to be sold along with the transfer of land ownership to the benefits of the buyer. The absence of land ownership given to the buyer fails to justify the transaction as a buying and selling activity in Islamic law. Instead, it is considered as merely a lease (ijarah).

Furthermore, through the analysis on the sale of rice fields on annual basis, the Kuniran society have met the standards and requirements related to the way how the trade was performed. There were objects traded by both parties involved in the sale of rice fields despite the absence of land ownership or rights given to the buyer as it is compulsory and the seller is obliged to hand the ownership to the buyer. Additionally, rules and requirements in buying and selling transactions, according to Syafi'i doctrine (mazhab) are described as follows:[4]

1. Both parties face toward each other. The buyer and seller both show their oaths as their approval to each other. The oaths are correctly stated to the right person to whom he has the deal with. For example, the seller should say "I am selling this to you!" and he shall not state, "I am selling this to Ahmad," to the buyer whose name is not Ahmad.
2. The oaths are meant to be stated to the entire limb of the buyer. Thus, it is unlawful to say "I am selling this thing to your head or hand".
3. Qabul is stated toward the party with whom he (the one who utters ijab) has the contract unless he is represented by the other party.
4. Both parties shall mention the item and its price traded
5. Oaths are stated upon free wills.
6. Ijab and qobul should be perfectly stated. Thus, mentally ill parties shall never utter qobul. Otherwise, the contract is called off.
7. Ijab qabul is held at the same time and venue. No prolonged response should be given after ijab is said by the first party as this represents disapproval of the second party.
8. Ijab qobul should be stated precisely. For example, "I am selling this for five thousand rupiahs". However, momentarily the ijab is changed by saying "I am selling this for ten thousand rupiahs" in spite of the same product mentioned and the buyer has yet reached agreement on it.

9. The transactions performed are in accordance with *ijab* and *qabul* as long as
10. The transactions are related to particular matters.
11. The transactions are not related to matters beyond the contract.
12. The transactions are not related to any particular time period that triggers the removal of ownership of the objects traded in buying and selling transactions

As stated in Article 91 KHES “Lawful and binding transactions of buying and selling shall result in the transfer of ownership of the traded objects”. The Article 92 number (1) of KHES states that: “Canceled transactions of buying and selling do not necessarily result in the ownership transfer”. [2] Furthermore, regarding the Article 91 and Article 92 of KHES, it is revealed that the Kuniran society have failed to meet the standards of lawful transaction and consequently the contract is called off due to the statement wherein land tenure should be applied in the transaction without the transfer of land ownership from the seller to the respective buyer.

3.2 The underlying reasons for selling rice fields on a yearly land tenure

Such practices of selling rice fields on a yearly land tenure, as mentioned in earlier discussions, serve as a tradition preserved over generations in the Kuniran society. For instance, Mr. Sadiman, the rice field owner who sold his land to Mr. Nano. He said that his ancestors have been dealing with such transaction for over lengthy period of time and similar practice has been conducted by others in the Kuniran society. The Chief of Kuniran village, Djoko Sukendro, also commented that the sale of rice fields on yearly land tenure has been in the tradition. There should be no other possible methods capable of replacing such transaction into a lease contracts. He assumed that the alternative lease contract would only be operable on office building or house rents. Hence, the underlying reason why such rice fields sale remain in practice to the present time is that it has turned into their customs their ancestors have inherited over generations.

3.3 Qaidah ‘Urf implementation within the sale of rice fields on yearly basis

The sale of rice fields on yearly basis practiced by the Kuniran society has been taken as a legacy and it functions as the custom law provided no controversy emerged in the Islamic laws. A *fiqh qaidah* can likely serve as a custom law and a few *fiqh ulema* claim that ‘urf can refer to customs despite no differences found between *urf* and customs. Society embrace customs as habits they perform on daily basis. In other words, customs are common and practiced by society. Assumingly, customs are unwritten rules of which sanctions are imposed to those who violate the customs [5]. While “Urf” is widely known and practiced by the society in terms of actions or expressions or behaviors they avoid. These are also called as “*al-adah*” [6].

The ‘urf has been accepted as a legal source by the Islamic law. It is divided into several parts. According to its legal form ‘urf is divided into: *Al-urf qauliyah*, namely common habits practiced in actions and speeches. For example, *Waladun* literally means a child referred to a boy or girl, although in practice, it is merely regarded as a boy. *Al-urf al-fi’ly*, namely common habits in actions, among other things, in buying and selling activities wherein no utterance (*ijab qabul*) is produced to pronounce the transaction. Whereas the Islamic laws suggest that *ijab qabul* is compulsory and serve as the rule of conducting buying and selling transactions. Gradually such habits are permitted in the Islamic laws since there are no negative implication resulted with the absence of ‘*ijab qabul*’ in the transaction. However, the transaction of rice field sale practiced by the Kuniran society unlikely function as ‘urf’ due to its uncertain (*gharar*) characteristics found in its agreement.

4 Conclusion

The agreement, made by the Kuniran society in Sine District, the regency of Ngawi, on rice field sale on yearly basis land tenure initially failed to meet the Islamic law standard as it is considered unlawful due to gharar (uncertain) land tenure stated in sighthat upon the rice field handling. There are two factors why such tradition has been maintained over generations: cultural habit and economic necessities. Such tradition fails to function as qaidah 'urf due to lacking in decency within the Islamic laws

5 Suggestion

The sale of rice fields on annual basis should not be practiced by the Kuniran society. Instead, a lease contract (aqd ijarah) should be recommended to replace the unlawful transaction to support their life as it is least debatable within the Islamic laws. Furthermore, the Kuniran society should shift their mindset as not to sell rice fields on annual basis as the only way to fulfill their needs.

References

- [1] M. F. ND and A. Yulianto, *Dualisme Penelitian Hukum Normatif & Empiris*. Yogyakarta: Pustaka Pelajar, p. 193, 2010.
- [2] Mahkamah Agung, *Kompilasi Hukum Ekonomi Syariah*. Jakarta: Mahkamah Agung Republik Indonesia, 2008.
- [3] Dewan Syariah Nasioal Majelis Ulama Indonesia, *Fatwa Dewan Syariah Nasioal Majelis Ulama Indonesia No. 110/DSN-MUI/IX/2017 tentang Ijarah*. Jakarta: Dewan Syariah Nasioal Majelis Ulama Indonesia, 2017.
- [4] E. Hidayat, *Fiqh Jual Beli*. Bandung: Remaja Rosdakarya, p. 9, 2015.
- [5] A. Sanusi and Sohari, *Ushul Fiqh*. Jakarta: Raja Grafindo Pustaka, p. 84, 2015.
- [6] R. Syafei, *Fiqh Muamalah*. Bandung: Pustaka Setia, p. 104, 2001.

Consumers Protection on the *Musyarakah Mutanaqisah* Contract of Indonesian Islamic Banking

Indah Purbasari¹, Murni², Encik Muhammad Fauzan³
{indah.purbasari@trunojoyo.ac.id¹, murni@trunojoyo.ac.id,² encik.fauzan@trunojoyo.ac.id³}

University of Trunojoyo Madura, Telang Kamal Bangkalan, East Java, Indonesia¹, University of Trunojoyo Madura, Telang Kamal Bangkalan, East Java, Indonesia², University of Trunojoyo Madura, Telang Kamal Bangkalan, East Java, Indonesia³

Abstract. This paper aims to clarify the fulfilment of Islamic banking consumers' rights in Indonesia based on the Islamic banking Products Standard of Financial Services Authority and the shariah standard. The research is conducted through doctrinal studies of *musyarakah mutanaqisah* (diminishing partnership) contract and its applications in Indonesia. The study results that the drawback of the Financial Services Authority Standard focuses only on administrative procedures and less attentions is devoted to the consumer protection towards the guarantee of shariah compliance in the legal standing and its implementations, such as the existence of hybrid contract and less guarantee for the consumers facility to obtain a risk sharing of the financing object. Therefore, this research promotes the urgency of stipulating shariah coverage standard in the consumer protection clause.

Keywords: Consumers Protection, *Musyarakah Mutanaqisah*, Products Standard, Sharia Standard.

1 Introduction

Islamic banking has been integrated in Indonesian banking system. It is legitimized by the Indonesian Law Number 21 of 2008 on Shariah Banking law and enhanced by the blue print of Islamic Banking Development made by Indonesian Central Bank.[1] The operations of Islamic banking are also progressively built up with supporting legal standings such as *Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia* (Resolution of National Shariah Board, Indonesian Ulama Council Resolution), Indonesian Financial Service Authority Regulation, Compilation of Shariah Economic Law.

Having developed in more than a decade in Indonesia, the Islamic banking product varies in advanced including in the field of home-financing facilities. Once, home-financing facility only used *murabahah* (set profit sale contract). *Murabahah* contract became the preference because the finances were standardized by the sale price of the object thus it made the instalment flat during the financing period. Compared to the floating rate interest in conventional banking, fixed instalments in *murabahah* finance possibly attract customers to apply for the home-financing facility. For Islamic banks, the positive perception of customers is significant because in dual banking system practice, they have to compete with conventional banks.[2] However, almost similar to the controversial issue on the existence of *bai al inah* (sale and buy back transaction) in the contract of *bai bithaman ajil* (differed

payment sale) [3]. *murabahah* contract also arises shariah issues on the existence of *aqd wakalah* (giving delegation to customer to provide the object purchased) at which it shows an incapability of bank as a seller to provide the subject matter of the contract. Other issues comes up in relation to very high mark-up prices due to a long period of financing and discounts in early settlements [4].

Therefore, *aqd musharakah mutanaqisah* (diminishing partnership contract) was created as the alternative contract for home-financing and as the solution to reduce the controversial problem occurred in *murabahah* or *bai bithaman ajil* [5]. Since the *aqd musharakah mutanaqisah* lauched in 2007, based on Shariah Resolution in Islamic Finance Bank Negara Malaysia and in 2008, due to Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia (Resolution of National Shariah Board, Indonesian Ulama Council) on *Musyarakah Mutanaqisah*, the utilizations of the *aqd* (contract) diverse in In Malaysia and Indonesia. In Malaysia, most Islamic banks replace *bai bithaman ajil* into *aqd Musharakah Mutanaqisah*, *tawwaruq* or *Ijarah muntahia bittamlik*. Meanwhile, Indonesia, *murabahah* remains the first option for a house financing contract. Only four Islamic banks in Indonesia use *aqd musharakah mutanaqisah* for home financing namely Bank Muammalat Indonesia, Bank Mega Sharia, Panin Bank Sharia, Maybank Syariah.[6]

It encourages studying more curious on the consumers protection in shariah perspective, especially relates to the aspects of consumers' right in the adjustment price, legal documents and the position of consumer as partner *aqd musyarakah mutanaqisah* (diminishing partnership contract) of Indonesian Islamic banking. In other word, the research question refers to the adequacy of existing laws relating to *aqd musharakah mutanaqisah* in Indonesia in the matter of consumer protection in shariah perspective. Consumer protections in Indonesia refer to Indonesian Law Number 8 of 1999 on Consumer Protection, Indonesian Law Number 21 of 2011 on Financial Services Authority and the Islamic banking products standard of *Otoritas Jasa Keuangan* (translated as Financial Services Authority, in Indonesian term usually shortened as OJK). Among the whole legal standings, it also brings up the essential question due to the shariah point of view considers the guarantee the shariah compliance in implementation of the contract. Hopefully, the result of the study can be reference to draft shariah standard for consumer's protection in the Islamic banking products especially in the products which apply the contract *musharakah mutanaqisah* (diminishing partnership).

2 Methods

2.1 Research type and approaches

This study is categorized as a doctrinal research. It is a type of library research which purposes to clarify “the principles, provisions, concepts, theories or working of certain laws and legal institutions, to evaluate the effectiveness of the law” and to recommend new paradigm of suggested norms [7]. As such, this research focuses on evaluating the adequacy of the existing laws and the sharia paradigm of consumer protection on *musyarakah mutanaqisah*. It applies the legislative and keyword/fact approaches [8]. The keywords and factual approach to be analysed are *musyarakah mutanaqisah* contracts and consumers protection. Then, the legislative approach is used to answer the problematical issues on the legal standing of *musyarakah mutanaqisah* and its implementation.

2.2 Primary and secondary materials of the research

The primary materials of the research consist of the ruling of shariah principle in Indonesian Law Number 21 of 2008 on Islamic Banking, consumers’ rights and their protection scopes in Indonesian Law Number 8 of 1999 on Consumer Protection and Indonesian Law Number 21 of 2011 on Financial Services Authority, *OJK* (Financial Services Authority) Standard for Islamic Banking Products for *aqd musyarakah mutanaqisah*, *Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia* (Resolution of National Shariah Board, Indonesian Ulama Council) Number 73/DSN-MUI/XI/2008 on *Musyarakah Mutanaqisah*. The secondary materials of this research are taken from credible references such as, books, journal, previous study, shariah standards from The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Shariah Resolution in Islamic Finance Bank Negara Malaysia (Central Bank of Malaysia) and documents related to Islamic banking contract of *aqd musyarakah mutanaqisah* and consumer protection. They are accessed from a library study and browsing materials from official website of *OJK* (Financial Services Authority) of Indonesia, National Shariah Board of Indonesian Ulama Council, The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bank Negara Malaysia (Central Bank of Malaysia), Mendeley, research gate and open access journals.

2.3 Collecting Materials and Analyzing Methods

Both primary and secondary materials are collected through library research and browsing online journals, documents and information. The selected materials put in reference manager of Mendeley in order to be analysed through a deductive reasoning. A deductive reasoning is an analysis procedure beginning from the general concepts or theories and how they work on a concrete subject matter and to formulate a specific conclusion.[9] The general concepts regard to the norm of the *aqd musharakah mutanaqisah* or diminishing partnership in shariah perspective and Indonesian legal standing, the concept and rule of consumer right and protection in Indonesia. They are analysed their synchronization with the practice of the consumer protection of the *aqd musharakah mutanaqisah*. The outcome is a suggestion on the legal standing to cover the shariah view on consumer protection of the *aqd musyarakah mutanaqisah*.

3 Discussion

3.1 General concepts of *musyarakah mutanaqisah*

Musyarakah mutanaqisah derives from the principle *musyarakah* (capital joint venture profit and loss sharing). It is usually practiced in general investment. Two parties or more agree to be partner in conducting business. They join capital and consent the profit and loss sharing. Meanwhile, *Musyarakah mutanaqisah* has a specific characteristic compared to the original contract, *musyarakah*. According to Sharia standard of AAOIFI, *Musyarakah mutanaqisah* defines as a partnership between two parties or more in which one particular party promises to buy another party's asset in stages until he completely own the asset [10].

Legitimacy of *musyarakah mutanaqisah* is based on Quran Surah Shad verse 24, translated "truly many are associates (in business) who wrong each other: not so for those who believe and work deeds of righteousness..."[11] The term "associates" in the verse regards to partnership. It rules the permissibility of partnership in commercial transaction but prohibits to the oppressing action in partnership. In other words, this Quranic verse encourages Muslim to be fair, equal and honest in business partnership. Besides, the hadith narrated by Abu Daud from Abu Hurairah, the Prophet Muhammad PBUH said that Allah SWT Exalted be He, says, 'I am the third of the two partners (i.e Allah is with them, taking care of, keeping, supporting, and sending down blessing upon their trade) as long as one of them does not cheat the other. But, when he cheats him, I depart from them [11]." It explains the validity of partnership and stress on the loyalty among the parties and prohibition of cheating [12].

The original rule of *musyarakah mutanaqisah* follows the element of *musharakah* itself namely, *sharik* (contractual parties/partners), capital venture (in cash), transparency in *nisbah* (portion or ratio) of profit and loss e of sharing, the existence of *ijab* (offer) and *qabul* (acceptance). It is interpreted extensively that *musyarakah mutanaqisah* consist of *sharik* (partner) namely parties included in this contract. The characteristics of *hissah* (portion of partner in asset belonging) is *musha'*. *Musha'* means that portion of partner in asset belonging cannot be determined physically but justified in value.[13] *Musyarakah mutanaqisah* is classified as a type of contractual partnership. Jurists agree on two types of partnership namely *shirkah al-aqd* (contractual partnership) and (*shirkah al-milk* (holding). *Shrikah al-aqd* occur as the result of the contractual agreement between to two parties. It usually conducts in business enterprise. Each party joins in capital venture and consents the profit and loss sharing. *Shirkah al-milk* (holding partnership) is joint ownership originated from inheritance or wills. The process of inheritance or wills creates the transfer of ownership of the tangible asset. Later, the parties as the owners of the tangible asset came from inheritance process agree to share the asset and return. It comes naturally without contractual agreement [14].

3.2 Home Financing Based On the Contract of *Musharakah Mutanaqisah* (Diminishing Partnership)

Legitimacy of *musyarakah mutanaqisah* in Indonesian Islamic banking is based on Indonesian Law Number 21 of 2008 on Islamic Banking, section 19c. It rules the business enterprise of Islamic banking includes financing based on profit and loss sharing contract, *musharakah* (capital joint venture profit and loss sharing partnership) and *mudharabah* (trustee profit sharing partnership). *Musyarakah mutanaqisah* is derivative contract of *musharakah*. Further, the shariah standard of *aqd musyarakah mutanaqisah* is stipulated on *Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia* (Resolution of National Sharia Board, Indonesian Ulama Council) Number 73/DSN-MUI/XI/2008 on *Musharakah*

Mutanaqisah Herein, *musyarakah mutanaqisah* is *syirkah* (partnership) at which the asset or capital ownership of one party diminishes gradually due to the purchase of the other partner. [13]. The practical steps of *musyarakah mutanaqisah* describe in the following:

1. Customers apply the home financing based on the contract of *musyarakah mutanaqisah*. For this purpose, customers need to clarify the supporting document of the purchased property (house) and the capability of the customer to pay.
2. Islamic banking approves the customer's application of home financing by using the contract of *musyarakah mutanaqisah*.
3. Bank and customer consent the amount of financing and shares the house ownership during the period of payment.
4. Customers agree to pay his portion, for instance, 10% of the price and bank supplies 90% to acquire the asset.
5. Customer agrees to pay in particular tenure (usually in a long-term financing 10-15 years). It contains the principal price of the house and monthly rent as the bank portion.
6. The income derived from the project (monthly rent) is shared between the bank and the customer regarding to their capital contribution (90:10). Bank will credit the customer's share to a specific account with the bank for the purpose of buying the bank's share [15].
7. The ratio of bank ownership decreases due to the customer instalment and vice versa.

There are three issues on the application of *musyarakah mutanaqisah*, those are related to shariah, legal documents and operational.[16] The main issue in shariah and legal document is the existence of a hybrid contract in *musyarakah mutanaqisah*. Herein, there are indications of a disharmony between the law in book and law in action. A discrepancy occurs when banks assigns all payment obligations for fees to the customer. Besides, accounting standards for *musyarakah mutanaqisah* has yet been available [17]. The accounting still follows the standard of general *musharakah* (partnership) agreement. Those appears the issue of consumer protection relates to the spiritual rights of the consumers toward the sharia compliance accomplishment.

3.3 Consumer Protection In Indonesian Islamic Banking

Consumer simply defines as the user of particular product or service. They can be classified into the users who may take benefit during the process of production (raw material, agency/distributor) or the user of the final product [18]. The base rights of consumers consist of the right of safety, the right to be informed, the right to choose, the right to be heard [19]. Indonesian Law Number 8 of 1999 on Consumer Protection ruled balance position in the producer's obligation and also the consumer's right. Indonesian Customer Law also details the rights of consumers in section 4. They involve right of consumer to get the comfort and safety of the offer goods and/or service, right to choose and get the appropriate price and condition of the product and/or service, right to accept clear and fair information, right to be heard, right to get advocacy, protection and the effort of dispute settlement, right to get consumer protection education, right to get compensation. These rights provide balance obligations also between consumers and producers to create better condition in trade.

The current institution which has authority to provide consumer protection for financial institution in Indonesia is called *Otoritas Jasa Keuangan* (OJK) translated as Financial Services Authority of Indonesia. One of the OJK functions in section 4c Indonesian Law Number 21 of 2011 on Financial Authority Services is consumer protection of financial institutions including Islamic Banking. Sections 28-30 of the law declare OJK authorities to prevent unlawful acts of finance institutions which impact to the consumers loss, provide

hotline services for accommodating consumers complain and facilitating negotiation and providing advocacy for the financial institution consumers who suffer loss.

Later, Financial Services Authority of Indonesia or OJK launched Product Standard of *Musyarakah* and *Musyarakah Mutanaqisah*. It orders Islamic banks to give detail information for all product and contract. The details consist of name of the products, its types, benefits and risks, terms and conditions for the consumers, rights and obligations, procedure for accessing the products, fees or charges, duration of the products, complain procedures and the products launching. Finance institutions are compulsory to make sure that consumers figure out their clarity of the products, their rights and obligations and put their sign above the stamp. The standard commands the usage of personal data of the consumers for internal bank necessities and due to the law, assure that it is classified as a secret document. The share of consumer personal data to others must be followed by clear information from the bank about the purposes and their consequences and permitted by the consumers, proved by the signature above the stamp. Besides, consumers enable to send complain for the misused of personal data and access the facility of dispute settlements due to the law [16]. The standard shows that it has yet ruled the shariah compliance including the clause of consumer protection. Meanwhile, the previous study was conducted by Rofah Setyawati et. al argued that shariah compliance guarantee can be also part of consumer right due to spiritual right of the consumers [20].

3.4 Consumer Protection in the Product of *Musyarakah Mutanaqisah*

The above discussion describes the general aspects of consumer protection in Islamic banking and the importance of involving shariah compliance as one the aspect of consumer's protections. In other words, the protection should be included both *shariah* and legal matters. Three recent problems regarding to consumers protection in the product of *musyarakah mutanaqisah* are clarified as follows:

The first issue is a hybrid contract in *adq musyarakah mutanaqisah*. The drafting of *musyarakah mutanaqisah* in Indonesian Islamic banking differs from the legal documentations of it in Malaysia. Malaysian Islamic banking separates clearly the legal document of *musyarakah mutanaqisah* into six documents, namely document 1: *wa'ad* (promise), document 2: Letter of Offer, document 3: *Musyarakah Mutanaqisah* Facility Agreement, document 4: Sale and Purchase, document 5: *Ijarah* Leasing Agreement, document 6: Trust Deeds, document 7: Letter of Undertaking or Service Agency Agreement. The more legal documentations are needed, the more charges should be paid by the customer. It certainly becomes the customer's burden without any sharing from the bank as partner. [21] Meanwhile, *Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia* (National Shariah Board, Indonesian Ulama Council Resolution) Number 73/DSN-MUI/XI/2008 on *Musharakah Mutanaqisah* arranges the separation of the clause of *wa'ad* (promise of purchase/ sale) and the avoidance of *ta'aluq* (two or three more contracts in one goods). In a practice, there is only a single contract document but there is a clause which indicates separated agreements. Legal documentation of *musyarakah mutanaqisah* in Indonesian Islamic banking only consist three documents namely the contract of *musyarakah mutanaqisah*, documentation of legal status of asset and the table of payment [23]. Commonly, the Indonesian Islamic finance institutions prefer to make simple legal documentation of the contract document. It relates to the efficiency of administrative fee. Regarding the concept of consumer protection, the efficiency of administrative fee may guarantee the right of consumer to get the appropriate price value but it lacks the clearness in *shariah* point of view. The clause of promise, partnership and leasing are included in one legal

documentation of contract. It may appear the confusion or unclear information in the legal documentation. It may also affect to the right of consumers to get clear information.

The second is the adjustment price. OJK standard forbids the clause of fixed amount in the profit and loss sharing of the rent clause.[16] It means that *musyarakah mutanaqisah* contract gives a bank opportunity to conduct adjustment price periodically. Based on the information of the Islamic banking officers and consumers, it creates the customer's worry that Islamic bank may increase the rate of monthly rent highly. The multiple increasing of monthly rent ever happened as the impact of releasing of bank officer. It affects to the withdrawing the home financing facility. Islamic banking increases the rental price. It shows the possibility of the minor position of consumer in the case of adjustment price.

The third problem, although bank and consumers are partners which have an equal position in contract, practically, banks provides consumers with standard contract. Standard contract only gives the customer choice "*take it or leave it*. *Syirkah* or partnership should be built based on mutual consent. However, standard contract creates the consumer in a lower bargaining position. It is encouraged by Ali, et al who states that it is unfair to apply standard contract in *musyarakah mutanaqisah*. [22]

The forth issue is liability of the customer toward damage of the asset during the period of financing. Product standard of OJK only recommends both parties to conduct negotiation.[16] In practice, Indonesian Islamic banking put the damage risk to the customer. The customer price has been included insurance for property injured. However, the spirit of *musyarakah mutanaqisah* is sharing ownership. It means that the risk of injured property should also be shared due to the principle of *musyarakah* is profit and loss sharing. According to Idris, the contract of *musyarakah mutanaqisah* in Malaysia allows to put the guarantee of major damage (for instance, because of disaster) of the property [24]. In other word, it enables to share risk in major damage of the financed property. Thus, it implies the partnership between bank and its customer in term of customer protection on property damage.

4 Conclusion And Recommendations

The discussion above concludes that the OJK standard for consumers protection of *musyarakah mutanaqisah* exclude the guarantee of the fulfilment of the shariah compliance of the contract whereas it is included in the consumers right. Regarding to the shariah point of view in accomplishing consumers protection, the contract of *musyarakah mutanaqisah* in Indonesian Islamic banking should consider the four major issues of shariah compliance of the hybrid contract, an a possibility of conducting adjustment rent price of object, an equal position of consumer in negotiation and the standard contract made by the bank, and a tendency of burdening a damage risk during the rent period of financing to the consumers. It shows the attention of Islamic banking to the aspect of customer protection.

The recommendation for OJK standard relates to the significance to put the clause of the guarantee of the accomplishment of shariah compliance as part of consumer's protection. Besides, the OJK standard and Indonesian Islamic banking need to:

- a. Draft the clear separation of legal documentation of *musyarakah mutanaqisah*. The document of *wa'ad* (promise), *shirkah* (partnership) and *ijarah* (leasing) should be in particular documentation, not only different clause. It will give clear information as the right of the consumers and fulfil the *shariah* compliance.

- b. Make standard procedure for an adjustment price and determine the term of condition which enables to held adjustment price. It should not occur in short term to avoid the perception of floating rate and the determination of the price should consider the capability of customer to pay it. It may keep the customer right in getting appropriate price.
- c. Although Islamic banking applies standard contract, it should be followed with the preface discussion, bargaining price and share not only determined by the bank. Bank should give the opportunity of the bank to clarify and to be heard. It shows the equal position between bank and its customer.
- d. Indonesian Islamic banking should put the clause on damage risk. Islamic banking should consider the sharing risk of major damage to guarantee the customer protection.

References

- [1] Bank Indonesia, "Islamic banking in Indonesia in brief." <https://www.bi.go.id/en/ssk/syariah/Contents/Default.aspx> (accessed Sep. 02, 2020).
- [2] F. F. H. Aam Slamet Rusydiana, "Islamic Banking Selection Criteria: Case in Indonesia Using Analytic Network Process," *Economica: Jurnal Ekonomi Islam* 20, vol. 10, no. 1, pp. 165–188, 2019, doi: <https://dx.doi.org/10.21580/economica.2019.10.1.2846>.
- [3] K. H. M. Subky, J. Y. Liu, M. M. Muhammad Muzzammil, Z. F. Mokhtar, and A. Faizrahman, "The Implication of Musharakah Mutanaqisah in Malaysian Islamic Banking Arena: A Perspective on Legal Documentation," *International Journal Of Management and Applied Research*, vol. 4, no. 1, pp. 17–30, Feb. 2017, doi: 10.18646/2056.41.17-003.
- [4] A. F. Yustiardi, M. Aulia, and R. O. Permatasari, "Islamic Contracts for Home Financing: A Comparative Analysis," *International Journal of Management and Applied Research*, vol. 6, no. 4, 2019, doi: 10.18646/2056.64.19-030.
- [5] M. N. Mohamed Imtiyaz, S. Kassim, and N. Z. Harun, "Perceived fairness in islamic home financing: Comparison between Al-Bay' Bithaman Ajil and Musharakah Mutanaqisah partnership contracts," *Planning Malaysia*, vol. 15, no. 4, 2017, doi: 10.21837/pmjourn.v15.i4.315.
- [6] Muh Turizal Husein, "Telaah kritis akad musyarakah mutanaqisah," *Al Maal : Journal of Islamic Economics and Banking*, vol. 1, no. 1, pp. 79–88, 2019, doi: 10.31000/almaal.v1i1.1775.
- [7] A. Yaqin, *Legal research and writing*. Kelana Jaya, Selangor Dahrul Ehsan, Malaysia: Lexis Nexis, 2007.
- [8] T. Hutchinson, *Research and writing in law*. Sydney, Australia: Thomson Legal&Regulatory, 2006.
- [9] W. L. Neuman, *Social research method: qualitative and quantitative approaches*. Boston, USA: Pearson, 2006.
- [10] The Accounting and Auditing Organization for Islamic Financial Institutions, *Shari'ah Standards*. Manama, Bahrain: King Fahd National Library, 2016.
- [11] A. Y. Ali, *The Holy Quran Translation*.
- [12] S. Al-Fawzan, *A Summary of Islamic Jurisprudence Volume 2*. Riyadh, Saudi Arabia: Al-Maiman Publishing House, 2005.
- [13] *Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia Nomor 73/DSN-MUI/XI/2008 tentang Musyarakah Mutanaqisah*. Jakarta, Indonesia: Dewan Syariah Nasional Majelis Ulama Indonesia, 2008.
- [14] W. Al-Zuhayli, *Financial Transaction in Islamic Jurisprudence Volume 1 (tr)*. Damascus: Dar Al-Fikr, 2007.

- [15] Shariah Advisory Council, *Shariah Resolutions in Islamic Finance*, Second. Kuala Lumpur: Bank Negara Malaysia (Central Bank of Malaysia) https://www.bnm.gov.my/microsite/fs/sac/shariah_resolutions_2nd_edition_EN.pdf, 2010.
- [16] Otoritas Jasa Keuangan, *Standar Produk Musyarakah dan Musyarakah Mutanaqisah*. Jakarta, Indonesia: Departemen Perbankan Syariah Otoritas Jasa Keuangan, 2016.
- [17] N. Basyariah, "Analisis Implementasi Pembiayaan Musyarakah Mutanaqishah Pada Perbankan Syariah di Indonesia," *Muqtasid: Jurnal Ekonomi dan Perbankan Syariah*, 2018, doi: 10.18326/muqtasid.v9i2.120-133.
- [18] A. Atsar and R. Apriani, *Buku Ajar Hukum Perlindungan Konsumen di Indonesia*. Sleman Yogyakarta: Deepublish, 2019.
- [19] Zulham, *Hukum Perlindungan Konsumen*. Jakarta: Kenyan, 2016.
- [20] R. Setyowati, I. Purbasari, and E. M. Fauzan, "Consumers spiritual rights in the islamic banking dispute out of court settlement in Indonesia," *Journal of Social Studies Education Research*, vol. 9, no. 4, 2018, doi: 10.17499/jsr.64249.
- [21] M. Z. Md Nor, "Legal Documentation for Islamic Finance Facilities," Kuala Lumpur, Malaysia, 2010.
- [22] S. A. M. Ali, R. Hassan, and A. A. Othman, "Inadequacy of Consumer Protection from Unfair Contract Terms in Musharakah Mutanaqisah Home Financing in Malaysia," *Journal of Islamic Finance*, vol. 6, no. Special Issue, 2017, doi: 10.12816/0047351.
- [23] Bank Indonesia, *Draf Kontrak Musyarakah Mutanaqisah*. Jakarta, Indonesia: Bank Indonesia, 2010.
- [24] S. M. Idris, "Syariah Risk in Musyarakah Mutanaqisah Home Financing Contract in Malaysia," *International Journal of Academic Research in Business and Social Sciences*, vol. 8, no. 5, Jul. 2018, doi: 10.6007/IJARBS/v8-i5/4226.

The WTO Trade Remedies (Safeguards) and its Implementation in Indonesia: Study Case of PT. Krakatau Steel vs. China

Hamzah¹, Wahyu Sasongko², Rohaini³, Rahmi Rizki Amelia⁴
{agizaddien@gmail.com¹, wahyusasonko@gmail.com², rohaini.arifien81@gmail.com³}

Faculty of Law – University of Lampung, Bandar Lampung, Indonesia ¹, Faculty of Law – University of Lampung, Bandar Lampung, Indonesia ², Faculty of Law – University of Lampung, Bandar Lampung, Indonesia³, Faculty of Law – University of Lampung, Bandar Lampung, Indonesia⁴

Abstract. In international trade law, as a measure to protect the domestic market from losses caused by sudden and unforeseen overflows of imports and to protect its domestic industries from unfair practices, the World Trade Organization requires members to enforce trade remedy measures against imports, such as anti-dumping, anti-subsidy and anti-security measures. Safeguard itself is one of the trading instruments that are widely applied by members of World Trade Organization. In fact, according to the World Trade Organization report, after India, Indonesia is the second most active country using safeguard instruments. Through case study methods, especially anti-dumping cases between PT. Krakatau Steel against hot-rolled coil/plate (HRC/P) alloy imports from China this research is conducted to determine the implementation of World Trade Organization trade remedies (safeguards) in Indonesia.

Keywords: Safeguards, Regulations, Domestic Industries Protection.

1 Introduction

Currently the world is undergoing a change, which is called globalization, one of which is in the economic aspect. fundamental changes in the world economy, and this process will take place more rapidly following changes in technology which are also increasingly sophisticated. This symptom of globalization occurs in financial, production, investment and trade activities which then affect the order of economic relations between the states.[1]

The nuance of globalization have been tainted by the efforts of the superpower countries who wish to maintain their dominance. In such circumstances, the success of a country in taking advantage of the opportunities that are wide open in the flow of globalization.

In order to maintain the functioning of the trading system, various signs or regulations are required that are obeyed by all parties or in other words, complete and adequate legal rules are required. A trade and tariff agreement (General Agreement on Tariff and Trade / GATT) is established by countries engaged in international trade activities. GATT then grew into an international trade body, best known now as the World Trade Organization (WTO) [2].

The WTO agreement seeks to establish a world trade framework that governs trade matters in order to make it more competitive in an open, equitable and safe way. The principles of non-discrimination, accountability, consistency and predictability of trade rules, the use of tariffs as instruments of security and the avoidance of unfair competition are in line with the principles adhered to by the WTO. Linked to the predictability theory for trade

regulations [3]. In principle, the WTO means to encourage an orderly and fair free trade in this world. In carrying out its duties, to encourage the creation of it.

Developed countries generally have expertise in implementing methods so that developing countries are bound by the free trade system. with a request for a reduction in import tariffs of import duty on products and services from developed countries in developing countries.

Industrial countries without barriers mean that it will be easier to sell their goods and services to developing countries. Therefore, at the same time, globalization will give birth to a grouping of people and countries into new classes based on economic capacity, including in Indonesia.[4] Therefore, in entering this era of free trade, Indonesia must have a solid preparation to face the effects that arise on the Indonesian economy and/or trade in all aspects, including legal aspects, especially economic law as a legal institution containing policies to direct on regulations that can protect domestic industries.

By ratifying Law No. 7 of 1994 on the Ratification of the Agreement Creating the World Trade Organization, Indonesia joins the World Trade Organization as a member of the World Trade Organization, both externally and internally. Indonesia must comply with all commitments in the WTO forum with external implications. The internal implication is that, in compliance with the outcome of the WTO Agreement, Indonesia must harmonize national laws and regulations, which means that, in the sense of legal harmonization, Indonesia must always care about national interests, but not infringe any indications of WTO provisions. Indonesia is also expected to comply with all the standards negotiated in international trade agreements, including the alteration of both legal instruments and trade sector growth policies [5].

Globalization, in the form of foreign trade, has a positive and negative effect on many countries. It can increase investment, which has an effect on the country's increase in export numbers. However, if the domestic industry is not prepared to compete, it may treat the domestic industry when similar imported goods are entering the domestic market. To prevent this from occurring, the WTO has adopted rules relating to protection measures, one of which is the WTO Agreement on Safeguard, which is a protective instrument for domestic industries which have seriously injured or threatened to suffer serious injury caused by an increase in the level of disability. It is an exception to the quantitative easing theory. The purpose of this study is to investigate in-depth and comprehensive PT cases. Krakatau Steel against China's imports of hot-rolled coil/plate (HRC/P) alloy.

2. Literature review

2.1 Safeguards definition

'Safeguard is an instrument of trade policy that is almost equivalent to the anti-dumping and anti-subsidy policies. All three of them are similarly regulated in the WTO and, if they cause damage to the importing country, may be subject to additional import duty rates [5].'

"According to Regulation No 37 / M-Dag / Per/9/2008 of the Minister of Trade, the provisions of the Safeguards Regulation are steps taken by the Government to recover serious losses or to prevent the threat of serious losses to the domestic industry as a result of an increase in imports of similar goods or goods which compete directly with domestic industrial products with a view to ensuring that domestic industries experience serious losses [6]."

A trade remedies (safeguard) has several specific provisions that can determine whether an action can be said to be a security measure or not, The criteria are the legal requirements for the security measure namely, “a) This action was taken by the government; b) There is serious loss or threat of serious loss; c) The action is aimed at protecting or restoring the domestic industry; d) There are similar items; d) There are goods that are directly competitive; and e) Goods that are directly competitive are domestically produced goods which are similar goods or substitute for investigated goods [7].”

2.2 Safeguards regulations

The globalization of trade has both positive and negative impacts on countries in the world in international trade. The positive impact can increase investment which has an impact on increasing a country's export figures. The negative impact, increasingly affects the sustainability of the domestic industry when similar imported products flood the domestic market, if the domestic industry itself is not ready to compete.[8]

The general provisions relating to the approval of safeguard measures are laid down in Article XIX of the GATT 1994 (Article XIX of the GATT 1994) The Safeguard Agreement states that the Safeguard Agreement applies provisions relating to the implementation of safety measures which must be treated as measures laid down in Article XIX of the GATT 1994 Agreement. Implementation of safety measures (safeguard) is intended to protect domestic industrial products from a surge or flood of imported products that harm or threaten the loss of domestic industry.[9]

The requirements for implementing safeguards as described in Article XIX OF GATT 1994 are as follows, “Members may request safeguard measures for a product imported into the territory in such a quantity, threatening domestic similar products, thus causing serious losses to domestic industries that produce similar products or direct products and safeguard measures will be applied to imported products regardless of the source [8].”

Imposition of Security Measures is regulated in the Agreement on Safeguard, namely Article 5 (permanent security measures) and Article 6 (temporary security measures). These security measures may take the form of tariffs, quotas and a combination of tariffs and quotas.

The policy of implementing safeguards by importing countries is implemented through several stages, including conducting investigations and proving, determining the existence of a loss or threat of loss, and implementing security measures. With the implementation of the agreement in the field of safeguards, each country can implement safeguard measures for its domestic products if the domestic industry is unable to compete so that it experiences serious losses as a result of the flood of imported products [10].

2. Methods

This study uses normative legal analysis with secondary knowledge in the form of legal materials, both primary and secondary legal materials, as the data source. The case approach, the legislative approach, and the conceptual approach are the styles of regulatory approaches used. The study of the collected legal materials was carried out using descriptive, logical and argumentative approaches.

3 Result and Discussion

3.1 Safeguards and its implementation in Krakatau steel vs China

The loss of PT Krakatau Steel for more than 3 consecutive years due to the surge in imported steel from China made PT Krakatau Steel, which is engaged in service products, suffered losses. According to data from the Central Statistics Agency (BPS), the import value of iron and steel in July 2018 reached 56.55 percent from the same period in the previous year. This means that 55 percent of Indonesia's iron and steel needs are iron and steel from abroad, especially from China, based on the financial report from PT Krakatau Steel in 2018, the debt reached US \$ 2.49 billion, up 10.45 percent compared to 2017 of US \$. 2.26 billion.

The short-term debt that must be paid by the company reached US \$ 1.59 billion, up 17.38 percent compared to 2017 valued at US \$ 1.36 billion. This amount is even higher than the long-term debt of US \$ 899.43 million. The financial burden recorded by PT Krakatau Steel in 2018 was US \$ 112.33 million or equivalent to Rp. 1.57 trillion (assuming an exchange rate of 14,000) grew more than double compared to 2011 which was only US \$ 40.62 million. As a result, PT Krakatau Steel had to suffer losses throughout 2018.

The provisions relating to safeguard measures in Indonesia are laid down in Law No . 7 of 1994 concerning the ratification of the World Trade Organization Agreement; further provisions are laid down in the form of Presidential Decree No. 84 of 2002 relating to domestic industrial safeguard measures relating to the effects of an increase in imports, mutually agreed upon. International content as previously mentioned.

In Indonesia, the authority to carry out an investigation is the Indonesian Trade Safeguard Committee (hereinafter abbreviated as KPPI), and an investigation by KPPI can be carried out if a request is made as long as KPPI has proof of a rise, before the safeguard is carried out, in order to prove that there is a serious loss and/or danger of a serious loss.

“The legal basis for investigating safeguard measures is the Agreement on Safeguard, WTO; Republic of Indonesia Government Regulation Number 34 of 2011 concerning Antidumping Measures, Compensation Measures, and Trade Safeguard Measures; Law Number 7 of 1994 concerning Ratification of the Agreement Establishing The World Trade Organization, Article 13 paragraph (1) point a; Law Number 10 of 1995 concerning Customs; and Presidential Decree No. 84/2002 concerning Safeguard Measures for Domestic Industries from the Impact of Surging Imports. KPPI was formed based on Presidential Decree No. 84 of 2002 concerning Actions to Safeguard the Domestic Industry from the Impact of Surging Imports [11].”

Domestic industries suffering serious losses or threats of serious losses caused by an increase in imports of similar or directly competitive products may apply to the Indonesian Trade Safeguard Committee (KPPI) for an investigation of safeguard measures. Parties that can submit such applications are producers, producers 'associations, workers' organizations, importers, importers 'associations, industrial users, exporters, exporters' associations, governments, individuals, or related legal entities. The institutions authorized to handle safeguard measures are the Indonesian Trade Safeguard Committee (KPPI) and the Trade Security Directorate (DPP) [12].

Based on Presidential Decree of the Republic of Indonesia Number 84 of 2002 concerning Safeguard Measures for Domestic Industry from a surge in imports, Article 3 paragraph (2) states that in order to facilitate the investigation process, the application must complete the data at least containing the following, “a) Applicant identification; b) complete description of the investigated item; c) complete description of similar goods or directly

competitive goods; d) name of exporter and exporting country and or country of origin of the goods; e) the domestic industry is suffering; d) information about serious loss and/or threat of serious loss; and e) information on investigated goods import data.”

Furthermore, according to Regulation No 37/M-Dag/Per/9/2008 of the Minister of Trade, 'Safeguard steps are steps taken by the Government to fix serious losses and/or to avoid serious losses in the domestic industry caused by an increase in imports of similar goods or supplementary goods from the domestic industry, the aim is to make the domestic industry capable of causing structural losses that are serious.

Article 70(2) of Regulation No 34/2011 of the Government of the Republic of Indonesia on Anti-Dumping Measures, Compulsory Measures and Trade Safeguard Measures (PP 34/2011), where safeguards may be implemented in the form of import duties or quotas, also provides for the form of safeguards in Indonesian regulations. The definition of the import duty of the safeguard measure itself is found in Article 1 Number 25 PP 34/2011, which reads as follows: 'Safeguard Measure Duty is a State duty to recover losses or to avoid serious threat of serious losses suffered by the domestic industry as a result of an increase in the number of imported products or related goods [13].’

The safeguard measures adopted should not exceed 4 years on the basis of Article 7 of the Agreement on Safeguard, but these acts can be extended as long as they do not exceed 8 years. After passing 8 years, these safeguard actions should be gradually reduced. So that imported goods which at the time the safeguard measures are taken can enter slowly into Indonesia.

Where the form of safeguard chosen is import duty, it shall be determined by the Minister of Finance, whereas if it is a quota, it shall be determined by the Minister of Industry and Trade. Where an import duty safeguard measure is levied, the maximum amount of the import duty safeguard measure is the amount required to recover serious losses or to avoid the danger of serious losses to the domestic industry [14].

Domestic industries experiencing serious losses or threats of serious losses due to an increase in imports of similar goods may apply to the Indonesian Trade Safeguard Committee (KPPI) an application for an investigation into safeguard measures. The parties that can submit the application are producers, presidential associations, and the government [15].

Article 2 The Agreement on Safeguard explains that, in order to enforce such safeguard steps, the Member States of the WTO must be able to assess whether imports into their territory increase and trigger or endanger or cause harm to domestic industries which manufacture similar goods or products which are directly competitive with imports. WTO member countries must be non-discriminatory when enforcing this safeguard. The argument is that security measures are applied to a commodity that is manufactured irrespective of the source of the commodity [16].

4. Conclusion

From the above discussion, it can be concluded that the legal protection of the domestic industry through safeguard measures has not been carried out by the Government of Indonesia properly and optimally, even though Indonesia has joined the WTO membership, and established the safeguard regulations. The increasing number of imported goods of the same kind that enter the country so that it can create a loss or threat of loss to the domestic industry. Importing companies are obliged to comply with the standard of import goods and quotas to

be implemented. Meanwhile, for exporting companies, if they are subject to safeguards by the export destination country, they will immediately coordinate with the directorate of trade security, trade attaches/representatives of the Republic of Indonesia abroad, and other relevant agencies to defend. The role of the Government is very important in facing the globalization of trade. One of the roles and efforts of the Indonesian Government is to optimize the KPPI and DPP under the Indonesian Ministry of Trade. Domestic industries that experience serious losses or threat of serious losses due to a surge in imports of similar goods can submit a request for an investigation of safeguard measures to the Indonesian Trade Safeguard Committee (KPPI).

5. Acknowledgements

We would like to express our special thanks of gratitude to our colleague Prof. Maroni as well as Dean of Faculty of Law, University of Lampung who gave us the golden opportunity to take part in this International Seminary as a participant, which also helped us in doing this paper with his knowledge. Secondly we would also like to thank to our family for their understanding, within the limited time frame, finally we can finish this paper.

References

- [1] T. Larsson, *The Race to the Top: The Real Story of Globalization* No Title. Washington DC: Cato Institute, 2001.
- [2] A.M. Suherman, *Hukum Perdagangan Internasional. Lembaga Penyelesaian Sengketa WTO dan Negara Berkembang*. Jakarta: Sinar Grafika, 2014.
- [3] F. J. Priyono, *Hukum Perdagangan Barang dalam GATT/WTO*. Medan: Universitas Sumatera Utara, 2012.
- [4] S. Mahmul, *Perdagangan Internasional dan Penanaman Modal*. Medan: Universitas Sumatera Utara, 2005.
- [5] M. Sood, *Hukum Perdagangan Internasional*. Jakarta: PT Raja Grafindo, 2011.
- [6] *Peraturan Menteri Perdagangan Nomor 37/M-Dag/Per/9/2008 Tentang Surat Keterangan Asal (Certificate Of Origin) Terhadap Barang Impor Yang Dikenakan Tindakan Pengamanan (Safeguards)*.
- [7] *Kepres Nomor 84 Tahun 2002, Tentang Tindakan Pengamanan Industri Dalam Negeri Dari Akibat Lonjakan Impor*.
- [8] B. H. Primora, *Pentingnya Ketahanan Nasional Dalam Kehidupan Berbangsa dan Bernegara*. Yogyakarta: Universitas Gadjah Mada, 2015.
- [9] C. Barutu, *Ketentuan Anti-dumping, Subsidi, dan Tindakan Pengamanan (Safeguards) dalam GATT dan WTO*. Bandung: Citra Aditya Bakti, 2007.
- [10] M. Fuady, *Hukum Dagang Internasional (Aspek Hukum dari WTO)*. Bandung: PT Citra Aditya Bakti, 2004.
- [11] S. K. Lestari, *Tinjauan Yuridis Atas Perlindungan Hukum Terhadap Industri Dalam Negeri Melalui Peraturan Nasional Dikaitkan Dengan Upaya Safeguard Dalam World Trade Organization (WTO)*. Jakarta: Universitas Gadjah Mada, 2010.
- [12] KPPI, "Komite Perdagangan Indonesia," 2020. <http://kppi.kemendag.go.id/faq/index/8> (accessed Aug. 05, 2020).
- [13] *Regulation of The Minister of Trade No.37/M.Dag/Per9/2008 Concerning Certificate of Origin for Imported Goods Subject to Safeguard Measures*.
- [14] *Regulation of The Government of The Republic of Indonesia No. 34/2011 Concerning*

Antidumping Measure, Compulsary Measure, and Trade Safeguard Measure.

[15] KPPI, “Komite Perdagangan Indonesia.” <http://kppi.kemendag.go.id>.

[16] T. Sunandar, *Perdagangan Hukum Perdagangan Internasional dari GATT 1947 sampai Terbentuknya WTO*. Jakarta: BPHN Department Kehakiman, 2010.

The Effect of Sukuk Ijarah Issuance on Company Profitability in Indonesia

Muhammad Suhaidi¹, Mardhiyah Hayati²
 {muhammadsuhaidi545@gmail.com¹, mardiyah.hayati@radenintan.ac.id²}

Graduate Program of Raden Intan Lampung Islamic State University, Indonesia¹, Raden Intan Lampung State Islamic State University, Indonesia²

Abstract. The issuance of corporate securities can increase the profitability ratio. One of the securities that can be issued is the ijarah sukuk, securities issued on the basis of Islamic values and considered quite prospective for the issuer. In Indonesia, ijarah sukuk is issued by various companies, hence this research was carried out to know the reason and to find the relationship with the company profitability. The population in this study were all companies that issued ijarah sukuk on the Indonesia Stock Exchange (IDX) from 2013 to 2018. The sampling technique was purposive which indicated that only 9 companies met the criteria. The results showed that the ijarah sukuk had an influence on the company's profitability. When the ratio of the ijarah sukuk increases by 1%, the profitability increases by 0.393%.

Keywords: Ijarah Sukuk, Profitability.

1 Introduction

The business climate is growing according to the trends [1]. The development is caused by various human activities that continue to increase. Thus, a business certainly has various objectives, one of which is to achieve a certain level of profit or even more. In order for to achieve these goals, the company's operations must be smooth and be able to take advantage of all available resources. This is done in order to achieve optimal profit and can affect the survival of the community.

In companies, profit or profitability can be interpreted as a prospect for the future or as a potentially good development for the company. Thus, how the company performs is very important for assessing various potential changes. This is done to assess potential changes in economic resources that is potential to be controlled in the future. In addition, it can be used to predict the production capacity of the existing resources. This means that the company's financial statements must be analyzed thereby it can be used by the company leaders as a decision-making tool and used by the shareholders to see the financial performance [2].

Good company performance reflected in the financial statements is part of the company's excellence [3]. It can be implied that the measurement of company performance, one of which is the profitability ratio because it enables to see the effectiveness of a company. Thus, the companies are required to make efforts to obtain maximum profit. One of the ways that a company can do to obtain maximum profit is by increasing the company's capital such as issuing securities [4].

The issuance of corporate securities can increase the profitability ratio [5]. It is because how the way a company can increase capital for its operations which in turn will affect profits. However, securities have various types even in the growing Islamic financial system and Islamic business, many companies issue securities based on Islamic values.

In Indonesia, one of these securities is in the form of Ijarah sukuk [4]. Ijarah Sukuk in the fatwa of the National Sharia Council (Indonesia) Number 41 / DSN-MUI / III / 2004 states that ijarah sukuk is a securities based on an ijarah agreement or contract with the scheme of renting out the benefits of an asset to another party based on the agreed price and period without transfer of title.

The ijarah sukuk is considered quite prospective for issuers [6]. The issuance of ijarah sukuk itself has a function as a financing instrument as well as an investment instrument offered in various forms or various sharia contract structures. In Islamic economics, investment in ijarah sukuk is an investment that is recommended because it prioritizes Islamic law and is based on the economic foundations that are permitted in Islamic laws. In addition, this type of investment, ijarah sukuk, is an investment that is not only for Muslims but also is for various investors from different religious backgrounds [7].

This situation shows that the ijarah sukuk is considered capable of influencing the company's profitability [8]. Moreover, the ijarah sukuk is also considered to be one of the instruments that capable of making profitability increase significantly with good company management. In order to know the proportion of the financing use through sukuk, it is calculated by the proxy ratio, namely the Sukuk to Equity Ratio. This ratio will measure the proxies of funds originating from sukuk in the company's equity.

In Indonesia, there are 9 companies that have issued ijarah sukuk, as shown in the following table:

Table 1
The Development of Sukuk to Equity Ratio

No	Company name	Years						Average
		2013	2014	2015	2016	2017	2018	
1	PT Aneka Gas Industri Tbk	0.06	0.04	0.02	0.02	0.01	0.01	0.03
2	PT Sumberdaya Sewatama Tbk	0.04	0.07	0.04	0.38	0.37	0.35	0.21
3	PT Indosat Tbk	0.47	0.59	0.48	0.41	0.46	0.58	0.50
4	PT Perusahaan Listrik Negara (Persero) Tbk	0.09	0.19	0.02	0.02	0.03	0.01	0.06
5	PT Mitra Adiperkasa Tbk	0.07	0.02	0.01	0.01	0.01	0.01	0.02
6	PT Pupuk Kalimantan Timur Tbk	0.01	0.01	0.01	0.32	0.28	0.29	0.15
7	PT Salim Ivomas Pratama Tbk	0.01	0.02	0.01	0.01	0.01	0.01	0.01
8	PT Berlian Laju Tanker Tbk	0.06	0.04	0.18	0.09	0.17	0.15	0.12
9	PT Summercon Agung Tbk	0.04	0.01	0.01	0.01	0.01	0.02	0.02

Source: Indonesia Stock Exchange

Table number 1 shows how the development of the sukuk to equity ratio from 2013-2018. The table shows that Indosat Tbk company occupies the highest position in its development ratio. This shows that the company gets a better source of funding from the ijarah sukuk than other companies and more people who buy to own sukuk of the company than to invest in other companies. However, can it be justified if the issuance of ijarah sukuk is able to affect the company's profitability? Moreover, there are many other instruments that a company can issue and the growth of ijarah sukuk in other companies tends to be small, hence, the effect needs to be examined further. In fact, with further observation, almost all companies did not experience growth of more than 1%.

2. Literature Review

The term 'Investment' means something different to economists than it does to most of the rest of the world. Sukuk is not a new term in Islamic history because it has been known since the Middle Ages, when Muslims used it in the context of international trade. Sukuk is the plural form of the word shakk [9]. It was used by traders at that time as a document showing financial obligations arising from trading businesses and other commercial activities. However, a number of Western writers who are concerned with the history of Islam and the Arab nation, state that this shakk is the root of the word "check" in Latin, which is now commonly used in contemporary banking transactions [9].

Terminologically, shakk is a paper or note on which there is an order from someone to pay a certain amount of money to another person whose name is written on the paper. In short, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) defines sukuk as a certificate of equal value which is evidence of ownership distributed over an asset, benefit rights and services or ownership of certain investment projects or activities.

Specifically, ijarah sukuk is a sukuk issued based on an agreement or ijarah contract where one party acts himself or through a representative sells or leases the beneficial rights of an asset to another party based on the agreed price and period, without being followed by a transfer of ownership of the asset itself.

Another definition of ijarah sukuk is financing using the ijarah contract system, or securities containing financing contracts based on sharia principles issued by companies, governments or other institutions that require the issuer to pay income to sukuk holders in the form of fees from the proceeds of leasing assets and repaying the principal funds of the sukuk at due date [10].

Profitability refers to a ratio used to measure a company's ability to generate profits from its normal business activities. The profitability ratio is also known as the reliability ratio. Besides aiming to determine the company's ability to generate profits over a certain period, this ratio also aims to measure the level of management effectiveness in carrying out company operations. The profitability ratio is the ratio that describes the company's ability to generate profits through all its capabilities and resources, namely those derived from sales activities, use of assets, and use of capital. The profitability ratio or rent-ability ratio can be used as a tool to measure the level of performance effectiveness of finance [11].

3. Methods

The method used in this research is associative quantitative research using secondary data obtained from the Indonesia Stock Exchange (IDX) 2013-2018. The population of this study were 18 companies that issued Ijarah sukuk on IDX from 2013-2018. While the sampling used purposive sampling hence only 9 companies meet the criteria. Tests conducted in the study used computer-based statistical tools with regression.

4. Result and Discussion

The results showed that the ijarah sukuk issued by companies in Indonesia had an influence on the company's profitability. The effect of Sukuk to Equity Ratio on company's profitability has a continuous effect. This shows that the Sukuk to Equity Ratio is the underlying profitability. The effect of Sukuk to Equity Ratio on profitability shows that the greater this influence, the better the company's ability to pay Sukuk so that it can also attract investors to invest their capital, but usually investors tend to see the profitability of a company first.

Investment through ijarah sukuk is an investment that is recommended both in Islamic and conventional law considering that it has criteria that do not violate the law and are disgusting to either Muslims or non-Muslims. In Islamic economics there are several investment criteria that are taught, among others, the company must be clear, the halal product and the process. Therefore, investing through ijarah sukuk can be an alternative as well as a solution for investors in investing. Regarding the majority of Muslims in Indonesia, it will certainly be a strategic market share for investors and companies.

The results of the analysis indicated that the effect of Sukuk To Equity Ratio has a significant effect on company profitability. When ijarah sukuk increases by 1% it will affect a 0.393% increase in the company's profitability and score $t_{\text{count}} > t_{\text{table}}$ ($2,996 > 2,0167$). This is because the high value of the sukuk to equity ratio can increase investors' interest in investing in the sukuk issuer. In addition to increasing investors, a high sukuk to equity ratio can also increase the profitability of a company because in the Islamic economy the value of sukuk to equity ratio is the underlying value of profitability.

5. Conclusion

As informed previously, every investor is expected to have the advantage of investing, investing in sukuk ijarah can be an option. People can buy ijarah sukuk from the primary market and ijarah sukuk can also be sold on the secondary market. This means that the sukuk that investors have purchased can be resold when the market price is higher than the purchase price. If the sukuk has been sold before the contract time, the sukuk has been sold on the secondary market, investors will get a margin from the remaining years before the due date. Then, the first party who has sold the sukuk will not get a margin from the sukuk, because it has changed owners.

References

- [1] G. Raketteye, "Global Trends and Their Influence on Future Business Performance," *Int. J. Bus. Perform. Manag.*, vol. 14, no. 1, pp. 95–110, 2013.
- [2] Barkian, *Analisis Laporan Keuangan: Teori dan Praktik*. Jakarta: Bumi Aksara, 2009.
- [3] R. Gupta, "Business Excellence Measures and Prediction of Financial Performance - A Study of Selected Listed Companies in India," *Sobhagya Consult. Mark. Serv. India*, vol. 1, no. 1, 2013.
- [4] Hery, *Analisis Laporan Keuangan: Integrated And Comprehensive Edition*. Jakarta: PT. Gramedia Widasarana Indonesia, 2016.
- [5] R. Moch, "The Effect of Liquidity, Profitability, and Solvability to the Financial Distress of Manufactured Companies Listed on The Indonesia Stock Exchange (IDX) Period Year 2015-2017," *Acad. Account. Financ. Stud. J.*, vol. 23, no. 6, pp. 1–16, 2019.
- [6] Yuliana, "Pengaruh Kinerja keuangan Terhadap Penetapan Tingkat Sewa Obligasi Syariah Ijarah di Indonesia," *J. Ekon. dan Manaj.*, vol. 6, no. 1, pp. 219–250, 2010.
- [7] A. Rahman, "Impact of Time Value of Money Theory in Ijarah Sukuk Genuineness: the Case of Bahrain and Malaysia," *Int. Bus. Res.*, vol. 11, no. 7, pp. 56–62, 2018.
- [8] M. Hanafi, "Pengaruh penerbitan sukuk ijarah terhadap profitabilitas perusahaan yang terdaftar di bursa efek Indonesia tahun," *J. Erat Acitya - UNTAG*, vol. 4, no. 3, pp. 70–85, 2015.
- [9] A. Fatah, "Perkembangan Obligasi Syariah (Sukuk) di Indonesia: Peluang dan Tantangan," *J. Al- 'Adalah*, vol. X, no. 1, pp. 36–43, 2011.
- [10] Ryandono, *Bursa Efek Dan Investasi Syariah*. Jakarta: Serambi, 2009.
- [11] M. Hariyanto, *Analisis Laporan Keuangan Integrated And Comprehensive Edition*. Jakarta: PT. Gramedia Widasarana Indonesia, 2014.

Competitive Strategy Analysis on Traders in Manonda Inpres Market Palu (Islamic Business Ethics Perspective)

Nasaruddin Mera¹, Muhammad Taufan Badollahi²,
Muhammad AmiHanafi³

{nas2015prudential@gmail.com¹, muhtaufanb6@gmail.com², aminhanafi76@gmail.com³}

Shariah Faculty of IAIN Palu, Palu, Indonesia¹, Shariah Faculty of IAIN Palu, Palu, Indonesia²,
Faculty of Law of Khairun University 2, Ternate Selatan, Indonesia³

Abstract. The purpose of this research is to describe the competitive strategy and analyze the perspective of Islamic business ethics on the competitive strategy of traders in the Manonda Market Palu. This study uses the Participatory Action Research (PAR) research method. The result of this research is Competitive Strategy traders at Manonda Inpres Market, Palu City, covering price strategies, promotions, and products. Some of these strategies have not been implemented properly. In terms of ethics business with the characteristics that the Prophet exemplified: Siddiq (honest), Amanah (Trust), Fatanah (Intelligent), and Tablig (Argumentative and Communicative). not running as it should be, To reap big profits, one way is done by traders in the Manonda Presidential Market still often playing cheating, there has been a trading strategy pattern holding the trust of A business person's ability to communicate products or goods most appropriately.

Keywords: Competitive Strategy, Islamic Perspective, Islamic Business Ethics.

1 Introduction

In the era of globalization, business is a part of economic activity that has a very vital role in meeting the needs of human life. Therefore, business activities affect all levels of human life whether, individually, socially, regional, national, and international. It was found [1], that everyday humans there are processes of interaction, buying and selling, producing, showing off, working, and so on as a profit-making process [2].

Business in the world of commerce is one of the things that are very important in human life. It is with that purpose that humans are competing to pursue wealth by way of doing business. As stated in [3], that Islam obliges its followers to always work in fulfilling all their lives [4].

One of the centers of economic activity in trade is the market, both traditional markets as well as modern markets. The market is a public facility that is vital to the economy of a region. Apart from being a pulse, the market is also a barometer for the level of economic growth of the community. Trading strategies are steps that must be carried out by traders. This strategy is very important, as well whatever the quality of the goods and the market position it takes will not work if it is not followed with the right strategy. Because of the measure of the success of a trader when able to implement strategies that can provide satisfaction to customers.

In the Islamic view, business is not just about making a profit, however blessing. Doing business is not allowed to violate Islamic law. The provisions of the sharia are good in capital, strategy, process, practice, and so on. Islam has its tools Sharia, namely religious norms in all aspects of life including business and business. The researcher chose the Masomba market location in Palu City because this market is sufficient developing, but in the practice of buying and selling things that are not by Islamic law, for example mixing good quality goods with good of poor quality, increasing the price significantly ahead of Ramadan and Hari Raya Eid Al-Fithr.

The focus of this paper is centered on answering the question "How to behave in a competitive strategy and provide an analysis of Islamic business ethics perspectives on the competitive strategies of traders in Manonda Market, Palu City?".

2 Methods

The research method used is Participatory Action Research (PAR) such as stated in [5], namely research activities carried out in a participatory manner recognizes social relationships and values the reality of our experiences, thoughts, and feelings. This research is looking for something to link the research process into the process of social transformation. This research recognizes that change poses is a topic that can be researched. [6] This research brings the research process into the circle of people's interests and finding practical solutions to common problems and issues requiring action and joint reflection, and contribute to practical theory.

3 Result and Discussion

Basically, in the discussion of Competitive Strategy Analysis for Traders in the Market Manonda Inpres Manonda Kota Palu (Islamic Business Ethics Perspective) can be seen in Concept of Strategy and Competing, the development and importance of business ethics and perspectives Islamic Business Ethics on Traders' Competitive Strategies in the Manonda Presidential Market in Palu City.

3.1 Concept of Strategy and Competitive Strategy

In the current economic conditions, it is not easy for entrepreneurs to survive developing. Every business organization is faced with two types of environments, namely the internal environment, and the external environment. The bigger the business, the more complex it is the form, type, and nature of the interactions that occur in dealing with both types of environment. Entrepreneurs need to understand the internal environmental conditions broadly and deeply to be able to find out the weaknesses and strengths they have. Besides knowing the strength and weaknesses, business people also need to pay attention to the opportunities that exist and take advantage of them for business activities to have a competitive advantage. The strategy is a large-scale plan that is oriented towards long-term interactions with a competitive environment [7]. As stated, in this case understand that the strategy chosen is to be able to win minds share customers, after that determine the market segmentation that will be entered and finally direct customers with trust. Furthermore, According to the views [8], The traditional view of the competition will be developed into five competitive forces consisting of competition among existing companies, the threat of new competitors, the threat of product substitution, supply power of suppliers, and the buying power of the buyer [9].

The stages of evaluating competitors can be seen as follows:

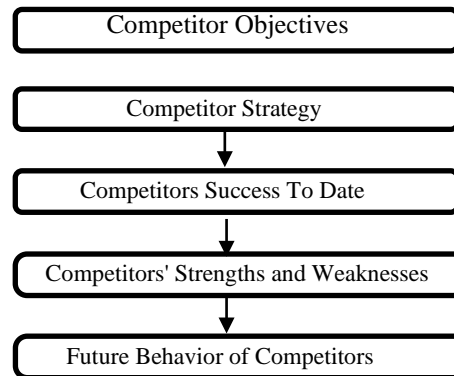


Figure 1. Competitor Evaluation Stage

In states that competitive strategy is the search for a competitive position profit able within an industry, the fundamental arena in which it occurs competition [10] The marketing strategy is further stated that marketing is a set of goals and objectives, policies and rules that give direction to business marketing from time to time, at each level and its references and allocations, especially as a response of a businessman in the face of the environment and circumstances ever-changing competition [11].

The forms of competition for traders in the Manonda Commercial Market are Strategy Pricing, it is further explained that an amount of money is needed to forget many combinations of goods and services. Marketers are expected to provide a value (value) to consumers. It was argued that, in addition to paying attention to the product objectives above, marketers must think of the five product levels. Each level adds more customer value and these five form a customer value hierarchies [12].

1. The most basic level is the core benefit, which is the basic service or benefit that the customer bought.
2. At the second level, marketers must convert the core benefits into basic products (basic product)
3. At the third level, marketers prepare an expected product) which is a set of attributes and conditions that the buyer usually agrees with the product.
4. At the fourth level, marketers provide an augmented product) that can meet customer desires beyond their expectations.
5. At the fifth level, there are potential products, which include: all the improvements and transformations that the product will eventually experience in the future.

This is where the company is aggressively looking for new ways to satisfy customers and differentiate the offerings. Then the link between each product and the products Competitor Objectives Future Behavior of Competitors Competitor Strategy Competitors' Strengths and Weaknesses Competitors Success To Date Potential Product Augmented Product Expected Product. Basic Product Core Benefit certain others cause a hierarchy of products ranging from basic needs to products that satisfy a specific need. Next, marketers usually do classify.

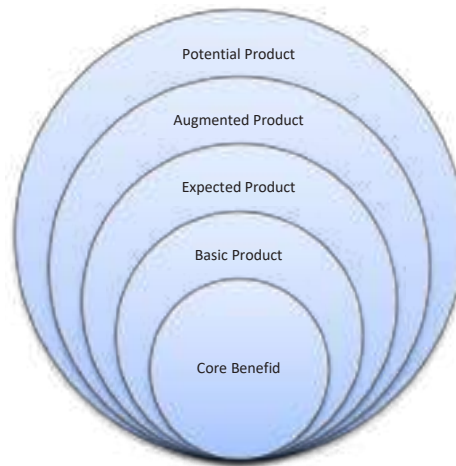


Figure 2. Product Hierarchy Level

Competition now occurs at the incremental product level. Additional products require marketers to look at the buyer's consumption system "the way a buyer uses the product to get what he wants" this way the marketer will know the opportunities that can be added to the offer by way effective.

From the results of the interview above, it can be concluded that there are traders in the Presidential Market Manonda Palu City who determine prices according to market conditions. If other traders increase the price of their merchandise, then other traders also raise the price of the merchandise. Besides, it also provides a deep picture pricing of goods greatly affects sales results. Promotion strategies and strategies Product [13] argued Promotion is one of the determining factors the success of an endeavor [14]. Promotion is all activities aimed at introducing, persuade, and remind customers of the product.[15] Furthermore, [16] stated that the elements in the business competition are:

- a. Competing parties: for a Muslim, the business is a process of developing assets that are owned. Islam teaches its people to vie for goodness. That is, competition in business is not mutually deadly but done to give and help each other's efforts the best.
- b. In terms of how to compete: business is a part of muamalat human life. Therefore businesses cannot be separated from the laws that govern life humans. The form of a business behavior attitude that justifies any means is an effort that must be eliminated because it is against Islamic principles.
- c. Goods and services that are competed for: things that are often competed for are product, price, place, and service.

In the aspect of competition, [17] it is stated , that it is influenced by 5 strengths, namely:the threat of new entrants, bargaining power of customers, bargaining power of suppliers, the threat of products and competition among the existing contestants [18]. The results of the researchers' observations were that not all traders were in the Manonda Presidential Market Palu City uses a promotional strategy. Even some traders don't use itpromotional strategies in marketing the goods, furthermore, products are everything which can be offered to the market for attention, purchase, use or consumption to satisfy consumer wants and needs.

Based on the results of the research and discussion above, it can be concluded that there is a competitive strategy trader at the Inpres Market Manonda Palu City, including pricing strategies, promotions, and products.

Some of these strategies have not been implemented properly. For example in terms of promotional strategy. Where the merchant is just waiting for the buyer to come and there is no effort to promote their merchandise. Furthermore, in terms of product quality strategies, traders are still found mixing old goods with new ones or good quality goods with damaged ones. Events like this of course violate existing ethics in business.

3.2 Development of Business Ethics

Historically, business or trading activities have never escaped ethical ties. Due to ethical concerns for business as long as the business itself. It is dap to see, that since humans carry out the process of trading or transactions. So he knows about possible fraud. Commercial activities always deal with ethics means that there is always an effort to consider what can and cannot be done. In its development never before in history, business ethics received such attention so great and intense as it is today. Business ethics attained Scientific and academic status with its own identity. Since there was a business, since then business has been linked to human behavior or ethics, as well as ethics, which is always associated with the form of human life, such as politics, family, sexuality, and various other professions [19]. As stated that, ethics in business has a very long history, while the lifespan of business ethics still young. Business ethics in a special sense that first emerged in the United States in the 1970s and quickly expanded to the world region; others.

3.3 The Importance of Business Ethics

Ethical aspects are very important for business people. Because morality is formed from the impetus to the mental state that is manifested when carrying out the profession as a trader. In business, it is not uncommon for the concept of an end to justify any means. Even an action criminal is also needed to get a big profit. The happening reprehensible deeds in the world of commerce do not seem to appear as a trend but on the contrary, are very worrying. Because of more and more days more increasing. The act of breaking promises, mark-ups, no longer displaces interests and public unrest, disregarding environmental aspects, corruption cases, bribery is a classic view of business behavior on business ethics. By looking at the treats view the hustle and bustle of trade where we are we can juxtapose the principles of business ethics in an interactive relationship pattern integrated into the relationship. The business nuance has now changed. The process of Change from the development of this world demands proactive action to make improvements in business ethics.

3.4 Perspectives of Islamic Business Ethics on Competitive Behaviors and Strategies of Traders in

Manonda Presidential Market in Palu City

The strong influence of Western secularism business today makes competition in the world business and commerce are increasingly out of control. The evidence and facts can be seen for your self, that the existing competition is growing and leads to practices free, an illegal competition which justifies various means of getting profit and success. Competition, among others, can be seen in the Product aspect, Price Aspect, Place Competition, and Service competition.

Meanwhile, in the Islamic concept, business ethics is a process and an effort to know and do things right. Consistently enforce law and justice on the principles of truth. So that is running a business, business actors are required to run their business by Islamic business ethics. Some of them are:

- a. The principle of Tauhid: Tauhid is the basic theology of human activity that relies on that human are divine creatures; divine beings and all its activities cannot be separated from the guidance and supervision of Allah SWT.
- b. The Principle of Responsibility. Namely: business people in running their business to be responsible to Allah SWT for his business behavior. Because of the deep treasure, Islam as a business commodity in Islam is a mandate from Allah SWT to be accounted for.
- c. The principle of wise and honest, namely: trying to provide benefits for others, and didn't harm him. Honest behavior in Islam is a character of business behavior must-have.

As for the Islamic perspective, [20] as stated in, competition should be used as a means to achieve fair and healthy performance (Fastabiquil al-Khaerat). Here in lies the difference between Western and Islamic thought. Based on observations, some of the facilities available at the Manonda Palu Inpres Market are as follows:

Table 1. Manonda Inpres Market Facilities, Palu

No	Facilities	Location	
		Inside	Outside
1.	Ruko		✓
2.	Sale place Kaili	✓	
3.	Sale place butcher and the like	✓	
4.	Sale place clothes seller and the like	✓	
5.	Fish stall	✓	
6.	Sale Place dried fish and the like	✓	
7.	Sale place mixed traders	✓	
8.	Sale place vegetable and seasoning seller	✓	
9.	Sale place seller of snack/cakes and drinks	✓	✓
10.	Sale place seller of gold jewelry, accessories and the like	✓	✓
11.	Sale place seller of children's toys and the like	✓	✓
12.	Sale place shoe seller and the like	✓	✓
13.	Sale place household furniture seller, kitchen and the like	✓	✓
14.	Sale place milling	✓	✓
15.	Mushalla		✓
16.	Public toilet		✓

Source: Self-professed data

The number of business establishments available at the Inpres Manonda Palu market is:

Table 2. Recapitulation of Business Places in Manonda Inpres Market, Palu

No	Type of place of business	Total
1.	Stall	1.171
2.	Shophouse	131
3.	Sale place	556
4.	Street vendor	452
	Total	2.310

Source: Manonda Market Office, 2017

Based on the data above, the number of business establishments provided is 2,310 with 1,171 stalls, 131 shop houses, 556 booths, and street vendors as many as 452.

The business world is dynamic in nature, marked by changes from time to time and there is a connection with one another [21]. Therefore, it was proposed that a strategy is needed in running a business in the form of a competitive strategy.

Pricing and Promotion Strategy.[22] The results of the research showed that the cause of the soaring prices of necessities in the month Ramadan and Eid due to policies in perspective capitalist where prices are left to the market mechanism. the strategy of competing traders on The Manonda Presidential Market in Palu City includes pricing, promotion, and product strategies. not yet done well. For example in terms of promotion strategies. Where only traders waiting for buyers to come and there is no effort to promote merchandise.

The business ethics of a Muslim are shaped by faith which is his view of life, namely provides basic norms for the building and fostering all *muammalah* activities.[23] As stated that the future vision of doing business is ethics the first and foremost outlined in the Koran so that business people do not just seek temporary but future-oriented profits. [24] As for Islamic trading ethics exemplified by the Messenger of Allah. [25] all of which are implemented from the characteristics of the Prophet are: *shiddiq*, *Amanah*, *fathanah*, and *tabligh*.

The business has always played an important role in the economic and social life of all society. argued that Islam from its birth, allowed there is a business because Rasulullah saw. itself at first also did business in the long run for quite a long time. Based on the results of the interview, it can be understood to reap big profits, one way that traders still do the Manonda Inpres Market often play cheating, [26] As said , that a businessman should be can be trusted as exemplified by the Prophet Muhammad. in holding *Amanah*.Rasulullah saw [27]. teaches that trust is the main capital in do business [28]. And a businessman argued that he must be able to communicate the product or goods in the most appropriate way that it can attract prospective buyers in terms of scales [29]. Though playing that cheating for bringing in prospective buyers is not done by waiting but must implement in the right way [30]. The nature of this *Tablig* can be varied in form communication and argumentation in conveying something. But in practice, not just conveyed, but must be packaged in a way that is communicative and argumentative so that the essence of the message to be conveyed can be conveyed. Any advantages and disadvantages of the goods being marketed must be conveyed to customers or consumers. Likewise in presentation, it must be done with the same technique true so that the intent and purpose and everything are conveyed correctly.

4 Conclusion

Based on the research results, there are several conclusions as follows:

- a. The competitive strategy of traders in the Manonda Presidential Market in Palu City has not been implemented well. This is due to the lack of knowledge of traders against promotional strategies so that their perception of getting customers can only be done by waiting.
- b. Competitive Strategies for Traders from the Perspective of Islamic Business Ethics in the Manonda Presidential Market Palu City is not yet by the Islamic values exemplified by Rasulullah saw. Among them, some traders are dishonest and dishonest open about the goods sold.

References

- [1] Norvadewi, "Bisnis dalam perspektif Islam(tela'ah konsep, Prinsip dan landasan Normatif)," *Ekon. dan Bisnis Islam*, no. Bisnis Islam, p. 33, 2015.
- [2] R. H. T. S. Gil Appel, Lauren Grewel, "The future of social media in marketing," *Acad. Mark. Sci.*, vol. 48, pp. 79–95, 2020.
- [3] M. Kafh, *Ekonomi Islam (Telaah Analitik Terhadap Fungsi Sistem Ekonomi Islam)*. Yogyakarta: Pustaka Belajar, 1999.
- [4] Kasmir, *Kewirausahaan*. Jakarta: Rajawali Pers, 2014.
- [5] D. Schubotz, "Methods: Participatory action research, Social change, Journal Sage research methods," 2020.
- [6] and K. A. W. Danielle L. Haverkate, Travis J. Meyers, Cody W. Telep, "On PAR with the Yard: Participatory Action Research to Advance Knowledge in Corrections CORRECTIONS: POLICY, PRACTICE, AND RESEARCH," 2019, [Online]. Available: <https://doi.org/10.1080/23774657.1576149>.
- [7] dan S. L. Philip Kotler, Hermawan kartajaya, Hooi Den Huan, *Rethinking Marketing Sustainable Market-ing Enterprise in Asia*, terj. Marcus P. Widodo, *Rethinking Marketing Sustainable Market-ing Enterprises di Asia*. Jakarta: PT Naratiga Dinamika, 2005.
- [8] D. E. and E. S. Brahim Herbane, "Business Continuity Management: time for a strategic role?," *J. Long Range Plan.* 37, pp. 435–457, 2004.
- [9] M. E. Porter, "Competitive Strategy: Techniques for Analyzing Industries and Competitors," p. 5, 2013.
- [10] M. E. Porter, "Competitive Strategy: Techniques for analyzing Industries and competitors," *Free Press USA*, 1998.
- [11] G. A. Philip Kotler, *Dasar-dasar Pemasaran: Principle of Marketing*. Jakarta: Prehalindo, 1997.
- [12] C.M. Lingga Purnama, *Strategic Marketing Plan: Panduan lengkap dan Praktis Penyusunan Rencana Pemasaran yang Strategis dan Efektif*. Jakarta: Gramedia Pustaka Utama, 2004.
- [13] Nana Herdiana Abdurrahman, *Manajemen Bisnis Syariah dan Kewirausahaan*. Bandung: Pustaka Setia, 2013.
- [14] G. Chandra, *Strategi dan Program Pemasaran*. Yogyakarta: Andi Yogyakarta, 2002.
- [15] D. W. Cravens, *Strategic Marketing (Burr Ridge Illinois: Richard D Irwin , Inc 1994)*. 2001.
- [16] M. K. W. Muhammad Ismail Yusanto, *Menggagas Bisnis Islami*. Jakarta: Gema Insani, 2008.
- [17] M. E. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors, introduction preface*. 1980.
- [18] D. P. Pamungkas, "Analisis Competitive Force and Competitive Strategy Sistem Informasi Kuliner di Indonesia (Studi Kasus: Kulina.id)," *J. Electron. Informatics, Vocat. Educ.*, vol. 1, p. 2, 2016.
- [19] K. Bertens, *Pengantar Etika Bisnis*. Yogyakarta, 2000.
- [20] Q. Shihab, "Etika Bisnis dalam Wawasan al-Qur'an," *J. Ulumul Qur'an* no 3/VII, pp. 4–5, 2016.
- [21] N. R. P. Anna Ujwary-Gill, "Behavioral Determinants Development," *J. Entrepreneurship, Manag. Innov. JEMI*, vol. 16, no. 2, 2020.
- [22] J. Rowley, "Promotion and marketing communications in the information marketplace," *Libr. Rev.*, vol. 47, pp. 383–387, 1998.
- [23] N. M. D. Muhammad Hasmi Abu Hassan Asaari, "Influence of Salary, Promotion, and Recognition toward Work Motivation among Government Trade Agency Employees," vol. 14, p. 48, 2019.

- [24] A. Kadir, *Ekonomi dan Keuangan Syariah*. Palu: Alauddin University Press, 2011.
- [25] H. Acdy, *Teori dan Aplikasi Etika Bisnis Islam*. Bandung: Alfabeta, 2011.
- [26] H. Acdy, *Teori dan Aplikasi Etika Bisnis Islam*. Bandung: Alfabeta, 2011.
- [27] I. Y. Fauzia, *Etika Bisnis Dalam Islam*. Jakarta: Kencana, 2013.
- [28] Multitama, *Islamic Business Strategy for Entrepreneurship*. Jakarta: Zikrul Hakim, 2006.
- [29] D. J. P. Buchari Alma, *Manajemen Bisnis Syariah*. Bandung: Alfabeta, 2014.
- [30] U. Chapra, *Islam dan Perkembangan Ekonomi*, terj. Ikhwan Abidin, *Islam and Economic Development*. Jakarta: Gema Insani Press, 2000.

The Influence of Price and Family Welfare on the Practice of Buying and Selling Palm Oil in Islam (Case Study) in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency

Nova Yanti Maleha¹, Bagus Setiawan², Chandra Satria³, Intan Junitasari⁴
 {nova@stebisigm.ac.id¹, bagus@stebisigm.ac.id², chandras@stebisigm.ac.id³,
 IntanJunitasari@student.stebisigm.ac.id⁴}

Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia¹,
 Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia²,
 Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia³,
 Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia⁴,

Abstract. Most of the people of Sidomulyo's livelihood are farmers. Many farmers sell their crops to middlemen, because the yields obtained do not cover the requirements to sell directly to the factory and the results obtained are not comparable to a fairly long journey [1]. In line with these problems, this study aims to determine the Islamic law review of the system of implementing the practice of middlemen in the village. This research uses quantitative data, using field studies through interviews, distributing questionnaires and documentation as well as literature related to the problem under study. The results of this study indicate that the price and welfare of the community both partially and simultaneously have an effect on the practice of buying and selling oil palm in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency.

Keywords: *Price, Welfare, Ijon Buying and Selling Practices*

1. Introduction

Islam is a perfect religion, in which Islam regulates all aspects of human life, both from faith, morals, worship and muamalah. In everyday life muamalah is often done to support human life and welfare. Welfare in a modern concept is a condition in which a person can meet basic needs, be it food, clothing, shelter, education, clothing, and work that can support a better life.

According to Sudarsono, people's welfare is a good economic condition because the rules in the economy governing the activities of all parties and the distribution of community income as a result of these economic activities. In all analyzes, welfare is assumed to be something that is directly related to household income and consumption. The focus is on the level of consumption, including health insurance, housing, direct financial assistance, education and other areas of social welfare. In Islamic economics, the success of a branch of science and policy is the extent to which it contributes directly or indirectly to the realization of human welfare, this is clearly the goal of *Maqashid al-syari'ah*.

Sidomulyo Village is one of the agricultural villages, which means the village with the largest livelihood for the population is in agriculture and plantations. In Sidomulyo village, there are many oil palm and rubber plantations which are the main source of livelihood for the population compared to other jobs.

The level of family welfare in Sidomulyo Village is greatly influenced by the oil palm plantation sector, because almost all residents meet their daily needs from the oil palm harvest. Almost every road or yard behind the house or around the house of the residents must plant or find oil palm trees. Here it proves that oil palm has a very high influence on family welfare. In Sidomulyo Village, there is one oil palm company (factory), namely PT PP Lonsum Sumatera Tbk, where the buying and selling price of palm oil is based on the price applied by the factory [2]. If the factory sets the price per kilogram of palm oil, it is Rp. 1,450, - / Kg, then the sale and purchase price of palm oil which middlemen give to residents ranges from Rp. 1,100, - / Kg to Rp. 1,150, - / Kg.

Based on the facts that the researchers found in the field, the way oil palm middlemen dominate the market is by providing loans of money or goods to the community with an agreement to be paid with oil palm or in installments for each sale of palm oil. Regardless of the value of the community loan, it is still agreed by the oil palm middlemen by seeing how often the community sells their crops to the middlemen. Oil palm middlemen do not charge interest on the debt / loan and do not provide a deadline for repayment. Each time the sale, the amount owed is reduced according to the agreement between the two parties. Because they are in debt, the community is tied to the middlemen, and they are reluctant to sell the palm oil to other middlemen [3]. In addition to the facts in daily life observed by the author, if the price of palm oil is high, the practice of buying and selling palm oil is also high and people's consumption tends to increase than usual, and vice versa if the price of palm oil decreases, the practice of buying and selling palm oil will also decrease and the community tends to suppress it. the cost of consumption is as economical as possible.

2. Literature Review

2.1 Understanding of Price

According to the large Indonesian dictionary the meaning of price is the value of goods that are determined or represented by money, it can also be interpreted as an amount of money or other means of exchange of value, which must be paid for products or services, at a certain time and in certain markets [4]. Meanwhile, according to the terminology defines as follows:

- a. According to Philip Kotler Price is one element of the marketing mix that generates income; other elements generate costs. Price is the most adaptable element of the marketing mix; product features, channels, even promotions take more time. Price also communicates the company's intended value position to the market regarding its products and brands [5].
- b. Prof. DR. H. Buchari Alma said that in economic theory, the notions of price, value and utility are the most related concepts. What is meant by utility is an attribute attached to an item that enables the item to fulfill its needs, wants and satisfy consumers. So the price (price) is the value of an item expressed in money [6].

2.2 Welfare According to Islam

Welfare according to Islam includes material and non-material welfare. Islam teaches that property is not the only indicator of welfare because basically property is only a tool used for the purpose of worshipping Allah SWT. Allah has spread sustenance for humans on earth and in the sky, to obtain this sustenance, humans must certainly try. One form of business in obtaining sustenance is by working. By working, humans will get a reward in the form of a salary or income. Allah SWT does not need any sustenance from humans, but it is Allah SWT who provides sustenance to humans. Allah explains this in Sura Adz-Zariyat verses 56-58.

2.3 Understanding Buying and Selling

According to the large Indonesian dictionary the definition of sale and purchase is a mutually binding agreement between the seller, namely the party who delivers the goods, and the buyer as the party who pays the price of the goods sold [4]. The definition of buying and selling according to the basic principles of Islamic economics is a contract, like any other civil contract, which is made based on a statement (ijab) and a request (qabul) that is clearly stated either verbally or otherwise which has the same meaning. The statement can be made in person or by letter or news. The sale and purchase contract, according to the Qur'an, should be written, whether small or large, along with the terms and witnesses [7].

The definition of buying and selling or Bay'u is an activity of exchanging goods with other goods in a certain way either using a contract or not using a contract [8]. In essence, between the seller and the buyer each knows that the sale and purchase transaction has taken place perfectly.

According to Sayyid Sabiq, the definition of buying and selling is the exchange of property for assets on the basis of giving up or transferring property in a justified exchange. According to the Hanagiyah Ulama, buying and selling is the exchange of property for assets in certain ways or exchanging something desired for something equivalent in certain useful ways. According to Ibn

Qudamah Buying and Selling is exchanging property with assets in the form of transfer of ownership and ownership [9].

2.4 Pillars of Buying and Selling Islam

The pillars of buying and selling that must be fulfilled include:

- a. There are people who have contract or al-muta'qidain (sellers and buyers).
- b. The existence of shighat (pronunciation of consent and kabul).
- c. There are items purchased.
- d. There is a replacement exchange rate for goods [9].

2.5 Law Underlying Islamic Buying and Selling

In Islam, the laws that underlie the practice of buying and selling are verses of the Al-Qur'an and the Hadith of the Prophet Muhammad. Islam allows its people to do business. As has been explained in Surah Al-Baqarah verse 198. It has also been explained in Al-Baqarah verse 275.

3. Methods

3.1 Research sites

This research was conducted at the Sale and Purchase of Mr Alam Sari's Palm Oil in the village of Sidomulyo, Muara Lakit Subdistrict, Musi Rawas Regency. This is a private micro, small, medium enterprise (MSME) owned by Mr. Alam as a palm oil middleman in Sidomulyo Village.

3.2 Types of research

The type of data used in this research is quantitative data, quantitative data is a method for testing certain theories by examining the relationship between variables [10].

3.3 Data source

In this study, there are two sources of data used, namely primary and secondary. Primary data is the main data obtained by using field studies interviewing and distributing questionnaires to respondents, namely middlemen and palm oil seller communities in Sidomulyo village. Meanwhile, secondary data is taken from documentation of prices and recaps recorded by middlemen as well as palm prices recorded by palm oil mills in Sidomulyo village and literature related to the problems studied, such as literature books that are related to the issues discussed.

3.4 Population and Sample

Population is the subject of research. Population is used to mention all elements / members of an area that is the target of research or is the whole (universe) of the research object. The sample is part or representative of the research object. The population in this study were middlemen and small communities who have oil palm plantations in the house and sell their crops to middlemen. The sample in this study consisted of 88 heads of families/residents who owned oil palm plantations in the house and sold their crops to middlemen.

3.5 Data collection technique

The data collection technique in this study was carried out by using a questionnaire distribution technique, the research was to distribute a list of questions to oil palm farmers or residents who carry out the practice of buying and selling oil in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency.

3.6 Analysis Technique

The data that has been collected is then analyzed quantitatively, where quantitative is a method for testing certain theories by examining the relationship between variables. By using correlational studies, survey research and data quality testing, classical assumption tests, multiple linear regression and hypothesis testing carried out using the SPSS (Statistical Package for Social Science) computer program 22.

4. Results And Discussion

Palm Oil Trading Practices System Applicable to Middlemen in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency.

Based on the results of observations, interviews and questionnaires that the system of oil palm buying and selling in Sidomulyo Village is good and correct, in accordance with Islamic requirements and is able to benefit between middlemen and oil palm farmers and does not harm either party.

The method of middlemen who opens interest-free lending services by paying when oil palm farmers sell their crops to middlemen is allowed in Islam, because in Islam it is permissible for debt and credit on the basis of helping. As has been explained in Surah Al-Baqarah verse 245 as well as the verse which explains that debt payments must be hastened, namely Surat Al-Baqarah verse 282. From the letter above the debt and credit is allowed when in an urgent situation and middlemen help without regarding usury And an agreement has been made. which has been agreed between middlemen and oil palm farmers, so that no one feels disadvantaged in it.

From the author's observations and interviews that have been poured into the questionnaire questions which have been tested for validity and reliability, almost all samples agree with the author's question which contains the system of oil palm buying and selling practice in Sidomulyo Village is good and correct.

4.1 The Effect of Price (X_1) on Palm Oil Buying and Selling Practices (Y) in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency.

Based on the results of hypothesis testing, it is found that the price variable (X_1) has a t-count value greater than t table ($6.441 > 1.98827$) and a significant level less than 0.05 ($0.00 < 0.05$). This shows that the price variable (X_1) partially has a significant relationship with palm oil trading practices (Y). So, H_a^1 is accepted and H_0 is rejected. From the research results, it can be concluded that the price of palm oil has a positive and significant effect on palm oil trading practices. Thus, the higher the price level for palm oil, the practice of buying and selling palm oil is also higher or increasing.

4.2 The Effect of Family Welfare (X_2) on Palm Oil Buying and Selling Practices (Y) in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency

Based on the results of hypothesis testing, it is found that the Family Welfare variable (X_2) has a t-count value that is greater than the t-table value ($2.861 > 1.98827$), and a significant level that is less than or equal to 0.05 ($0.05 \leq 0.05$). This shows that the variable family welfare partially has a significant effect on the practice of buying and selling oil palm. So, H_a^1 is accepted and H_0 is rejected. From the results of the study it can be concluded that family welfare has a positive and significant effect on the practice of buying and selling oil palm. Thus, the higher the welfare of the family, it will be marked by an increase in the practice of buying and selling oil palm.

4.3 The Influence of Price (X_1) and Family Welfare (X_2) on Palm Oil Trading Practices in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency

The results of the study indicate that there is an effect of price and family welfare on the practice of buying and selling oil palm in Sidomulyo Village. This is evidenced by the statistical results of Fcount of 36.279 one unit and Ftable of 3.10 with a significant level of $0.000 < 0.05$. This shows that $F_{count} > F_{table}$ ($36.279 > 3.10$). This calculation shows that the variable price and family welfare have a simultaneous influence on the practice of buying and selling oil palm. The results of the R^2 determination test in this study obtained a determination value of 0.448 one unit, meaning that the percentage of the contribution of the influence of price variables and family welfare on the practice of buying and selling palm oil was 44.8%, while the remaining 55.2% was explained by other variables not included in the research model. this.

Based on the previous hypothesis testing, it can be seen that from the three significant variables, it turns out that the price variables and family welfare together have an influence on the

practice of buying and selling oil palm in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency.

5. Conclusion

Based on the results of research that has been conducted regarding the effect of price and family welfare on the practice of buying and selling oil palm in Sidomulyo Village, Muara Lakit District, Musi Rawas Regency, it can be concluded:

- a. The practice of buying and selling carried out by middlemen is quite correct and good, this has been agreed upon by the respondent who filled out a questionnaire designed by the author and the middleman also opens money lending services for regular customers who sell their crops to the middlemen, this is permitted in Islam. as stated in Surah Al-Baqarah verses 245 and 282. Because it does not contain usury and aims to help fellow Muslims this is allowed.
- b. The variable price of oil palm (X1) and family welfare (X2) together or simultaneously have a significant effect on the practice of buying and selling oil palm (Y). Shown by the results of the F test, the calculation results obtained $F_{count} > F_{table}$ ($36.279 > 3.10$) and a significant level less than 0.05 ($0.000 < 0.05$). When the price of palm oil rises and the harvest increases, there is an increase in the practice of buying and selling palm oil and the welfare of the family increases because of the many expenses that are met.

Reference

- [1] A. Savitri, "Jual beli kopi di desa Way Wakak Kecamatan Abung Barat Dalam Perspektif Ekonomi Islam," skripsi, vol. 101, p. 3, 2019.
- [2] A. Sari, "Keterangan Pengepul Kelapa Sawit," Sidomulyo, 2020.
- [3] A. Sari, "Cara Pengepul Mempertahankan Konsumennya," Sidomulyo, 2019.
- [4] B. pengembang bahasa dan Pembukuan, "KBBI," Kementerian Pendidikan dan Kebudayaan Republik Indonesia, [Online]. Available: https://kbbi.kemdikbud.go.id/entri/jual_beli. 2016.
- [5] P. Kotler, "Prinsip-prinsip Pemasaran", 2016.
- [6] H. M. Birusman Nuryadin, "Harga Dalam Perspektif Islam," Mazahib, vol. 4, no. 1, pp. 86–99, 2007.
- [7] M. S. Chaudhry, "Sistem Ekonomi Prinsip Dasar Islam", Edisi pert. cetakan ke 3, 2016.
- [5] Nurhayati and ali imran Sinaga, *Fiqh dan ushul fiqh*. 2018.
- [8] Abdur rahman Ghazalyy, G. Ihsan, and S. Shidio, "Fiqh muamalat". 2015.
- [9] J. Noor, "Metodologi Penelitian", Ke 6. Jakarta, 2016.

The Implementation of Sharia Compliance in the Drop shipping Buying and Selling Scheme During The Pandemic Covid-19 in Indonesia

Bagya Agung Prabowo¹
{bagya.agung@uii.ac.id¹}

Faculty of Law of Universitas Islam, Indonesia¹

Abstract. Online trading transactions showed a significant increase especially during the Covid-19 pandemic. One of the trading schemes that is often done due to its various conveniences is the drop ship at The Little Snacks in Indonesia which is a distributor of various snack foods from all over the archipelago that are easy to resell. However, there are various pro and contra arguments in which some scholars agree on the prohibition of drop ship with various arguments and reasons, but some others say halal with various conditions. To overcome various problems, this study adopted an analytical method based on doctrinal content, by applying four types of legal approaches, namely: (i) historical / historical; (ii) Jurisprudence/philosophy; (iii) comparison; and (iv) analytical and critical. In addition, a harmonized approach is also needed to pay attention to sharia compliance. This study aims to identify the application of sharia compliance in the buying and selling of the Little Snacks drop shipping during the Covid-19 pandemic and how the legal implications of the online Little Snacks drop shipping buying and selling scheme still contain elements of *gharar*.

Keywords: Sharia Compliance, The Drop shipping Legal Implications.

1 Introduction

It is undeniable that Islam is a religion that provides a complete and universal living system guidance to compile and provide dynamic and easy directions covering all aspects of human life including aspects of *aqidah*, worship, morals and community life towards the achievement of happiness in spiritual and physical life, both in the life of the individual, and in the life of the community [1]. Rapid economic development has resulted in various types and variations of goods and /or services. With the support of technology and information, the expansion of space, movement, and the flow of transactions of goods and / or services across national borders, consumers are ultimately confronted with various choices of types of goods and / or services offered varied [2]. Outbreaks of the Corona Virus Disease 2019 (Covid-19) case in Indonesia first occurred on March 2, 2020, where two Indonesian citizens living in Depok were infected with Covid-19. Both people with Covid-19 have a history of interacting with Japanese citizens who are known to suffer from the disease first [3].

Based on data from the World Health Organization (WHO) the number of people with Covid-19 on April 29, 2020 recorded 3,024,029 people and 213 countries experienced cases of Covid-19. [4] Therefore, the World Health Organization (WHO) established the Covid-19 outbreak as a global pandemic on March 11, 2020 due to the rapid and wide spread. Pandemic is a disease epidemic that spreads widely in a very wide area geographically, including transcontinental or global [5].

It cannot be denied that Islam is a complete and universal living system to compile and provide dynamic and easy direction for all aspects of life, including business and financial transactions. During the Covid-19 pandemic, online buying and selling transactions showed a significant increase. One of the trading schemes that is often carried out due to its various conveniences is dropship at The Little Snacks which is a distributor of various snack foods from all over the archipelago that are easy to resell. However, various arguments for and against emerged in which several scholars agreed on the prohibition of dropship with various arguments and reasons, but others said it was halal with various conditions. Dropship is a buying and selling system involving three parties, namely buyers, sellers and suppliers (providers of goods). Sellers in this context are referred to as dropshippers. He acts as a party who sells goods from suppliers. Dropshipping transactions are one of the online buying and selling schemes, namely business entities or individuals whether online stores or retailers (dropshipping) do not stock goods, and goods are obtained from collaborations with other companies that have real goods or what are called dropshippers. Dropship is a term for an online shop, and a dropshipper is a company that offers merchandise for sale which then sends the goods directly to consumers after the online shop pays the price of the goods and shipping costs. The ease of sellers, both in terms of storage costs and capital stock of goods, is the main feature of why dropshipping is a popular scheme to use [6].

For example, a seller has found a supplier with whom he can work with him. The seller then promotes the goods from his supplier by redesigning the poster or product photo and adding information about the product specifications. We can find products sold by drop shippers in marketplaces such as The Little Snacks. This means that the seller acts as an agent of the supplier. On the other hand, he stands alone with the name of the shop / brand that he built himself without having to pay for storage. However, this is a problem and has created controversy in Islamic law because the drop shipper does not own the goods directly. In Islamic law, the goods sold must be owned by the seller first.

2. Literature Review

This research focuses on the study of the application of sharia compliance in the sale and purchase of dropshipping The Little Snacks during the Covid-19 Pandemic, namely to identify, describe the application of sharia compliance in the dropshipping sale and purchase of The Little Snacks during the Covid-19 Pandemic and analyze whether it is in accordance with sharia principles or not. For the knowledge of researchers, there has not been much in-depth study by legal researchers, both studies that lead to theoretical and practical levels. Previous research that discusses the application of sharia compliance in buying and selling dropshipping seems incomplete. Therefore, affirming the authenticity of this study is intended to avoid repetition or duplication of themes with the same focus of study. Duplicating or repeating studies will not make a significant contribution to the development of legal science, both theoretically and practically.

Tracing of previous studies to determine the originality of this study is carried out by tracing the results of previous research (literature review), both those that have been done by researchers from within the legal disciplines themselves and outside the legal sciences, especially social sciences. Some relevant researches that has been successfully collected by researchers as a comparison of previous studies is to show the originality of this study.

Nur Hasanah [7] In 2019, he conducted a research entitled "Analysis of the Mechanism of Dropshipping and Reseller at the S3 Computer Surabaya Online Store." The result of his research is that the dropshipper and reseller mechanism at the S3 Komputer Surabaya Online Shop does not differ between dropshippers and resellers, because it is only based on the pricelist set by the store. A dropshipper without the need to come to the store, payment via transfer, without providing goods at home or in a warehouse, the delivery process is carried out by the shop. Meanwhile, resellers come directly to the store to purchase goods, then the reseller delivers the goods themselves and provides the goods at home or in the warehouse.

Faisal Fahmiin 2018 has conducted research entitled "The suitability of the Drop ship Sale and Purchase Agreement with the MUI Fatwa (Case Study on the Bukalapak Market Place)". The result of the research is that the online buying and selling scheme with the *dropshipping* system has similarities with the bai 'as-salam contract. In the drop shipping scheme, there are Muslims (buyers) and Muslims' alaih (sellers), muslimfiihi (objects of goods), as well as *sighat* (consent and qabul) in it. Fees obtained from the dropshipper come from the sale price agreement between the drop shipper and the supplier. The drop shipping system is similar to the *wakalah* contract, where in this drop shipping system there is a supplier who represents an object/item to the drop shipper who can be said to be an agent of the supplier.

Desi Fatmawati in 2017 has conducted research entitled "Islamic Law Review of Online Dropship Practices (Ariana Shop Case Study)". The result of his research is that in Islamic law, there are two possibilities for buying and selling online drop shipping, legal and illegal. Legitimate if buying and selling the online drop ship system, there is a collaboration between the supplier and the drop shipper and it is not valid if the online drop ship sale and purchase does not have permission and cooperation between the supplier and the drop shipper.

The discussion regarding sharia compliance actually has a lot of literature discussing it. Shariah compliance is adherence to sharia principles. Sharia compliance is needed to ensure that a contract meets sharia principles or not and to ensure that the implementation of a contract is in accordance with sharia principles. Akad pronunciation comes from Arabic, namely, 'aqada-ya'qidu-'aqdan, whose synonyms are; ja'ala 'uqtadan, which means: to make a bond, akkada, which means: strengthen, lazima, which means: to establish [8].

Akad literally means al-rabth, which is to collect or collect two ends of the rope and tie one to the other until they are connected and become like one rope [9]. Akad which literally means bond or obligation. Bond or obligation is meant "to enter into a bond for approval". When two groups enter into an agreement it is called al-aqad, which is a bond to give and receive together at one time. The obligation that arises as a result of the agreement is called al-uqud [10]. Zahri Hamid said that a contract or engagement is a bond between the two parties or more about a certain matter which starts from the will of one party and then it is approved by the other party, so that it is an agreement of all the parties concerned and they are bound by it [11]. According to Ahmad Azhar Basyir, a contract is defined as an engagement between Ijab and Qabul in a way that is justified by syara 'which establishes legal consequences on the object. Ijab is the first party's statement regarding the desired content of the engagement, while Qabul is the second party's statement to accept it [12].

According to Nazar Bakri, stated in his book entitled Problems of the Implementation of Islamic Fiqh-fiqh which regulates the terms, pillars, in buying and selling states that there are several conditions and harmony in buying and selling that must be fulfilled completely, if all of these elements have been there is a whole, it will be a perfect buying and selling process in the view of Islamic law [13]. According to Abdul Rahman Ghazali in his book entitled Fikih Muamalat states that something that is speculative or vaguely haram to be traded because it can harm one party, both the seller and the buyer, [14] so that it can risk the trust between the seller and the buyer in the sale and purchase agreement. Trust is the main key in all forms of business, both online and offline. In the offline world, trust is built by getting to know each other well, there is a process of consent, there is a stamp, there is an agreement, and so on. In the online world, the harmonization between aspects of norms, values, and ethics is combined with total trust building mechanisms in the overall process [15].

One of the buying and selling schemes that rely on trust is the dropshipping buying and selling scheme, in which the seller acts as a dropshipper. Dropshipping is the choice of the seller profession without having to provide products nor bother with services to consumers (packaging and delivery of goods). The dropshipping system makes it easy for beginners and online business people to bring in substantial profits every month. There is no need to be surprised if now the number of online store dropshippers has increased quite significantly, especially in Indonesia [16]. Especially during the Covid-19 pandemic, which required the implementation of WFH (Work From Home) as a social distancing effort in accordance with the Large-Scale Social Restriction Regulations in a number of regions in Indonesia, so there was a change in the shopping patterns of citizens who switched from offline to online. In principle, buying and selling is allowed as long as there is clarity about the size, scale and time. [17] Websites that have become outlets for advertising or selling products for all kinds of buying and selling businesses have become a phenomenon. With the commercialization of internet communications and its presence in the midst of millions of potential international customers, E-commerce applications have grown rapidly [18].

According to David Baum, E-commerce is a set of dynamic technologies, applications and business processes that connect companies, consumers, and certain communities through economic transactions through trade in services and information that will be carried out electronically. [19] E-commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet as a medium for exchanging goods and services, one of which is dropshipping. Dropship is an online marketing technique where online business people or sellers do not need to keep a large inventory of goods, because when they get an order from a consumer, the seller immediately forwards the order and delivery details to the producer, distributor or supplier who has collaborated with them [20].

The concept of tangible products (goods) or intangible products (services) to consider buying, seeking, or using for consumers [21]. If offers and deals are made online (not offline or offline) such as via mobile banking, then the point is about the qabul consent through online. In fact, online bargaining and deals are the same as offline because they are commonplace and accepted by parties. So, the communication has fulfilled the rules of consent qabul because the substance of the consent qabul is the transaction is clear and everyone is happy. This is as the Fatwa of the MUI DSN [22]. "Statements of consent and qabul must be stated by the parties to show their will in entering into a contract. The contract is stated in writing, by correspondence, or by using modern communication methods." Furthermore, in order for the buyer to be happy, there must be an agreement that gives the buyer the right to cancel or continue the contract when the order does not meet the criteria and has serious defects.

Based on the description above, the problems to be examined in this study are: How is the implementation of sharia compliance in the dropshipping buying and selling scheme during the Covid-19 pandemic in Indonesia and what are the legal implications for the online dropshipping buying and selling scheme that still contains gharar elements?

3 Methods

This research is a normative legal research, namely research conducted on the principles of law, legal methods in the sense of value (norm), concrete legal regulations and the legal system [23] related to the material under study. The research approach used are a. The statutory approach that is, taken by examining the laws and regulations relating to the issues discussed; b. The conceptual approach, taken by examining the views of experts relating to the issues discussed. This approach is used when the rule of law does not exist or does not yet exist so that the views of the experts become one of the bases in strengthening the view of researchers; c. The comparative approach, done by holding a legal comparison. Comparative law is very useful because by comparing it can reveal the background of the existence of legal provisions so that it can be a recommendation for the preparation of legislation in accordance with the discussion of researchers.

3.1 Case Studies

Agreement regarding sale and purchase is regulated in Article 1313 of the Civil Code, where the agreement here is a sale and purchase agreement between the seller, in this case the business actor and the buyer, in this case, the consumer who binds himself to transfer an object by obtaining payment. The sale and purchase agreement does not have to be done physically, in this case in black and white, but the agreement that appears when both parties make a transaction can be called an agreement. [24] The implementation of WFH (Work from Home) as a social distancing effort in the midst of the Covid-19 pandemic to the existence of Large-Scale Social Restrictions in a number of regions in Indonesia has resulted in changes in the shopping patterns of citizens who switch from offline to online. During the Covid-19 pandemic, online buying and selling transactions showed a significant increase. One of the trading schemes that is often carried out due to its various conveniences is drop ship.

3.2 The implementation of sharia compliance in the dropshipping buying and selling scheme during the Covid-19 pandemic in Indonesia

The ease of sellers, both in terms of storage costs and capital stock of goods, is the main feature of why drop shipping is a popular scheme to use [25]. For example, suppose a seller has found a supplier he can work with. The seller then promotes the goods from his supplier by redesigning the poster or product photo and adding information about the product specifications. We can find products sold by dropshippers in marketplaces such as The Little Snacks. This means that the seller acts as an agent of the supplier. On the other hand, he stands alone with the name of the shop / brand that he built himself without having to pay for storage [26].

The Little Snacks has created a guide to selling online on Instagram that is very easy to follow for dropshippers, where is a guide on how to sell on Instagram and how to add

Instagram followers for free. The Little Snacks provides easy opportunities for dropshippers because there is no need to be afraid that the snacks will not sell, because the stock of all items is at The Little Snacks, and there is no need to bother packing or sending snacks, everything will be done at The Little Snack's place. Customer orders from the dropshipper will be sent directly by The Little Snack using the dropshipper's online shop name. Dropshippers only need to promote the products they want to sell, such as those sold in Tokopedia, Bukalapak, and others.

Even though dropshipping is a popular scheme to use, this has become a problem and has created controversy in Islamic law because it is not in accordance with sharia compliance, where the dropshipper does not have the goods directly when the dropshipper sells the goods. In Islamic law, the goods sold must be owned by the seller first. [27] Based on the description provided by The Little Snacks on its web page, the dropshipper does not need to have the item directly when the dropshipper sells the item. The dropshipper only pays the down payment for the initial payment to The Little Snacks and it will only be paid off when the customer from the dropshipper has received the item. Based on the description above, it can be concluded that in principle the goods are not owned directly by the dropshipper when the dropshipper sells the goods. So the online dropshipping sale and purchase scheme of The Little Snacks is not in accordance with sharia compliance where the seller does not have the goods sold so there is no direct handover (*taqabudh*) between the seller and the buyer.

From Hakim bin Hizam, "He said to the Messenger of Allah, 'O Messenger of Allah, someone is coming to me. That person wants to enter into a buying and selling transaction, with me, the items that I don't have. Can I buy certain goods he wants in the market after transacting with that person?' "Then, the Prophet said, Do not sell things that you do not have" (Narrated by Abu Daud, no.3505; considered valid by Al-Albani). In line with the rules of fiqh that are already popular "Al-ashlu fi al-mu'amalah al-ibahah hatta yadulla al-dalil 'ala tahrimiha[28]." (The basic principle in muamalah is that it is permissible until there are arguments against it/forbid it). So we can understand that in terms of harmony and conditions, dropship has fulfilled the pillars of the contract even though from the side of the subject of ownership there are differences of opinion. Dropshipping is prohibited because the goods are not fully owned by the seller but it is allowed if the dropshipper pays the goods to be sent to the customer first, so that the ownership of the goods has transferred to the dropshipper. Another way is to make a cooperation agreement where the dropshipper acts as a representative (*simsar*) of The Little Snacks as the owner of the goods, giving permission to sell the goods.

3.3 The legal implications for the online dropshipping buying and selling scheme that still contains gharar elements

Dropshipping buying and selling schemes are becoming increasingly prevalent, especially during the Covid-19 pandemic. Due to the rapid pace of communication media, the dropshipping business process has become easier. However, it should not contain elements of obscurity (*gharar*) both in terms of the condition of the goods and the price of the goods. Because Rasulullah SAW prohibited buying and selling that contained gharar elements. [29] But in reality, the online dropshipping sale and purchase scheme of The Little Snacks still contains gharar elements related to the condition of the goods and the price of the goods where the dropship sale and purchase scheme is offered through its web page, the dropshipper only displays photos of goods sold on social media Facebook, Instagram, or Whatsapp. [30] If there are customers who are interested in buying products that the dropshipper is promoting, the

dropshipper can simply contact The Little Snacks as a supplier to process the shipment without being certain (gharar) the condition of the goods and the price can be played by the dropshipper.

The dropshipping buying and selling scheme in the perspective of Islamic law can be likened to a samsarah contract or what we know as a broker or agency. Definition of the samsarah contract in the Mausu'ah Fiqhiyyah Kuwaitiyyah (10/151):

الذي يدخل بين البائع والمشتري متوسطاً لمضاء البيع: والسامسار هو، هيا لوسط بين البائع والمشتري: السمسرة ويدل البائع على الأمانة، لأنه يهدد للمشتري على السلع، وهو المسمى بالدلال

"Samsarah is an intermediary between the seller and the buyer. Samsar is a person who mediates between sellers and buyers to carry out the transaction process. Also called dallal, because he delivers the buyer to the item he is looking for, and takes the seller to the sale." This samsarah contract is permitted in sharia. Al Bukhari said in Sahih Bukhari:

لَا بَأْسَ أَنْ يَقُولَ: وَقَالَ ابْنُ عَبَّاسٍ: وَلَمْ يَزَلْ ابْنُ عَبَّاسٍ يَنْوِي عَطَاءَ ابْنِ أَبِي هُرَيْرَةَ الْحَسَنَ بِأَجْرِ السَّمْسَرَةِ بِأَجْرِ السَّمْسَرَةِ إِذَا قَالَ بَعْضُهُمْ بِكَذَا فَمَا كَانَ مِنْ رُجْفِهِ لَكَ، أَوْ يَنْوِي بَيْنَكَ فَلَاسْتَيْهِ: وَقَالَ ابْنُ عَبَّاسٍ: بَعْضُ النَّاسِ يَقْضِيَانِ أَدْعَاكَ وَأَدْعَاكَ فَهُوَ لَكَ الْمُسْلِمُونَ نَعْنِدُ شُرُوطِهِمْ: وَقَالَ ابْنُ عَبَّاسٍ: اللَّهُ عَلَيْهِمْ سَلَامٌ

"The Samsarah contract chapter. Permitted by Ibn Sirin, Atha', Ibrahim, and Al Hasan. Ibn Abbas said: it is okay for someone to say: sell this shirt, you have to take the excess. Ibn Sirin said: if someone says: sell this item at this price, the profit will be yours, or between you and me the share, then this is fine. The Prophet sallallaahu'alaihi Wasallam said: Muslims are obliged to comply with the conditions they agree on".

The scholars agree on the permissibility of samsarah with a fixed commission value. Suppose someone says, "please sell this house, your commission is 50 million rupiah". Because this commission is ma'lum (known). But they made mistakes regarding samsarah with a commission in the form of a ratio (percentage). Jumhur ulama forbid it because it is a gharar. Imam Malik said:

لَشَيْءٍ يُسَمِّيهِمْ أَنْ يَنْدَلَكَ لِيُصْلَحَ: «بِعْهَا وَلَكَ كَذَا وَكَذَا فَيَكُونُ دِينَارٌ»: فَأَمَّا الرَّجُلُ يُعْطِي السَّلْعَةَ فَيَقُولُ لَكَ لَأَنْهَكَ مَا تَقْضِي دِينَارٌ مِنْ ثَمَنِ السَّلْعَةِ تَقْضِي مِنْ حَقِّهَا الَّذِي سَمَّيْتَهُ: فَهَذَا غَرَرٌ لَا يَدْرِي كَيْفَ يَجْلُو لَكَ

"As for someone who gives goods and then says: please sell this item then from every 1 dinar, your profit is a percentage. Then this is not allowed. Because every time the price of the goods goes down, the commission also goes down. So this is gharar, he (the broker) does not know how much he will get" (Al Muwatha, 2/685).

Based on these provisions, a dropship transaction can be called a samsarah if it meets the following criteria:

- A retailer or dropshipper acts as a samsar (broker) in which he mediates between the seller and the buyer.
- The selling price is according to the agreement between the seller and the broker. The broker may not change the price outside of the agreement.
- Commission from the seller must be a fixed commission, not a percentage of the price of the goods.

If the dropshipping buying and selling scheme meets these requirements, the law is acceptable (jaiz).

As for the dropshipping sale and purchase scheme with goods that have not received permission from The Little Snacks, which acts as a supplier. Usually this system is done by way, the dropshipper as a seller creates their own account. He listed the wide variety of items on offer, while the goods were still in the hands of The Little Snacks who were the original traders. He only played the role of finding goods, without a reward agreement (*ujrah*) with the first merchant. As an easy illustration is brokerage-style trading. The goods offered are not owned by the broker, and have not received permission or asked permission from the original merchant, but he has already offered the goods. The buying and selling of this kind of brokering model of dropshipping is agreed upon by the majority of scholars as haram. Buying and selling goods like this includes buying and selling of *ainun ghaibah*, namely buying and selling of goods that are not yet clear on the spot.

Problems related to the legal implications of the online dropshipping sale and purchase scheme of The Little Snacks which still contain *gharar* elements need to be the focus of attention, as an effort to enforce the law, both from a positive legal perspective and from the perspective of sharia provisions. For this reason, methods of legal discovery in legal science can be carried out, such as methods of legal interpretation, methods of argumentation and methods of legal hermeneutics. Legal hermeneutics is a philosophical teaching regarding understanding / understanding something or a method of interpretation of legal texts, where methods and techniques of interpreting it are carried out holistically between text, context and contextualization [31].

Meanwhile, to assess in terms of sharia provisions, or the suitability of the dropshipping buying and selling scheme with sharia principles, there should be at least three method approaches that must be used to ensure and determine conformity with sharia principles. The three methods are the contract method, the *maqashid sharia* method and the written contract / agreement (contract document). The approach to the contract and *maqashid sharia* method, the dropshipping sale and purchase scheme must refer to the standard contract / contract that has been set in buying and selling according to Islam and must be in line with the objectives of sharia which basically aim to guarantee 2 (two) important things, namely *tahsil*, maintaining benefits 'at / *kemashlahatan* and *ibqa*, rejecting *kemudharatan*. In the context of the online dropshipping sale and purchase scheme of The Little Snacks, there is an accident that still contains *gharar* elements related to the condition of the goods and the price of the goods, thus causing legal implications of the sale and purchase agreement can be canceled (*fasakh*).

4 Conclusion

Based on the analysis above, it can be concluded as follows:

- a. The implementation of sharia compliance in the dropshipping buying and selling scheme during the Covid-19 pandemic in Indonesia was not in accordance with sharia compliance, where the dropshipper did not own goods directly when the dropshipper sold the goods. In Islamic law, the goods sold must be owned by the seller first. Based on the description provided by The Little Snacks on its web page, the dropshipper does not need to have the item directly when the dropshipper sells the item. The dropshipper only pays the down payment for the first payment to The Little Snacks and it will only be paid off when the customer from the dropshipper has received the item. So in principle the dropshipper does not have the goods directly when the dropshipper sells the item. so that there is no handover (*taqabudh*) directly between the seller and the buyer.

- b. The legal implications for the online dropshipping buying and selling scheme that still contains gharar elements, where the dropshipping sale and purchase scheme with goods that have not received permission from The Little Snacks which acts as a supplier. Dropshipper as a seller creates their own account. He listed the wide variety of items on offer, while the goods were still in the hands of The Little Snacks who were the original merchants. He only played the role of finding goods, without a reward agreement (ujrah) with the first merchant. As an easy illustration is brokerage-style trading. The goods offered are not owned by the broker, and have not received permission or asked permission from the original merchant, but he has already offered the goods. The sale and purchase of the dropshipping model of this brokering model is agreed upon by the majority of scholars as haram because it includes buying and selling of ainun ghaibah, which is the sale and purchase of goods that are not yet clear in place, thus causing legal implications that the sale and purchase agreement can be canceled (fasakh).

References

- [1]Ahmad Azhar Basyir.: Asas-asas Hukum Muamalah (Hukum Perdata Islam), ed. Revisi, UII Press, Yogyakarta, page 11 (2000)
- [2]Zulham.: Hukum Perlindungan Konsumen, Kencana, Jakarta, page 1(2013)
- [3]<https://indonesia.go.id/narasi/indonesia-dalam-angka/ekonomi/kasus-Covid-19-pertama-masyarakat-jangan-panik> accessed on 29 April (2020)
- [4]<https://www.who.int/emergencies/diseases/novel-coronavirus-2019> accessed on 30 April (2020)
- [5]<https://www.kompas.tv/article/70893/who-tetapkan-wabah-virus-corona-sebagai-pandemi-global> accessed on 29 April (2020)
- [6]M. Ali Hasan.: Berbagai Macam Transaksi dalam Islam (Fiqh Muamalat), Ctk. Pertama, PT. Raja Grafindo Persada, Jakarta, page Adiwarman A. Karim, <i>Bank Islam: Analisis Fiqih Dan Keuangan</i> (Jakarta: PT. Raja Grafindo Persada, 2011). Adiwarman A. Karim, <i>Bank Islam: Analisis Fiqih Dan Keuangan</i> (Jakarta: PT. Raja Grafindo Persada, 2011). Adiwarman A. Karim, <i>Bank Islam: Analisis Fiqih Dan Keuangan</i> (Jakarta: PT. Raja Grafindo Persada, 2011), (2013)
- [7]Nur Hasanah.: Analisis Mekanisme Dropshipper dan Reseller di Toko Online S3 Komputer Surabaya, Fakultas Ekonomi dan Bisnis Islam, Program Studi Manajemen, Universitas Islam Negeri Ampel Surabaya (2019)
- [8]Ahmad Wardi Muslich.: Fiqh Muamalat, Ctk. Pertama, Sinar Grafika Offset, Jakarta, page 109 (2010)
- [9]Ghufron A.M. As'adi, op. cit., page 75.
- [10]Abdur Rahman I. Doi.: Muamalah (Syari'ah III), PT. Raja Grafindo Persada, Jakarta, page 16 (1996)
- [11]Zahri Hamid.: Asas-asas Mu'amalat, IAIN Sunan Kali Jaga, Yogyakarta, page 13 (2014)
- [12]Ahmad Azhar Basyir, op. cit, page 65.
- [13]Nazar Bakri.: Problematika Pelaksanaan Fiqih-fiqih Islam, PT. Raja Grafindo Persada, Jakarta, page 59 (2014)
- [14]Abdul Rahman Ghazali dkk.: Fikih Muamalat, Kencana Prenada Media Grup, Jakarta, page 82 (2012)
- [15]Muhammad.: Etika Bisnis Islam, UUP AMP YKPN, Yogyakarta, page 224 (2004)
- [16]M. Ali Hasan.: Berbagai Macam Transaksi dalam Islam, Rajawali Press, Jakarta, page 143 (2012)
- [17]Burhanuddin S.: Hukum Kontrak Syariah, BPFE, Yogyakarta, page 213 (2009)
- [18]Mohd Ma'sum Billah.: Islamic E-commerce Terapan; Tinjauan Hukum dan Praktik, Sweet & Maxwell Asia, Malaysia, page 61 (2010)
- [19]Onno W. Purbo dan Aang Arif Wahyudi.: Mengenal E-commerce, Elex Media Computindo,

- Jakarta, page 13 (2000)
- [20]Adi Nugroho.: E-commerce Memahami Perdagangan di Dunia Maya, Informatika, Bandung, page 9 (2016)
- [21]Ali Hasan.: Marketing, Cetakan Pertama, Media Presindo, Yogyakarta, page 494 (2013)
- [22]Fatwa DSN MUI No.08/DSN- MUI/IV/2000
- [23]Sudikno Mertokusumo.: Penemuan Hukum, Liberty, Yogyakarta, page 37 (2004)
- [24]N. H. T. Siahaan, Hukum Konsumen. Perlindungan Konsumen dan Tanggung Jawab Produk, cetakan ke-1, Grafika Mardi Yuana, Bogor, page 23 (2015)
- [25]M. Ali Hasan.: Berbagai Macam Transaksi dalam Islam (Fiqh Muamalat), Ctk. Pertama, PT. Raja GrafindoPersada, Jakarta, page 253 (2013)
- [26]<http://www.thelittlesnacks.com/Reseller> accessed on 3 July (2020)
- [27]Ghufron A.M. As'adi.: Fiqh Muamalah Kontekstual, Ctk. Pertama, PT. Raja Grafindo Persada, Jakarta, page 175 (2012)
- [28]Jalal al-Din Abd. al-Rahman al-Suyuti, without years, Al-Asbahwa al-Nadhāir Singapore: SulaimanMar'i, page 123.
- [29]Narrated by Abu Daud, no. 3505; (considered valid by Al-Albani)
- [30]<http://www.thelittlesnacks.com/Reseller> accessed on 3 July 2020, at 14.40 PM
- [31]Jazim Hamidi.: Hermeneutika Hukum, Yogyakarta: UII Press, page 45. See reference (2015)
- Ahmad Zaenal Fanani.: Berfilsafat dalam Putusan Hakim, Bandung: Mandar Maju, page 8 (2014)

Analysis of Bank Soundness Level using the RGEC Method at PT. Muamalat Indonesia period 2015-2019.

Endah Dewi Purnamasari¹, Chandra Satria², Emilia³
 {endahdps@uigm.ac.id¹, chandra@stebisigm.ac.id², emilia@student.stebisigm.ac.id³}

STEBIS IGM University, Palembang, Indonesia¹, STEBIS IGM University, Palembang, Indonesia²,
 STEBIS IGM University, Palembang, Indonesia³

Abstract. Bank Muamalat is the first Islamic bank to be established in Indonesia. Then in the last five years, the bank has experienced significant development and received many awards. However, the facts in the field of bank financial performance have decreased. This study aims to determine the financial performance of PT. Bank Muamalat Indonesia period 2015-2019 using the RGEC method. This study uses a quantitative approach, namely descriptive analysis. The results show that the performance of Bank Muamalat Indonesia in the 2015 and 2017 periods was ranked 4 "LESS HEALTHY" and in 2016, 2018, the performance of Bank Muamalat Indonesia in 2019 was ranked 3rd "HEALTHY ENOUGH".

Keywords: Performance bank, RGEC.

1 Introduction

One of the industrial fields that are currently being developed is banking. Banking is one type of industry engaged in the economy. The banking industry plays a significant role in economic development, not only in Indonesia in many other countries, and the banking industry is very much needed in economic development. Islamic banks are part of an Islamic entity that functions as an intermediary financial institution that is expected to present themselves well compared to banks with other systems (interest-based banks). The birth of Islamique Banks with a different concept, which prohibit the application of intérêts in all Banks transactions because its include in the usury catégories [1].

In a relatively short period of time, Islamic banks in Indonesia have shown significant progress. They show their existence in the national economic system with the increasing number of Islamic commercial banks (BUS) and Islamic business units (UUS) in Indonesia. The following is the data on the number of BUS and UUS in Indonesia

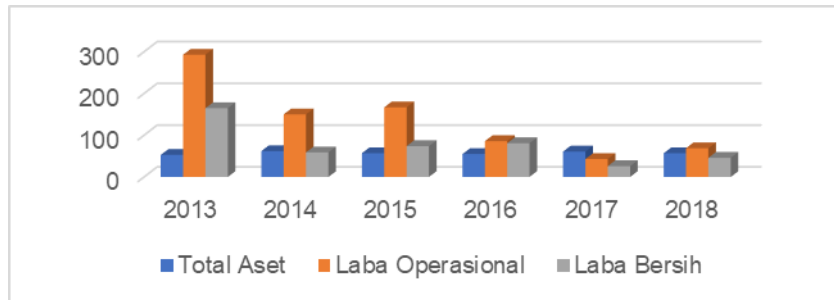
Table 1. Data on BUS and UUS Branch Offices in Indonesia.

Type	2015	2016	2017	2018
BUS	450	473	468	477
UUS	138	149	164	151

Source: Islamic Banking Statistics October 2018, Researcher Processed Data [2].

The choice of Muamalat bank in the study because the first Islamic bank to be established and then within the last 5 years, the bank has experienced significant development and received various awards. However, the facts in the field in the table below in terms of performance of the Muamalat bank have fluctuated, and these fluctuating changes are no better than in previous years. Then it can be indicated a decline which is described as follows:

Graph 1.1 Achievement of Bank Muamalat Indonesia Performance



The decline in the profitability ratio, which is shown by operating profit and net profit, has made the news about the health condition of the capital at PT. Bank Muamalat Indonesia. The news regarding the problem of capital at the first Islamic bank in Indonesia is in the spotlight. This is because BMI, as the oldest sharia bank, is an indicator of sharia economic growth, which is currently receiving special attention from the government. Given that banking institutions are institutions that collect funds from the wider community and require public trust for those who deposit their funds in banks, maintaining the health of the bank is very important to maintain public trust.

2 Literature Review

2.1 Definition of Sharia Banking

Sharia banking is a bank that operates on the basis of sharia principles. Sharia banks consist of Sharia Commercial Banks, Sharia Business Units, and Sharia Rural Banks (BPRS) [3]. Basic Sharia Banking Law:

1. This law is concerning Islamic banking
2. Bank Indonesia Circular (SEBI) and Bank Indonesia Regulation (PBI) concerning Islamic Banking.

Bank health is a financial and non-financial condition. The importance of all interested parties, including bank voters, management, state banks (through Bank Indonesia), and bank service users to evaluate the bank's performance in applying prudential principles, compliance with applicable regulations and management. Risk [4].

2.2 RGEC method

Determinants of health level: [4].

1. Risk Profile Assessment.
Risk profile, namely an assessment of inherent risk and the quality of risk management implementation in bank operational activities [4].
2. Good Corporate Governance (GCG).

Good Corporate Governance for Islamic Commercial Banks is an assessment of the quality of bank management on the application of the five principles of Good Corporate Governance. [4].

3. Assessment of Ratability Factors.
Profitability includes evaluation of profitability performance, sources of profitability, sustainability of profitability, management of profitability, and implementation of social functions. [4].
4. Assessment of Capital Factors.
Capital includes evaluation of capital adequacy and adequacy of capital management. To measure the capital ratio assessment used is CAR (Capital Adequacy Ratio) [4].

3. Methods

This study has a microeconomic nature and aims to assess the level of the financial health of PT. Bank Muamalat Indonesia. The analysis used is by assessing the financial ratios published by the bank in the form of a descriptive analysis presented from 2014 to 2018. The steps used to assess the soundness of a bank for each factor and its components are as follows:

- a. Collect data from company financial reports related to research variables.
- b. Rank each RGEC indicator.
- c. To determine the bank soundness level assessment composite rating from 2014 to 2018. The composite value for the financial ratios of each component that ranks on the composite will be as follows :
 1. Ranking 1 = result is multiplied by 5
 2. Ranking 2 = result is multiplied by 4
 3. Ranking 3 = result is multiplied by 3
 4. Ranking 5 = result is multiplied by 1
 5. Ranking 4 = result is multiplied by 2
- d. The composite value that has been obtained from multiplying each checklist is then weighted by percentage. The weight/percentage to determine the overall composite rating of the components is as follows.
- e.

Table 2. Composite Rating Rating Weight

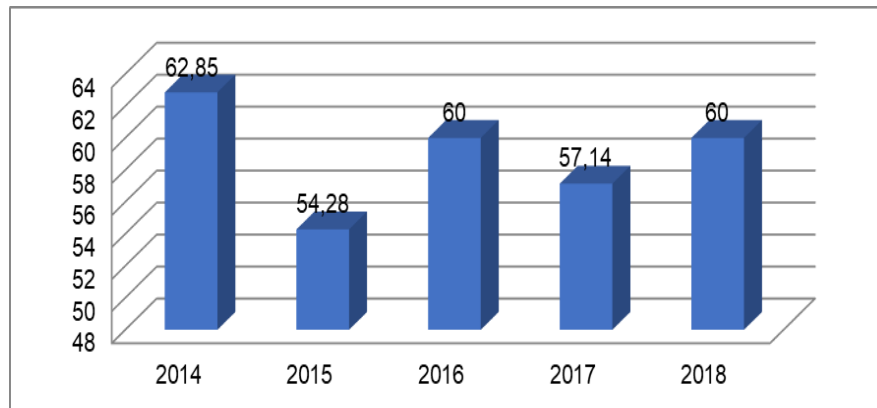
Weight (%)	Composite Rating	Description
86 – 100	PK 1	Very healthy
71 – 85	PK 2	Healthy
61 – 70	PK 3	Fairly Healthy
41 – 60	PK 4	Unwell
<40	PK 5	TidakSehat

- f. Conclude the soundness level of the bank by the bank soundness calculation standards that have been determined by Bank Indonesia based on the calculation of the ratio analysis.

4. Results and Discussion

The results of the assessment of the performance level of PT. Bank Muamalat Indonesia, based on the RGEC methods during 2014-2018 can be presented in the following Graph:

Graph 1.2. RGEC Composite Value at PT. Bank Muamalat Indonesia for the period 2014-2018



Source: Secondary Data processed by Researchers, 2020

Based on graph 8, it can be seen that the highest value was in 2014, amounting to 62.85%. And as a whole, from 2014 - 2018, the percentage of BOPO in Not Healthy shows that the bank is in bad condition because it cannot reduce operating costs so that operating income will decrease further. Because the smaller the percentage of BOPO, the more efficient the operational costs incurred by the bank, and the higher the chance for the bank to make a profit or profit in operational activities.

Moreover, conversely, the higher the percentage of BOPO, the less the bank's ability to reduce operational costs and can cause bank losses if it occurs continuously in the following years. Overall financial ratios describe if in the last five years the level of profit of PT. Bank Muamalat Indonesia is in a less healthy condition.

5. Conclusions

Performance Level Assessment at PT. Bank Muamalat Indonesia with the RGEC method shows the final Composite Value calculation which is above 58.85% on average, it can be concluded that in 2014 to 2018 PT. Bank Muamalat Indonesia was ranked 4th for the unhealthy category.

So it can be concluded that Operating Expenses on Operating Income (BOPO) have a higher influence in determining the composite value compared to other variables.

References

- [1] S. Ketut. "Bank dan Lembaga Keuangan Lain," Erlangga. Jakarta, 2014.
- [2] R. Goyena and A. . Fallis, "Statistik Perbankan Syariah - Desember," J. Chem. Inf. Model., vol. 53, no. 9, pp. 1689–1699, 2019, doi: 10.1017/CBO9781107415324.004.
- [3] U.-U. Nomor, "tahun 2008 tentang Perbankan Syariah." 21AD.
- [4] Bank Indonesia, Surat Edaran Bank Indonesia N0.13/24/DPNP/2011 Tentang Penilaian Tingkat Kesehatan Bank Umum, 2011.

Factors Influencing Communities to Conduct Duku Fruit Sale and Purchase Transactions with the Ijon System in Sugih Waras Village, South Sumatra in Indonesia

Nova Yanti Maleha¹, Endah Dewi Purnamasari²
{nova@stebisigm.ac.id¹, endahdps@uigm.ac.id²}

STEBIS IGM University Palembang, Indonesia¹, UIGM University Palembang, Indonesia²

Abstract. The people of Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency, South Sumatra Province carry out the sale and purchase transactions of duku fruit using the bonded system. Ijon in Arabic is called mukhabarah, which is trading fruit or seeds that are still green. Commonly known as al-muhaqalah, namely selling when he was a child and the goods were unclear. This study aims to determine the internal and external factors that influence the sale and purchase of duku fruit on the bonded bond system. This research used qualitative data type using field research. The results of this study indicate that there are internal factors, internal and external factors that influence the buying and selling of Ijon in Sugi Waras Village. Internal factors meet needs, seek large profits, while external factors greatly influence the sale and purchase of bonded bonds due to cultural factors, group references, and situational factors.

Keywords: Buying and selling, bonded bond system, internal and external factors

1. Introduction

Islam is a perfect religion, meaning that it regulates all human activities, be it politics, state administration, law, social culture, economics, or others. One form of interaction is the stipulation of a sale and purchase contract. Meanwhile, buying and selling according to civil law is an agreement whereby one party binds it to deliver an object and the other party to pay the price that has been promised. [1] Furthermore, buying and selling according to Syria 'is an exchange for assets exchanging permissible benefits for permanent benefits, not usury and not debt.[2]

Also, according to Islam, in carrying out buying and selling transactions, there must be clarity in the object to be traded. Thus, if an item is traded and the object of its condition cannot be determined, the sale and purchase are invalid or canceled. One of the problems in muamalah is buying and selling using the bonded bond system. The Ijon system or in Arabic is called Mukhadarah, which is trading fruit or seeds that are still green. From this understanding, it appears that there is a difference between selling fruit or seeds that are still on a branch but have a visible good form and selling fruit or seeds whose goodness cannot be ascertained because they are not visible in their ripe form. [3]

Duku fruit is a seasonal fruit that is only in season once a year. Duku fruit is a source of income for the community in Sugi Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency by conducting buying and selling transactions when duku fruit is still small or what is commonly known as the bonded bond system.

Based on the observations and interviews of researchers, the researcher interviewed one of the farmers in Sugih Waras Village, he said that the practice of buying and selling duku fruit with the ijon system in Sugih Waras Village was carried out with the seller sometimes they offer prospective buyers to buy young fruit (not yet ready to harvest) sometimes the buyer also bids and asks the owner of the fruit to sell the fruit when it is not yet fit for harvest, even though the harvest is done on time. Usually, the buying and selling of duku fruit are carried out in the number of trees, for example, one tree, or several trees depending on the agreement to determine the number of fruits on the tree using an estimation system. In determining the price of fruit, the seller usually determines the number of trees and the number of duku fruits that appear on the farmer's tree.

After seeing the plants, and having made an estimate, then the price is set, then proceed with negotiations between the seller and the buyer by mutual agreement.

This system has often been used by sellers or farmers of duku fruit, especially in Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency. Meanwhile in Islam itself, buying and selling plants that are not ready for harvest is illegal and prohibited because the yield and shape are not clear.[4] The definition of buying and selling according to start 'is the exchange of property for property to own and give ownership. Some scholars give the understanding that what is meant by buying and selling is the exchange of assets even though there is still a liability or a changeable benefit for something such as both, to give permanently.

2. Literature Review

2.1 Understanding Selling Bell

Buying and selling in Indonesian from two words, namely buying and selling. The meaning of buying and selling is trading, trading, sell, and buy goods. [5]

2.2 The Legal Basis of Buying and Selling

Buying and selling is a contract that is allowed based on the Koran, Sunnah, and Ijma 'ulama'. Buying and selling as a means of helping human beings have a very strong foundation in Islam.[3]

2.3 Pillars and Terms of Sale and Purchase

According to Imam Nawawi, in syarah al-Muhadzab, harmonious buying and selling include three things, namely: 1. There must be a quid (person who does the contract), 2. ma'qud alaihi (goods that are accredited), and 3. sighat, which consists of consent (offering) qabul (acceptance).

2.4 Prohibited Forms of Buying and Selling

Trading that is prohibited is divided into two: first, buying and selling that is prohibited and the law is invalid (canceled), namely buying and selling that do not meet the requirements and harmony. The second is buying and selling which is legal but prohibited, namely buying and selling that have met the requirements and are in harmony. Several factors hinder the ability of the buying and selling process.[6]

Benefits of Buying and Selling:

1. The benefits of buying and selling Buying and selling can organize the structure of the economic life of society that respects the property rights of others.
2. Sellers and buyers can meet their needs on a voluntary or consensual basis.
 2. Understanding the buying and selling of Ijon in Islamic law

Ijon in Arabic is called mukhabarat, which is trading fruit or seeds that are still green. Or what is commonly known as al-muhaqalah, namely selling agricultural products before they appear or selling when they are young and the goods are not clear.
3. Factors Affecting the Buying and Selling of Ijon

Internal factors: 1. To meet basic needs, 2. Human greed and 3. Lack of religious knowledge.

External Factors: 1. External Factors, 2. Reference Groups and 3. Situational Factors.

3. Methodology

3.1 Research sites

The research location is the place where research is conducted. This research was conducted in Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency, South Sumatra Indonesia.

3.2 Types of research.

This type of research uses qualitative data and in the form of data from the results of direct interviews with the people of Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency, South Sumatra Indonesia.

3.3 Data source.

In this study, there are two sources of data used, namely primary data and secondary data. Primary data is data obtained by researchers from sources[7]. What is obtained by using field

studies and direct interviews regarding the procedures for buying and selling duku by ijon to the fruit owner or seller? Meanwhile, secondary data was collected through the documentation at the Sugih Waras Village Hall and books that were relevant to the existing problems.

3.4 Population and Sample.

The population is the subject of research. If someone wants to research all the elements that exist in the research area, then the research is a population study. The sample is a portion of the number and characteristics of that population. According to Suharsimi Arikunto, if the subject is less than 100, it is better to take all of them so that the research is a population study.[8] In this study, because it was less than 100, according to the existing theory, this study became the entire population as a sample in the study.

3.5 Data collection technique.

Data collection technique uses the following steps:

2. The observation method of data collection begins with making observations or observations with some farmers or sellers of duku fruit in the village of Sugi Wars. This method is carried out to see the objective atmosphere of the buying and selling behavior of duku fruit in Sugi Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency, buying the practice of duku fruit and the meaning seen by the behavior.
3. Interview method used to find out their opinion about the behavior of buying and selling duku by ijon in Sugi Wara village. Interviews have been prepared with a list of questions regularly.
4. The method of documentation, the author studies in detail about the behavior of buying and selling duku by ijon in the village of Sugi Waras District and is used to obtain data from documented sources. Especially regarding the population, religious understanding, and data related to the problem.

3.5 Data analysis technique.

The collected data were then analyzed qualitatively. Qualitative data analysis is an effort made by working with data, organizing data, selecting it into manageable units, synthesizing it, looking for and finding patterns, discovering what is important and what is learned, and deciding what others can tell.

4. Result And Discussion

This data collection was carried out by interviewing some of the Sugih Waras Village community. This interview was conducted in Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency, to get the results of buying and selling transactions using the bonded bond system.

Analysis of Factors Affecting the Buying and Selling of Ijon in Sugih Waras Village, Teluk Gelam District. Based on the results of interviews with farmers in Sugih Waras Village, several factors influence the community to buy and sell duku fruit with the bonded system:

4.1 Internal Factors.

Several internal factors influence the community in Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency to make buying and selling transactions using the bonded bond system

a. To meet basic needs

Data were collected by interviewing 30 farmers, the results of the interview showed that 70% of the people made the purchase and purchase of bonded bonds because it was to fulfill daily basic needs that had to be fulfilled every day so that people made buying and selling transactions of dukunya fruit faster using the bonded system. and 30% to get money from the duku fruit faster without having to wait long and go through the process until the harvest arrives .

b. Looking for big profits.

The author conducted interviews with 30 farmers, from the results of the interviews, it was illustrated that 70% of the community-made bonded buying and selling because they wanted to get a bigger profit than the usual transaction, and 30% chose to wait to sell their dukunya fruit when it was ready to harvest. Apart from necessities, the desire to get a large profit also greatly affects the buying and selling of duku fruit using the bonded bond system, farmers feel that they benefit

maximally from the bonded trading system and are considered practical. Where they do not think about the advantages or disadvantages of the buyer. Even though they often experience losses, they still want to make buying and selling transactions with this bonded bond system because they expect to get profits on future transactions .

c. Lack of Religious Knowledge.

From the results of the interview, it is illustrated that 70% of the people admit that they do not know about the prohibition of transactions that they do in Islam, and 30% claim to know but still choose to carry out their sale and purchase transactions using the *ijon* system, most of the people do not know that the transactions they have made so far are not appropriate with Islamic law. They think if what they do is right, as long as they don't steal, don't commit fraud, they think there is no problem.

d. They are lazy and want to be practical.

Here it can be seen that 50% of people who buy and sell duku fruit with the *ijon* system in Sugi Waras Village are because they feel they want to be practical through the processes of waiting for duku fruit until the harvest time arrives, and do not want to bother selling and offering back duku that has been harvested considering the transportation costs, and not to mention other disturbances. When the harvest comes, the buyer usually comes and harvests the ripe duku fruit which is then packed in wooden crates and covered with newspaper. In transporting duku fruit that has been harvested, the buyer usually transports it directly. This bonded bond system transaction is considered easier and more practical because it saves time and effort. After all, there is no need to wait for the harvest to arrive and there is no need to spend energy to collect the harvest. However, based on a survey by researchers, 50% of the people prefer to go through all the processes until the harvest time arrives.

4.2 External Factors.

External factors are factors that come from outside a person or individual, this factor includes the people around, the environment and includes those closest to them. Several external factors influence the community in Sugi Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency to make buying and selling transactions using the bonded bond system.

a. Cultural factors.

Based on the results of the interview, the reason why people buy and sell duku fruit with the *ijon* system is that this transaction has been happening for a long time and has become a culture in Sugih Waras Village, there are 75% that causes people to buy and sell duku fruit with this *ijon* system due to factors a culture that has become a tradition and hereditary so that farmers have been accustomed to buying and selling bonds for a long time and this habit has become a culture in the village].

b. Reference Groups.

Based on the results of the interview, it can be seen that 20% of the reasons why people make bonded transactions are because they are curious about this bonded buying and selling transaction system. 50% because of an invitation from farmers who buy and sell using the bonded system and get a lot of profit, thus influencing and inviting other farmers to also participate in buying and selling duku fruit with the bonded system Farmers feel very benefited from buying and selling Duku fruit with this bonded system, so they invite relatives, friends and neighbors to share in the benefits. This is what causes more and more people to participate in buying and selling with this system and influencing other people to try to make buying and selling transactions of duku fruit with the bonded system, and the persistence of farmers who have often made bonded buying and selling transactions affect other farmers who have never done it to try and make a profit.

c. Situational Factors

The author conducted interviews with 30 farmers. Based on the results of the interview, 60% of the people carry out the sale and purchase of duku fruit with the bonded system due to situational factors, the urgent need for costs that cause this transaction, and 30% because it requires fast costs for business capital. Farmers admit that they often offer duku fruit at below-market prices to quickly find buyers. From these results, it can be seen that situational factors also greatly affect the reasons for the community to buy and sell duku fruit with this bonded system. The lack of understanding and public awareness of the religion of the farmers in Sugi Waras Village towards buying and selling with the bonded bond system affects the way they behave in

buying and selling that does not comply with Islamic law. To meet the necessities of life, farmers buy and sell in this way, even though in Islam the buying and selling of ijon are prohibited.

5. Conclusion

Based on the results of the discussion, it can be understood that the factors that influence the buying and selling of bonds in Sugi Waras Village are from internal factors, namely factors to meet needs. The daily necessities of life are increasing to make farmers sell their crops using bonded labor, even though it has been prohibited by Islamic law. The great profit-seeking factor. Humans also influence the decisions or reasons why buyers and sellers continue to buy and sell bonds, even though the possibility of loss can also occur, ambitious and great desire in life and a lack of gratitude, this also affects the community to seek large profits and then make buying and selling Duku fruit using the bonded system. Furthermore, some factors are lazy and want to be practical in the community, this also greatly influences the existence of bonded transactions in Sugih Waras village, Teluk Gelam District.

Meanwhile, external factors that greatly influence the buying and selling of bonded bonds in Sugih Waras village are cultural factors, group references, and situational factors. A group is a figure or a certain group of people in a community that is used or referred by a person or group in forming views about the value of attitudes or as a guide for behavior. With the existence of someone who trades with the bonded bond system and is proven to get a lot of profit, so many other farmers also participate in buying and selling using this system.

References

- [1] R. A. sohari sahrani, *Fikih Muamalah*. Bogor: Ghalia Indonesia, 2011.
- [2] A. wardi Muslich, *Fiqih muamalah*. Jakarta: Amzah, 2010.
- [3] A. Hasan, *Berbagai Macam Transaksi Dalam Islam (Fiqh Muamalat)*. Jakarta: Raja Grafindo Persada, 2010.
- [4] Mardani, *Fiqh Ekonomi Syariah :Fiqh Muamalah*. Jakarta: Prenada Media Grup, 2012.
- [5] A. dkk As-sa'id, *Fiqih Jual Beli : Panduan Praktis Bisnis Syariah*. Jakarta: Senayan Publising, 2008.
- [6] abdul rahman G. sapiudin, ghufroon ihsan, *Fiqh Muamalah*. Jakarta: Prenada Media Grup, 2012.
- [7] Muhammad, *Metodologi Penelitian Ekonomi Islam*. Jakarta: Rajawali Pers, 2013.
- [8] S. Arikunto, *Prosedur Penelitian Suatu Pendekatan Pratik*. Jakarta: Rineka Cipta, 2013.

The Influence of Covid-19, Service Quality Strategies and Financing Products on Customer Satisfaction at Baitul Maal Wat Tamwil Insan Mulia Palembang South Sumatra Indonesia

Chandra Satria ¹, Saprida ², Eka Sulistiana ³

{Chandras@stebisigm.ac.id¹, saprida@stebisigm.ac.id², Ekasulistiana@student.stebisigm.ac.id³}

Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia¹, Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia², Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia³

Abstract. The abstract needs to analyze the impact of Covid-19, the quality of products and services on the customer satisfaction level of Baitul Maal Wat Tamwil Insan Mulia Palembang, South Sumatra, Indonesia using a survey questionnaire. This study explores three variables, namely COVID 19, product, and service quality in customer satisfaction levels. Research data processing in the form of panel data is carried out within 6 (six) months. The results showed that the variable covid 19, product quality, and consumer services had a significant effect on customer satisfaction by using a sample of 63 people from a population of 1119 people. The difference shows that service quality has a more impact on customer satisfaction and Covid 19 has the smallest effect on the satisfaction level

Keywords: Covid 19, Service Quality, Product Quality, Customer Satisfaction Level

1 Introduction

The financial institution is any company engaged in finance, raising funds, channeling funds, or both. Financial institutions consist of bank financial institutions and non-bank financial institutions. In terms of how to determine prices, banks in Indonesia are divided into two groups, namely banks based on conventional principles and banks based on sharia principles [1]. Similar to banks, there are non-bank financial institutions that have their operational systems using Islamic sharia, only their products and management are slightly different from the banking industry. These institutions include Sharia Insurance, Sharia Pawnshops, Sharia Mutual Funds, and *Baitul Maal Wat Tamwil* (BMT).

The increase in community needs caused by the times has resulted in an increasing need for cash, both for productive and consumptive activities. This is often a problem in people's lives because the income earned is not proportional to the expenses to make ends meet.

Baitul Maal Wat Tamwil (BMT) has a strategy to be able to deal with Islamic banking and other institutions that are also targeting financing for the micro, small and medium enterprises (UMKM) sector. *Baitul Maal Wat Tamwil* (BMT) makes adjustments to the different needs of the micro-community or UMKM in each field. Party *Baitul Maal Wat*

Tamwil (BMT) also conducted an intense emotional interaction of the borrower (the debtor). This means that the relationship is not only financial. Party *Baitul Maal Wat Tamwil* (BMT) continues to establish communication and asks the issues facing the debtor, whether it is the issue of the family, to the education of children. This is also one of the triggers of public interest in making transactions or becoming customers at *Baitul Maal Wat Tamwil* (BMT).

Baitul Maal Wat Tamwil always innovates in providing services to customers by opening branches or outlets with increasingly optimal services. One of the *Baitul Maal Wat Tamwil* that is quite close to the people of Palembang is the *Baitul Maal Wat Tamwil* (BMT) Insan Mulia Palembang. Evidenced by the 6 (six) *Baitul Maal Wat Tamwil* (BMT) in the city of Palembang, *Baitul Maal Wat Tamwil* (BMT) Insan Mulia already has quite a several customers, namely based on data obtained from 2015 to March 2020, The number of customers for fund distribution (financing) products has reached 1,119 customers. Until now, *Baitul Maal Wat Tamwil* (BMT) Insan Mulia also has 3 service offices, namely the Head Office Jl. Inspector marzuki, Yada Market Service Office, and Palembang Perumnas Market Service Office.

The fairly good growth of *Baitul Maal Wat Tamwil* (BMT) Insan Mulia is also accompanied by the emergence of competitors, including from cooperatives and online loan sites. Some of these competing agencies are quite aggressive in offering attractive products with fairly easy requirements. To overcome this, *Baitul Maal Wat Tamwil* (BMT) Insan Mulia must develop a strategy so as not to lose to these competitors. *Baitul Maal Wat Tamwil* (BMT) Insan Mulia must be able to maintain public trust and increase customer loyalty. In achieving loyalty, one must first reach the level of customer satisfaction. Customer or customer satisfaction can be defined as the similarity between the performance of the product and service received with the product and service performance expected by the consumer or customer [3].

Factors that can affect consumer satisfaction include product quality, service quality, price, emotionality, and cost. Among these factors, the most prominent and related to *Baitul Maal Wat Tamwil* (BMT) are service quality factors and product quality. This is because BMT is a microfinance institution that provides financial services to the public, which are closely related to services as a form of social activity, and products as a means of achieving predetermined business targets [4].

According to Philip Kotler, service is any activity or benefit that a party can provide to another party which is intangible and does not result in ownership of something and its production may or may not be associated with a physical product [5]. Good quality service, also supported by the sincerity and sincerity of employees. This is certainly able to generate feelings of pleasure and generate satisfaction for customers in a financial institution or other service provider institutions.

In addition to the need to prepare a strategy so as not to lose to competitors, currently, various economic sectors are being hit by problems due to the Covid-19 pandemic or the coronavirus that occurred in 2020. The economy suddenly collapsed in an instant as the coronavirus spread around the world. Coronavirus or coronavirus is a large family of viruses that cause mild to moderate upper respiratory tract infections, such as flu. Many people are infected with this virus, at least once in their life. [6]

Since the WHO (World Health Organization) announced that Covid-19 is a world pandemic, consumer behavior in various business sectors has changed. Consumers become very careful about consuming and try to protect themselves and their families to survive in this situation. Including customers in various financial institutions, of course, also experience an

impact on their financial transactions. So, this needs to be studied more deeply so that *Baitul Maal Wat Tamwil* (BMT) Insan Mulia Palembang can remain optimal in providing products and services to its customers so that they can still achieve customer satisfaction.

2 Literature Review

2.1 Definition of Baitul Maal Wa Tamwil (BMT)

The term *Baitul Maal wat Tamwil* (BMT) comes from two words, namely *baitul maal* and *baitul tamwil*. The term *baitul maal* comes from the words *bait* and *al maal*. *Bait* means building or house, while *al maal* is property or wealth. So, *baitul maal* can be interpreted as a treasury (general or state). Meanwhile, in terms of fiqh, *baitul maal* is an institution or agency that is tasked with taking care of State assets, especially finance, both about income and management issues as well as those related to expenditure issues and others. [7]

While *baitul tamwil*, literally *temple* is home and *at-Tamwil* is property development. So, *baitul tamwil* is an institution that carries out activities for the development of productive businesses and investments in improving the welfare of micro-entrepreneurs through financing and saving (investing) activities. [8]

Baitul Maal wat Tamwil is an institution that supports the improvement of the quality of economic enterprises, micro and small entrepreneurs based on the syari'ah system [9].

2.1.1 BMT function

As for the functions of BMT are as follows:

- a. Identify, mobilize, organize, encourage and develop economic potential and capabilities members, business group members of the muamalat (Pokusma) and it works
- b. Enhancing the quality of HR members and Pokusma become more professional and Islamic so that it is more complete and tough to face global challenges
- c. Raising and organizing the potential of the community to improve the welfare of members

2.1.2 Covid19

- a. The impact of Covid-19 on employee performance; According to Magnus Soderlund, the impact of the Covid 19 pandemic has resulted in a low level of employee friendliness, and the emergence of a level of avoidance towards direct interactions between employees and other parties. In the same article, it is stated that the low level of employee friendliness is due to the assumption of protecting oneself from other dangerous diseases [10].
- b. Impact of Covid-19 for *Baitul Maal Wat Tamwil* Insan Mulia Palembang; BMT grows and is developed by the community as a da'wah movement in the economic field. Besides functioning as financial intermediation, BMT is also a social intermediary or the role of empowerment in the ultra-micro segment. Since the official announcement of the Covid-19 pandemic, several impacts have been felt, as expressed by BMT administrators and customers [11]. This impact can be used as an indicator in measuring the effect of Covid-19 on customer satisfaction. These impacts include: Installment Relief, Savings Withdrawal, Reduced Income, Health Protocols

3. Methods

The population is the source of the data as a whole [35]. The population in this study were 1119 customers of financing products at BMT Insan Mulia Palembang. In this study, this sampling by anyone BMT Insan Mulia Palembang customers who coincidentally met with investigators at the study site and can be used as a sample when seen people who encountered is suitable as a source data. As for the method sampling to determine the number of samples in this research is done by using the *r umus*, Slovin.

4. Results and Discussion

4.1 Respondent Characteristics

The number of male respondents was 29 people and the number of female respondents was 63 people. This shows that most of the customers at *Baitul Maal Wat Tamwil* Insan Mulia Palembang who were respondents in this study were female. Hypothesis testing T-test or partial This test is used to see the significance of the independent variable affecting the dependent variable which is done partially or individually. The significance test of *t* in the results of statistical calculations is indicated by *t_{count}*. In detail, the results of *t_{count}* are described in the following table:

Table 1. T-test results or partial coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	1,051	4,986			.211	.834
Covid_19	.174	.079	.181		2,213	.030
Service quality	.491	.082	.488		6,002	.000
Product quality	.311	.078	.330		3,987	.000

a. Dependent Variable: Customer Satisfaction

Source: Primary data processed, 2020

The amount of the *t_{table}* number with the provisions *sig* = 0.05 and *df* = (*nk*) or (92 -3) = 89, so that the *t_{table}* value is 1.662. Based on table 1.1 above, it can be seen that the effect of each variable is as follows:

1. Variable Covid-19 Against Customer Satisfaction

From the *coefficients* table, it is obtained that the value of *t_{count}* = 2.213, which means *t_{count}* > *t_{table}* (2.213 > 1.662) with a significance of 0.030 < 0.05, which means that partially Covid-19 has a significant effect on customer satisfaction. So, it can be concluded that *H₀* is rejected and *H₁* is accepted, which means that Covid-19 has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. Thus, hypothesis 1 is proven.

2. Variable Quality of Service to Customer Satisfaction

From the *coefficients* table, it is obtained the value of *t_{count}* = 6.002, which means *t_{count}* > *t_{table}* (6.002 > 1.662) with a significance of 0.000 < 0.05, which means that partially service quality has a significant effect on customer satisfaction. So, it can be concluded that *H₀*

is rejected and H_2 is accepted, which means that service quality has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. Thus, hypothesis 2 is proven.

3. Variable Product Quality Against Customer Satisfaction

From the *coefficients* table, the value of $t_{\text{count}} = 3.987$, which means $t_{\text{count}} > t_{\text{table}}$ ($3.987 > 1.662$) with a significance of $0.000 < 0.05$, which means that partially the product quality has a significant effect on customer satisfaction. So, it can be concluded that H_0 is rejected and H_3 is accepted, which means that product quality has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. Thus, hypothesis 3 is proven.

4.2 F Test or Simultaneous

The F test is carried out to know how far the independent or independent variables together can influence the dependent or dependent variable.

Table 2. F Test Results or Simultaneous ^a ANOVA ^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	102,466	3	34,155	23,530	.000 ^a
Residual	127,740	88	1,452		
Total	230,207	91			
a. Predictors: (Constant), Product_Quality,y			Service Quality,	Covid	
				19	

b. Dependent Variable: Customer Satisfaction

Source: Primary data processed, 2020

The amount of the F_{table} number with the provisions $\text{sig} = 0.05$ and $\text{df} = (92-3) = 89$, so that the F_{table} value is 2.71. Based on table 2.1 above, it is known that the F_{count} shows a value of 23.530 greater than 2.71 with a probability level of 0.000 which is smaller than alpha 0.05. This shows that together the independent variables of Covid-19, service quality, and product quality have a significant effect on customer satisfaction. So, it can be concluded that H_0 is rejected and H_4 is accepted, which means that Covid-19, service quality, and product quality together have a significant effect on customer satisfaction. Thus, hypothesis 4 is proven.

Based on the results of the analysis that has been carried out, the overall discussion of the results of this study is as follows:

4.3 The Influence of Covid-19 on Customer Satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang

Hypothesis 1 in this study states that Covid-19 has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. Based on the test results, it is known that Covid-19 has a positive and significant effect on customer satisfaction. It can be seen from the value $t_{\text{count}} = 2,213$, which means $t_{\text{count}} > t_{\text{table}}$ ($2,213 > 1,662$) with significance $0.030 < 0.05$. This means that the increase in covid-19 will be followed by a significant increase in customer satisfaction. So, Hypothesis 1 is accepted.

4.4 The Influence of Service Quality Strategies on Customer Satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang

Hypothesis 2 in this study states that service quality strategies have a significant positive effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. Based on the test results, it is known that service quality has a significant positive effect on customer satisfaction. This can be seen from the value of $t_{\text{count}} = 6.002$, which means $t_{\text{count}} > t_{\text{table}}$ ($6.002 > 1.662$) with a significance of $0.000 < 0.05$. This means that an increase in service quality will be followed by a significant increase in customer satisfaction. So, Hypothesis 2 is accepted.

4.5 Effect of Financing Product Quality on Customer Satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang

Hypothesis 3 in this study states that the quality of the financing product has a significant positive effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. Based on the test results, it is known that product quality has a significant positive effect on customer satisfaction. It can be seen from the value $t_{\text{count}} = 3.987$, which means $t_{\text{count}} > t_{\text{table}}$ ($3.987 > 1.662$) with significance $0.000 < 0.05$. This means that an increase in product quality will be followed by a significant increase in customer satisfaction. So, Hypothesis 3 is accepted.

4.6 The Effect of Covid-19, Strategy of Service Quality and Product Quality of Financing on Customer Satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang

Hypothesis 4 in this study states that Covid-19, service quality strategy, and financing product quality simultaneously have a significant positive effect on customer satisfaction. Based on the test results, it is known that Covid-19, service quality strategy, and financing product quality simultaneously have a significant positive effect on customer satisfaction. This can be seen from the simultaneous test results which show the calculated F value of 23.530 is greater than 2.71 with a probability level of 0.000 which is smaller than alpha 0.05. This means that the increase in Covid-19, a strategy for service quality and quality of financing products will be followed by a significant increase in customer satisfaction. So, Hypothesis 4 is accepted.

5. Conclusion

Based on the results of testing and data analysis that have been carried out, the conclusions that can be drawn from this study are as follows:

The results of testing hypothesis 1 prove that there is a significant positive effect between Covid-19 on customer satisfaction. It can be seen from the value $t_{\text{count}} = 2.213$, which means $t_{\text{count}} > t_{\text{table}}$ ($2.213 > 1.662$) with significance $0.030 < 0.05$. So, hypothesis 1 which states that partially Covid-19 has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang, is acceptable. The results of testing hypothesis 2 prove that there is a positive and significant influence between service quality on customer satisfaction. This can be seen from the value of $t_{\text{count}} = 6.002$, which means $t_{\text{count}} > t_{\text{table}}$ ($6.002 > 1.662$) with a significance of $0.000 < 0.05$. So, hypothesis 2 which states that partially service quality has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang, is acceptable. The result of hypothesis

testing 3 proves that there is a positive and significant influence between product quality on customer satisfaction. This can be seen from the value of $t_{\text{count}} = 3.987$, which means $t_{\text{count}} > t_{\text{table}} (3.987 > 1.662)$ with a significance of $0.000 < 0.05$. So, hypothesis 3 which states that partially product quality has a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang, is acceptable. The results of hypothesis testing 4 prove that Covid-19, service quality, and product quality simultaneously have a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang. This can be seen from the simultaneous test results which show the calculated F value of 23.530 is greater than 2.71 with a probability level of 0.000 which is smaller than alpha 0.05. So, the hypothesis which states that Covid-19 has a negative effect and, service quality and product quality simultaneously have a positive and significant effect on customer satisfaction at *Baitul Maal Wat Tamwil* Insan Mulia Palembang, is acceptable.

References

- [1] Kasmir, *Bank dan Lembaga Keuangan Lainnya*. Jakarta: Jakarta: Raja Grafindo Persada, 2013.
- [2] M. Ridwan, *Manajemen Baitul Maal Wa Tamwil*. Yogyakarta: Yogyakarta: UII Press, 2004.
- [3] E. M. Sangadji and Sopiah, *Perilaku Konsumen*. Yogyakarta: Yogyakarta: Andi, 2013.
- [4] H. I. Juwandi, *Kepuasan Pelayanan Jasa*. Jakarta: Jakarta: Erlangga, 2004.
- [5] M. S. . Hasibuan, *Dasar-Dasar Perbankan cet. Ke-8*. Jakarta: Jakarta: Bumi Aksara, 2009.
- [6] R. Fadli, "Coronavirus," *Halodoc*, 2020. .
- [7] S. K. Lubis, *Hukum Ekonomi Islam*. Jakarta: Jakarta: Sinar Grafika, 2000.
- [8] B. Alma and D. Juni Priansa, *Manajemen Bisnis Syari'ah*. Bandung: Bandung: Alfabeta, 2009.
- [9] Muhammad, *Manajemen Baitul Maal Wat Tamwil (BMT)*. Yogyakarta: Yogyakarta: STIS, 2008.
- [10] M. Söderlund, "Employee norm-violations in the service encounter during the corona pandemic and their impact on customer satisfaction," *J. Retail. Consum. Serv.*, vol. 57, no. May, 2020, doi: 10.1016/j.jretconser.2020.102209.
- [11] B. Aryo, "Dampak Covid-19 Bagi BMT," *Republika*, 2020. ..
- [14] F. Tjiptono, *Manajemen Jasa*. Yogyakarta: Yogyakarta: Andi Offset, 2004.
- [15] Kasmir, *Etika Customer Service*. Jakarta: Jakarta: Raja Grafindo Persada, 2005.
- [16] P. Kotler, *Manajemen Pemasaran: Analisis, Perencanaan, Implementasi dan Kontrol, Jilid I*. Jakarta: Jakarta: Erlangga, 2001..
- [18] Kasmir, *Manajemen Perbankan. Ed. Rev-Cet.13*. Jakarta: Jakarta: Rajawali Press, 2015.
- [19] V. Rival and A. Arifin, *Islamic Banking*. Jakarta: Jakarta: PT Bumi Aksara, 2010.
- [20] P. Kotler, *Manajemen Pemasaran Jilid I*. Jakarta: Jakarta: PT Indeks, 2005.
- [21] F. Tjiptono, *Strategi Pemasaran*. Yogyakarta: Yogyakarta: Andi, 2008.
- [27] A. Setianingsih, E. Etty, and E. Supriyadi, "Pengaruh Kualitas Produk Tabungan Dan Kualitas Layanan Terhadap Kepuasan Nasabah Yang Berdampak Pada Loyalitas Nasabah," vol. 1, no. 1, pp. 198–214, 2019.
- [28] S. Oktavianti, *SYARIAH MANDIRI MELALUI KEPUASAN SEBAGAI*. 2020.
- [30] A. C. Study and K. K. Natasha, "The Effect of Online Service Quality to Customer Satisfaction," vol. 8, no. 3, pp. 34–43.
- [31] F. Fahreza, "The Influence of Price, Product Quality, And Service Quality on Customers ' Satisfaction at Telkom Semarang Wifi Corner," *Bus. Adm. Dep.*, vol. 4, no. 1, pp. 65–80, 2018.
- [32] C. B. Dewa and L. A. Safitri, "Analisa Pengaruh Kualitas Pelayanan dan Kepuasan Pelanggan terhadap Loyalitas Pelanggan OVO pada Masa Physical Distancing," *ASSET J. Manaj. dan Bisnis*, vol. 3, no. 1, 2020, doi: 10.24269/asset.v3i1.2652.
- [33] Muliani and Fardiba inda wardhani, "Pengaruh promosi di instagram dan kualitas pelayanan terhadap keputusan pembelian nasi penggoda secara online melalui ojek online (ojol) pada masa karantina covid-19 di kota Pontianak," *Sekol. Tinggi Ilmu Ekon. Indones. Pontianak*, vol. 10, no. 2, pp. 118–135, 2020.

Piety Contest of Property Business in Using Sharia Labels

Waldi Nopriansyah¹, Nova Yanti Maleha², Bagus Setiawan³
{waldi@stebisigm¹, nova@stebisigm², bagus@stebisigm³}

Sekolah Tinggi Ekonomi Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia¹, Sekolah Tinggi Ekonomi Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia², Sekolah Tinggi Ekonomi Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia³

Abstract. The abstract needs to Property entrepreneurs are competing to show the piety side of their business. In showing this piety, what property entrepreneurs do is use the Sharia label as a contestation of piety. The use of the sharia label certainly not only shows the piety of his business but also shows piety for those who own Sharia properties. Besides, owning Sharia property is considered a medium in the process of migrating and purifying oneself. Therefore this article will discuss the contestation of the piety of the property business in the use of the Sharia label as seen from the current phenomenological side. The author will describe the Sharia property from several kinds of literature and then analyze it. The author concludes that the property business that uses the Sharia label has a piety value for its business, whereas for consumers, owning Sharia property does not only show individual piety but also as a form of repentance to God.

Keywords: Piety, Property Business, Sharia, Migrate, Self-purification.

1 Introduction

It seems that the property business is being intensively carried out by business actors considering that property is the main need for humans as a place to live. Moreover, businesses in the field use the Sharia label. This makes it a contest for property business actors to show the piety of their business. other than that, The uniqueness of the Sharia property business is that it contains spiritual values based on the Qur'an and Hadith as the basic form of this business. With clear sources, the Sharia property business has no room for doubt for consumers who want to have an Islamic home or residence. With a clear source, the Sharia property business has no room for doubt for consumers who want to own an Islamic home or residence.

The needs of the Muslim community who want a cheap, religious house, free of bank interest or usury are the dreams of every community. To answer this dream, Sharia property is considered the answer to their dream. However, the needs of people who want to own a house or residence are sometimes used by people who are not responsible for committing fraudulent crimes, so that crime is always lurking for potential customers to choose property. to avoid evil, hence the Sharia property business is considered as a solution to avoid crime. But recently, Muslims have been shocked by the fake (unclear) Sharia property business, such as the case of the Sharia Property fraud committed by PT. ARM Citra Mulia which harmed 270 victims [1] and the second case was conducted by PT. Wipro Citra Sentosa, which involved 3,680 victims with a loss of 40 billion [2]. The occurrence of these two cases is none other

than due to consumer interest in buying houses with installments and low prices without interest or usury and also without checking BI checking, Moreover, the property uses Islamic symbols that make consumers sure.

It is inevitable that the use of Islamic symbols in the financial sector, one of which is the sharia label, makes its appeal for Muslims. because the use of the word Sharia will be attached to the piety of a person or business being carried out, as is done by property entrepreneurs to attract the attention of the Indonesian people whose population is Muslim.

People are starting to look for a safer lifestyle by using products and services that are considered halal and also free from usury and bank interest. This kind of lifestyle is starting to be sought by the community, especially those who are Muslim, for example, one of which is having Islamic or sharia housing. The public's desire to own a sharia house can be seen as the Financial Services Authority (OJK) provides a report on the growth of interest in sharia property where the distribution of Islamic mortgage financing grew 19.11% as of October 2017, This growth will continue, considering that the financing of the Islamic housing sector still has great room to develop [3]. The cause of the growing interest in sharia property is the high number of Muslim residents and the increasing demand for housing [4]. Also, according to Darojatun, the growth of Islamic property financing is none other than the high concern of the public for halal products and it is also free from usury so that it has a positive impact on society in obedience to religious orders, economy, and trade that will prosper the people.[5] Therefore, with the increasing demand for housing, it becomes an opportunity for developers to develop a business or Islamic housing business.

As a result of the growth in demand for Islamic homes, this has led to the emergence of the Islamization of other products. The use of Islamic financial products is a trend (lifestyle) today. This is because the use of Islamic financial products is claimed as a religious identity and will show it as a side of one's piety or religiosity [6]. The lifestyle towards the use of Islamic financial products is then warmly welcomed by middle-class Muslims in particular because, for the Muslim view, someone who does not use Islamic products is considered not part of the middle-class society [5].

The emergence of Sharia property businesses is not only claimed to defend Muslim identity or as a claim of piety, but there are indications in it that the Sharia property business is a way of responding to changes that occur in the world, be it changes that come from social, economic to political.

2 Literature Review

The study concerning Sharia property is not new, but something is interesting about this research, especially regarding the use of the Sharia label in business or business as a contestation of piety, therefore the literature review will review previous reviews carried out with a relevant approach.

Research disclosed by Warner states that Islamic finance is claimed to be sacred finance and everyone must invest in Islamic financial instruments [7]. This claim makes businesses in the field of Islamic property very attractive as expressed by Sihotang et al that entrepreneurs are starting to compete to open Sharia property businesses [4].

According to Darojatun, the use of the Sharia label in financial products is a form of playing psychologically to consumers to create a classification that makes consumers submit to the criteria they set [5]. What was revealed by Darojatun, then supported by Muali and Nisa who revealed that the use of the Sharia label is a Sharia marketing strategy that has the concept of profit and blessing [8].

3 Methods

3.1 Type of Research

This type of research is qualitative research supported by secondary data. Other supporting data is also obtained from the results of a review of research on Islamic property, and data can come from the relationship between piety contestation of Islamic financial products.

3.2 Research Approach

This research approach uses a phenomenological approach. That is, the researcher examines the current phenomenon in the use of the Sharia label in financial products.

3.3 Data analysis

There are two details that the researcher does in analyzing the data, namely, first, the researcher analyzes the data by explaining the piety that occurs in the Islamic property business, the second the researcher analyzes about for users of Islamic property. In this analysis, the researcher sees an impact on the presence of Sharia property. This impact is believed that the Sharia label has an influence on the piety identity of the property business and also for its users.

4 Results and Discussion

4.1 Promoting the piety of Sharia Property Business in the Sharia Financial Room

Piety can be defined as pious deeds, which according to Nurcholis etymologically the word pious deeds means acts, jobs, and activities that have good values to generate rewards for the perpetrators, while terminologically the word righteous deeds are all actions that are done consciously and deliberately based on thoughts and dhikr [7].

A phenomenal that is happening at this time is the number of businesses or businesses wanting to show their godly side by using the Sharia label. According to Otto in his book *"Sharia and National Law in Muslim Countries: Tensions and Opportunities for Dutch and EU Foreign Policy"* for Muslims the use of Sharia is considered a force that will bring improvement.[9] What was expressed by Otto made the sharia the eternal and eternal will of God for mankind? Therefore, today many businesses or business activities use the word sharia as a process of improvement from worldly to ukrawi.

Property business actors in running their business wheels are not only limited to the desire to get profit (profit), but the promotions carried out have educational values that lead to the spiritual side of marketing (Sharia marketing). The example that shows spiritual marketing with a high level of religiosity can be seen in how the promotion or marketing carried out by property entrepreneurs through social media, one of which is using Instagram. These promotions use slogans that have spiritual values such as:

"bring your property to Jannah"

"Riba-free Halal house"

"father and mother provide shelter for their beloved family which is cool not only in this world but for good in the hereafter".

(Instagram: @shofamarwahrealty & @propertipalembangsyariah).

The words "bring your property to Jannah" and " *Riba-free Halal house* " means that what is obtained and how to get it, then there will be a responsibility towards Allah SWT with what we have achieved and what we already have.

Also, the sentence "father and mother provide shelter for your beloved family that is cool not only in the world but for good in the hereafter. ". Contains a deep philosophical value that parents, especially a father who has a heavy-duty in providing for his family's needs, must give their best because the income provided by him will have an impact on all his families, both his wife and children, so that giving the best for the family is an open door goodness in the hereafter. What is unique is that the sentences or slogans used are provocative but have positive values such as "Borrow 100 million, get 90 million, when you return up to 200 million: that's cruel usury".

This is a form of property piety that is presented through social media by entrepreneurs using slogans or words that have spiritual marketing value. Piety itself is in the form of having total submission to Allah SWT in its business. This form of surrender is to get the pleasure of Allah SWT in all economic activities or to make muamalat so that the desire to enter heaven is achieved by applying Islamic values.

4.2 Sharia Properties: Hijrah and Purification

For consumers, having Sharia property is a way of life for today's society. The number of sharia property businesses cannot be separated from the existence of popular Islam that has developed among middle-class Muslims. Owning property based on sharia is not only limited to religious orders but is also considered a process of migration and purification of oneself from the use of conventional products which are considered far from the word halal. Hijrah itself is a movement from one place to another that is better. Meanwhile, self-purification can be interpreted as releasing from all forms of actions that are prohibited by God by doing good and performing good deeds as a form of repentance that has been done so far. The phenomenon of hijrah and self-purification is a trend nowadays, especially among the urban Muslim middle class, we can see this around us, be it friends or family. Because the characteristics of the hijrah behavior shown by middle-class Muslims are what they consume. The middle-class Muslim community is indeed the main actor and at the same time the key to the changes that occur in Indonesia, especially those related to economic and social change. On the other hand, the Muslim middle-class community also needs to be careful in making life changes or the hijrah process so as not to fall into radical understandings. Because the Muslim middle-class society is an easy target for radicalizes to indoctrinate their thoughts.

An interesting phenomenon at this time is shown by the middle-class Popular Islam circles, where ownership of Sharia property, then halal products, and the star's lifestyle have become demands in human life so that their acts of worship can be accepted in the hereafter and also to strengthen symbols. the piety that is in him. This symbol of piety is aimed at what Muslims wear, such as star's clothing, transacting with Sharia banks, residing in Sharia residences or houses, and wearing halal products in their daily life [5].

People who choose sharia housing are not only limited to the issue of facilities and infrastructure for worship but also get comfort if they live with people of the same religion. Also, people owning a Sharia house or Sharia property is a form to avoid all sins prohibited by their Lord. Because property or houses offered by conventional parties are considered a way of accumulating sins, because property or houses that are not based on Sharia principles contain usury, while usury is haram.

The behavior carried out by middle-class Muslims by using Islamic products, be it food products, clothing products, Islamic financial products, and other products does not show a

correlation in the measure of piety as expressed by Pepinsky that the use of these products can be said to be hijrah and penance or purification of oneself but this does not make a measure of one's piety. [6] The use of Islamic products is a way of expressing Islam in increasing piety which is reflected through public activities. This expression shows how Islam fulfills the needs of consumers in Indonesia as a living religion. Although the use of Islamic products is not a measure of piety, the use of Islamic products is an adjustment to religious piety in a modern lifestyle.

5 Conclusion

The use of the Sharia label in the property sector has always been a special attraction, especially for Muslims. The Sharia label that is used in every business or business is not only a material for a promotional strategy in attracting the sympathy of the crowd, but the Sharia label will have a spiritual value that creates a space of piety both for its business and for consumers. For entrepreneurs, running a Sharia property is not only about getting profit but also aims to get the blessings and pleasure of Allah SWT. As for consumers, owning Sharia property is a medium between humans and God in the process of migration and self-purification.

Reference

- [1] "Penipuan Properti Syariah, YLKI: Cabut Izin Usaha Pengembangnya." [Online]. Available: <https://properti.kompas.com/read/2019/12/04/144156321/penipuan-properti-syariah-ylki-cabut-izin-usaha-pengembangnya>. [Accessed: 19-Jan-2020].
- [2] "Polisi Buru Dua Pelaku Penipuan Perumahan Syariah Fiktif - VIVAnews." [Online]. Available: <https://www.vivanews.com/berita/kriminal/25295-polisi-buru-dua-pelaku-penipuan-perumahan-syariah-fiktif?medium=autonext>. [Accessed: 19-Jan-2020].
- [3] "Laporan Perkembangan Keuangan Syariah Indonesia 2018." [Online]. Available: <https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/laporan-perkembangan-keuangan-syariah-indonesia/Pages/2018.aspx>. [Accessed: 03-Mar-2020].
- [4] M. K. Sihotang, U. Hasanah, and H. Al Amin, "Pengaruh Religi Dan Harga Terhadap Permintaan Perumahan Syariah Di Kota Medan," *J. Ekon. dan Bisnis*, vol. 20, no. 2, pp. 93–105, 2018.
- [5] R. Darojatun, "Tren Produk Halal, Gaya Hidup Syar'i Dan Kesalehan Simbolik: Studi Tentang Muslim Kelas Menengah," *J. Wardah*, vol. 19, no. 2, pp. 135–157, 2018.
- [6] T. B. Pepinsky, "Development, Social Change, and Islamic Finance in Contemporary Indonesia," *World Dev.*, vol. 41, no. 1, pp. 157–167, 2013.
- [7] B. Warner, *Sharia Law for the Non-Muslim*, vol. 8.31.10. USA: CSPI Publishing, 2010.
- [8] C. Muali and K. Nisa, "Pemasaran Syariah Berbantuan Media Sosial: Kontestasi Strategis Peningkatan Daya Jual," *An-Nisbah J. Ekon. Syariah*, vol. 05, no. 2, pp. 168–185, 2019.
- [9] J. M. Otto, *Sharia and National Law in Muslim Countries: Tensions and Opportunities for Dutch and EU Foreign Policy*. Leiden: Leiden University Press, 2008.

The Influence of the Role of Zakat and the South Sumatra BAZNAS Program on the Welfare of the People of South Sumatra Indonesia

Chandra Satria¹, Amir Salim², Anggun Ira Lestari³
{chandras@stebisigm.ac.id¹, amirsalim@stebisigm.ac.id², Anggunil@student.stebisigm.ac.id³}

Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia¹, Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia², Sekolah Tinggi Ekonomi dan Bisnis Syariah Indo Global Mandiri (STEBIS IGM), Palembang, Indonesia³

Abstract. The abstract needs to The purpose of this study were to determine and analyze the role of the zakat and the Baznas program on the welfare of the people of South Sumatra. This research shows that there is a significant positive effect on the role of zakat to improve the welfare of society. The results of this study also found that the role of the Baznas program also affected improving the welfare of the community. A comparison of the influence between variables also shows that the role of the zakat variable has a greater influence than the Baznas program variable to improve community welfare, although this influence can still be influenced by other factors not mentioned in this study.

Keywords: Role of Zakat, Community welfare

1 Introduction

Since Islam came to Indonesia, zakat has become a source of funds for the benefit of the development of Islam and the welfare of society [1]. The obligation of zakat is an order of Allah SWT for Muslims on condition that it has met the provisions of Islamic law, namely: Muslim, Sensible. Balig. Have their assets and have reached the nisab [2]. Zakat is part of the fifth pillar of Islam and it cannot be denied that zakat plays a very important role as an effective means of empowering the economy of the people.

Zakat plays a role in turning the wheels of the economy to continue and must not stop. Zakat is an instrument to overcome the socio-economic problems of the lower class people whose living needs must be met immediately and in the short term, currently, zakat is applied in several Islamic countries to better regulate the welfare of society how zakat should be paid and managed [3]. In Indonesia alone there are approximately

Seeing the phenomenon of the implementation of zakat in society, the Indonesian government issued a regulation based on Law no. 8 of 2001 the Indonesian government formed the National Zakat Agency called BAZNAS which has the task and function of collecting and distributing zakat, infaq and alms (ZIS) at the national level [4]. The enactment of Law Number 23 of 2011 concerning zakat management has further confirmed the role of BAZNAS as an institution that has the authority to manage zakat nationally. In the law,

BAZNAS is stated as a non-structural government institution that is independent and accountable to the president through the Minister of Religion [5]. The Amil Zakat Agency as a good zakat manager will function itself as a service institution for people who will give zakat (muzakki) and for people who need zakat assistance (mustahik). Services for people who will give zakat can change consultation, calculation of zakat that will be issued. Meanwhile, services for mustahik can be in the form of information regarding the use of funds from zakat and other forms of service [6]. The existing role of zakat must be maintained and awareness to pay zakat must be increased so that the role of zakat in the process of alleviating poverty becomes increasingly recognized and gets the trust of the wider community [7].

BAZNAS South Sumatra has carried out a program to collect zakat funds from zakat collection units, opening zakat receipt counters by opening bank accounts, direct zakat collection, and Short Message Service (SMS). From the Baznas program above every year, the national zakat collection for the South Sumatra region experiences an average growth of 30.55 percent. In 2018, the zakat managed by zakat management organizations, both the National Zakat Agency (BAZNAS), reached IDR. 5 billion in 2017. This amount increased to IDR. 6.2 billion in 2018 and IDR. 8.1 billion in 2019. Although the growth of zakat collection is recorded to continue to experience positive growth, on the other hand, this has not been followed by distribution. The average national zakat distribution is 66.03 percent of the total zakat collected. These results indicate that the distribution of zakat funds is still below the 90 percent target of central government planning. Meanwhile, the central government Baznas throughout 2019, has distributed zakat funds amounting to 91.75% of the initial planning target and has helped 755,536 mustahiks. This figure shows quite a different target compared to what is targeted by the National Baznas in the province of South Sumatra. The role of zakat and waqf for Indonesia is very large, with an estimated 230 trillion and only 3.5% can be achieved [8]. The realization of national zakat collection is still very far from its role. Hard work is needed to convince muzakki to pay their zakat in an orderly and routine manner to official zakat management organizations so that it can be accumulated in the national zakat collection data. To support this realization, we must have a strategy, namely first to encourage the presence of regulations to support national zakat management. Second, the use of technology for zakat mobilization, such as providing zakat accounts. Third, encourage the use of zakat that supports poverty reduction and increases the welfare of zakat. Plans and realization of zakat distribution from Baznas South Sumatra.

2 Literature Review

2.1 Definition of Zakat

In language, zakat comes from the root word (masdar) zaka which means blessing, growing, being clean, and good. Something is called zakat if something is growing and developing. [9] Several classical and contemporary Muslim scholars have defined zakat as follows:

1. According to Shaykh Al-Mawardi, zakat is the provision of something that must be given from a certain set of assets, according to certain characteristics and sizes to certain groups who are entitled to receive it [5];
2. According to Yusuf Qardhawi Zakat is worship that is intended to meet the needs of those who are in need (poor) [9].

2.2 Types of Zakat, namely Zakat Fitrah and Zakat Mal (assets) [2]

- a. *Zakat nafs* (soul), also known as zakat fitrah. Is the zakat that must be issued before Eid by every Muslim, young, old, or newborn. Zakat is usually in the form of staple foods

such as rice. The amount of zakat is 2.5 kg or 3.5 liters of rice which is usually consumed, zakat fitrah payments can be made by paying the price of staple food in the area

- b. *Zakat mâl* (property) is part of a person's assets (also a legal entity) that must be issued to a certain group, after being owned for a certain period, and a certain minimum amount [10].

2.3 The Role and Program of Zakat on Welfare

Research by Titiek Herwanti, (2020) shows that the role of zakat has become an instrument of poverty alleviation with the distribution of zakat funds by BAZNAS Mataram City. The programs implemented are economic, education, health, social/humanitarian, and other activities. In the same article, more than 50 percent of zakat funds have also been distributed to the poor. so that zakat has played a role in reducing the poor population [11]. Another study Sumail, Mutmainnah, Nurhamdah and Arsyad (2019) show the results of research that zakat is a strategy that can reduce poverty and strengthen household food security in the country [12] researcher Yusuff Jelili Amuda (2019) states that the results of the collection of zakat fitra by the zakat officials of the Kingdom of Saudi Arabia can be distributed to countries outside of Saudi Arabia as has been done by Rosul SAW. Rosul SAW [13].

2.4 Public Welfare

The definition of welfare according to Poerwodarminto, comes from the word prosperous which means safe, secure, prosperous, and safe (apart from all kinds of disturbances, difficulties, and so on). According to the Center for the Study and Development of Islamic Economics, welfare according to Islam includes two definitions [14] that is :

- a. Holistic and balanced well-being

Sufficient material is supported by the fulfillment of spiritual needs and includes both individual and social. The human figure consists of physical and mental elements, therefore happiness must be comprehensive and balanced between the two. Likewise, humans have both individual and social dimensions. Humans will feel happy if there is a balance between themselves and their social environment.

- b. Welfare in this world and the hereafter (*Falah*)

Because humans do not only live in the realm of the world but also in the world after the death/destruction of the world (hereafter). The adequacy of material in the world is shown to obtain sufficiency in the hereafter. If this ideal condition is not achieved then the welfare at the end, of course, takes precedence, because this is eternal and more valuable than the life of the world.

In more detail, public policy strategies related to improving people's welfare can be pursued by the following steps in: [15]

- 1) Anticipating, reducing, or overcoming social problems that occur in society.
- 2) Meet the needs of individuals, families, groups, or communities that they cannot fulfill by themselves but must be through collective action.
- 3) Improving human intrasocial relationships by reducing individual or group social dysfunction caused by internal-personal and external-structural factors.
- 4) Increasing the situation and socio-economic environment that is conducive to the implementation of social roles and the achievement of community needs by human rights, dignity, and dignity.

- 5) Exploring, allocating, and developing social resources for the sake of achieving people's welfare and social justice. The indicators used in viewing the level of welfare according to Miles consist of four indicators, namely:
 - a) Sense of security (security);
 - b) Freedom (freedom);
 - c) Welfare (welfare);
 - d) Identity (identity).

Meanwhile, Jalaludin stated that the indicators of welfare consist of religion (deen), soul (nafs), intellectual (aql), family and descent (nasl), and material (maal/wealth) [16]. According to Nafiah, welfare indicators consist of increasing income and meeting needs. To achieve prosperity, a person must carry out economic activities to meet the needs of the life concerned, prosper the family and help others who need Al-Ghazali in Nafiah, thus it can be concluded that a person's welfare is met when their level of needs is fulfilled [17].

3. Methods

The author only limits the research problem to find out how the influence of the role of zakat and the South Sumatra BAZNAS program on the people of South Sumatra. This study limits the discussion to focus on the National Education System program in the field of education and the prosperous South Sumatra BAZNAS in the province of South Sumatra. This research was conducted at BAZNAS, South Sumatra Province, which is located at Jl. Jendral Sudirman. The type of data used in this research is quantitative data. Quantitative data is data in the form of numbers, and the analysis uses statistics, either directly extracted from the research results or the results of managing qualitative data into quantitative data [18];

3.1 Data source

a. Primary data

is data obtained directly from the object under study or has something to do with the object being examined, in this data the data obtained from the field is considered the main ingredient in the discussion of this thesis. The data comes from research information which is the source of the interview results.

b. Secondary data

It is primary data that has been further managed and presented either by the author or by colleagues. For example in the form of tables or diagrams and data obtained from reports or data issued by BAZNAS or the media.

3.2 Population and Sample

The population is a generalization area consisting of Objects/subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then draw conclusions [19]. The population in this study was the National Zakat Board of South Sumatra Province with a total of 255 populations. The sample is part of the number and characteristics of the population.

4. Results And Discussion

Based on the results of the analysis previously described, the overall discussion of the results of this study is as follows:

4.1 The Influence of the Role of Zakat on Community Welfare

Based on the test results, it is known that the role of zakat has a significant positive effect on community welfare, meaning that the increase in the role of zakat will be followed by community welfare significantly, so that if the higher the value of the role of zakat obtained by BAZNAS, the greater the level of community welfare that will be received. This is reinforced and supported by the results of the t-test which resulted in a sig t value of 15,162 > 1,670. This means that the relationship between the Role of Zakat on Community Welfare has a positive effect. This positive value shows a unidirectional influence, that is, if the Role of Zakat variable increases, the Community Welfare Variable will also increase.

4.2 The Influence of the BAZNAS Program on Community Welfare

Based on the test results, it is known that the BAZNAS Program has a significant effect on Community Welfare. This means that the BAZNAS Program will be followed by a significant increase in Community Welfare. this result can be seen from the sig value. t of 1,915 > 1,670. concluded that the quality of service programs has a significant effect on community welfare.

4.3 The simultaneous influence of the Role of Zakat and the BAZNAS Program on Community Welfare

Based on the test results, it is known that the role of Zakat and the BAZNAS Program has a significant difference in effecting the improvement of Community Welfare. This result can be seen from the t sig in the test table f 169.545 > 3.13, this means that the increase in the role of Zakat and the BAZNAS Program will be followed by a significant increase in community welfare even though the magnitude of this increase in welfare varies and a deeper study is still needed to adjust it to implementation conditions and other factors that researchers have not addressed in the current study.

5. Conclusion

Based on the research results, there are suggestions that the author wants to convey, including:

1. BAZNAS South Sumatra Province should cooperate with all banks and create an application program for M-Banking to open up a bigger role for zakat.
2. Other factors can affect the role of Zakat and the BAZNAS program to be further developed in improving people's welfare much better.

References

- [1] Saprida, *Fiqih Zakat Shodaqoh dan Wakaf*, Cetakan I. Palembang, 2015.
- [2] L. Bruno, "Panduan Zakat Praktis," *Depag*, vol. 53, no. 9, pp. 1689–1699, 2013, doi: 10.1017/CBO9781107415324.004.
- [3] M. Nasrifah and N. Fadilah, "KESEJAHTERAAN MASYARAKAT (STUDI KASUS : BAZNAS JAWA TIMUR)," vol. 6, no. 2, pp. 162–179, 2020.
- [4] H. INSAWAN and S. QAIMUDDIN, "PEMIKIRAN EKONOMI ISLAM M. DAWAM

RAHARDJO.”

- [5] D. A. RI, *direktorat jendral bimbingan masyarakat islam direktorat pemberdayaan zakat departemen RI*, Pedoman za. jakarta, 2009.
- [6] “Website Sumsel.baznas.go.id.” .
- [7] M. drs. h. Najib Haitami, *Strategi BAZNAS dalam meningkatkan penerimaan Zakat*. Palembang: kemenag, 2013.
- [8] “BAZNAS PROVINSI SUMATERA SELATAN.” <https://sumsel.baznas.go.id/Artikel> (accessed Aug. 17, 2020).
- [9] Y. J. Amuda, “Diversifying the roles of haramayn in Islamic financial system using zakatul fitr for an effective poverty reduction beyond Saudi Arabia,” *J. Leg. Ethical Regul. Issues*, vol. 22, no. 5, pp. 1–9, 2019.
- [10] N. I. M. Adnan, M. I. A. M. Kashim, Z. Hamat, H. M. Adnan, N. I. M. Adnan, and F. M. Sham, “The potential for implementing microfinancing from the zakat fund in Malaysia,” *Humanit. Soc. Sci. Rev.*, vol. 7, no. 4, pp. 524–548, 2019, doi: 10.18510/hssr.2019.7473.
- [11] haniin utami, “Pengaruh Zakat Produktif Terhadap Peningkatan Kesejahteraan Masyarakat Miskin Di Kabupaten Sragen,” no. Institut Agama Islam Negeri Surakarta, 2017.
- [12] Jalaludin, “Pengaruh Zakat Infaq Dan Sadaqoh Produktif Terhadap Pertumbuhan Usaha Mikro Dan Penyerapan Tenaga Kerja Serta Kesejahteraan Mustahik,” *jalaludin*, pp. 270–277, 2012.
- [13] Sugiono, *Metode Penelitian bisnis*. Bandung: Alfabeta, Cv, 2014.
- [14] P. D. Sugiyono, *Metode Penelitian Kuantitatif dan R&D*. Bandung: CV Alfabeta, 2014.
- [15] haniin utami, “Pengaruh Zakat Produktif Terhadap Peningkatan Kesejahteraan Masyarakat Miskin Di Kabupaten Sragen,” no. Institut Agama Islam Negeri Surakarta, 2017.
- [16] Jalaludin, “Pengaruh Zakat Infaq Dan Sadaqoh Produktif Terhadap Pertumbuhan Usaha Mikro Dan Penyerapan Tenaga Kerja Serta Kesejahteraan Mustahik,” *jalaludin*, pp. 270–277, 2012.
- [17] L. Nafiah, “Pengaruh Pendayagunaan Zakat Produktif Terhadap Kesejahteraan Mustahiq Pada Program Ternak Bergulir BAZNAS Kabupaten Gresik,” pp. 307–321, 2015.
- [18] Sugiono, *Metode Penelitian bisnis*. Bandung: Alfabeta, Cv, 2014.

Significance of Business Philosophy towards The Covid-19 Post Pandemic

Lukman S. Thahir¹
{lukmansthahir@iainpalu.ac.id¹}

Faculty of Islamic Creed, Civilization and Propagation, State Institute for Islamic Studies (IAIN) Palu
Central Sulawesi, Indonesia¹

Abstract. This article aims to explore strategic perspectives and philosophical phases to respond business problems mostly affected by the Covid-19. The research questions are focused on two issues: 1. What is Business Philosophy? and 2. How is the significance of business philosophy towards the post-Covid-19 pandemic? To answer this questions, the study employs social humanities approach by focusing on descriptive-analytical and philosophical methods. The results obtained are two-fold: First, in handling problems due to the Covid-19, business philosophy as the driving force for navigating the company to achieve success, does not see the Covid-19 problems, especially the ways it handle the post Covid-19 pandemic, in only one dimension, but multi-dimensional. Second, for business practitioners, to handle Covid-19 problems should begin within themselves by altering their perspectives towards the Covid-19 problems where sense of threatening and damaging sides of the problems towards business development should be driven into challenges, opportunities and profitable opportunities through collective-collaborative and humanist works.

Key Word: Philosophy, Business Philosophy, Pandemic, Covid-19, Post Covid-19

I. Introduction

What important lessons can we take after the New Corona Virus (SARS-CoV-2) swept the world within approximately 8 months? As commonly known, the outbreak of the virus began in December 2019. It emerged and triggered an epidemic striking against acute respiratory syndrome (COVID-19) in humans, which was centered in Wuhan, China [1]. Within only 5 months period, the virus has spread to more than 213 countries, with 24.537.560 cases and 832.879 deaths, as of 29 August 2020 [2]. The explosion and escalation of the virus is so fast and deadly that not only the World Health Organization (WHO) declared it as a global pandemic, but it also shattered the foundations of the world economy, especially in business sector. Quoting reports from the World Economic Forum [3] and the International Labor Organization [4], that the COVID-19 crisis has affected communities and economies worldwide, and has resulted in crises and economic shocks, the impact of which is not only decreasing supplies (production of goods and services) but also demands (consumption and investment). Production disruptions, which started only in Asia, have now spread to supply chains around the world. All businesses, regardless of size, face serious challenges, especially those in the aviation, tourism and hospitality industries, with real threat of significant declines in income, bankruptcy and job losses in certain sectors. Amid tremendous challenges and uncertainties, and countless personal tragedies, country leaders and C.E.O's various business

firms are under pressure to make decisions in their attempts to manage the immediate impact of the pandemic and its consequences. For example, recent data from UNIDO's seasonally adjusted Industrial Production Index [5]. (April 2020 vs December 2019) show that lower and upper middle income countries have been significantly affected by the COVID-19.

Responding to this problem, there are at least three strategic steps that we can take to become a starting point for making solutions to the impact of the Covid-19. First, one of the few investments from the pandemic is that this period in history will have profound influence on our generation and how we live our lives in the future. In a few short weeks we've already had to rethink how we work, how we interact and even how we care for our families. Economic theorists have started to look at how this period may change our habits and our mindsets in the coming years [6]. Second, The pandemic Covid-19 shows that our health depends on the health of others and that the health of others depends on our health. The policies of physical distancing in turn show that our well-being depends on the well-being of others and that the well-being of others depends on our well-being. There are no individual solutions to this health, economic and social crisis; the solution must be collective [7]. Third, using social humanities and behavioral science to support the COVID-19 pandemic response. The COVID-19 pandemic represents a massive global health crisis. Here we discuss evidence from a selection of research topics relevant to pandemics, including work on navigating threats, social and cultural influences on behavior, science communication, moral decision-making, leadership, and stress and coping [8].

Of the three strategic steps presented above, this article will only review the third strategic step, namely using social humanities and behavioral science, with scientific emphasis on philosophy and business. Therefore, this paper aims to explore strategic perspectives and philosophical steps to respond to the problems most affected by the Covid-19, namely the business problem. Why is philosophy used to respond to business problems? Borrowing the language of Anders Paulsen [9]. Many business people fail, not because they do not have an entrepreneur mentality, not because they do not understand the principles of doing business, but because they fail to see the problem in different angles or various nuances. In the expression of Jerry Kirkpatrick [10]. Therefore, this research will focus on two main problems: 1. what is business philosophy? And what is the significance in addressing the Post Covid-19.

2. Methods

Essentially, this type of investigation is social and humanities research which is grounded on literature study. According to Soerjono Soekanto [11] social research is an in-depth examination of social facts which is aimed to seek a solution to problems that arise in the symptoms concerned. Meanwhile, according to the Big Indonesian Dictionary (KBBI) of the Ministry of Education and Culture, humanities are sciences that are aimed to make humans more humane, in the sense of making humans more cultured, [12] applying descriptive-analytical and philosophical methods. The first one is meant to take a problem or to focus attention on the problem as it is, then processed and analyzed to draw conclusions. Meanwhile, the second is philosophical. It is a perspective or paradigm that aims to explain

the essence or wisdom of something behind the object. In other words, a conscious effort is made to explain what is behind something that appears [13].

3. Result and Discussion

Important questions to start this section are: What is Business Philosophy? To answer this question, I'm not trying to explain it academically, it must be very complicated, and tedious. For these very reasons, many people are not interested in studying philosophy because they consider it as a subject that is difficult to understand. In a business context, philosophy is not really like that. Therefore, for the purpose of simplifying it, so that it could be easier for us to understand, especially in relation to business, I would like to state that philosophy is simply having a world view, "*the way they see and understand the world*", the way we see and understand the world, or someone's point of view to interpret the world.

For more details, I would like to give an example by quoting my book *Business Philosophy: Ways to Succeed in Building Your Business* [14]. In this book, it is explained that "All successful people in this world must have a philosophy or world view, without exception. No one is successful, unless he certainly has a world view. This world view can come from anywhere, inspire someone, then he becomes the basis for thinking, acting and making decisions. That is what is meant by philosophy. Bill Gate, for example, the inventor of the "magic creature" coined the word *Microsoft* in 1975. He discovered that this Microsoft, with his friend Paul Allen, did not just appear. He drew inspiration from Dr. Henry Edward Roberts, an early personal computer developer, died Thursday in Georgia at the age of 68, after seeing an article about the MITS Altair 8800 on Popular Electronics. Some of his inspirational quotes are: "Don't compare yourself with anyone in this world ... if you do so, you are insulting yourself". He also once said: "Success is a worthless teacher. It seduces smart people into thinking they can't lose". Likewise Warren Buffett, he was not one of the most successful investors of all time alone. He has mentors, teachers and colleagues who help him develop a smart investing style over time. The likes of Benjamin Graham, David Dodd and Phil Fisher helped him develop the tools needed to build his \$ 92.5 billion business empire. Buffets' inspirational words that we can make our world view, include: "It takes 20 years to build a reputation and five minutes to ruin it." "You can't make a good deal with a bad person." "It's better to hang out with people better than you. Pick out associates whose behavior is better than yours and you'll drift in that direction. "

From this explanation, if it is related to business, it can be concluded that what is meant by business philosophy is a set of principles and beliefs that are owned by a company or every business actor [businessman] to move and navigate the company to achieve success. This navigation or world view serves as a blueprint for the operation of the entire business, which affects its vision-mission and objectives. A business philosophy might also list company values that are important to its founders, executives, and employees. The philosophy for the company reflects the values of its leaders, helping businesses to feel more personal and uphold collectivity. Business philosophy can also be understood as a motivational system or basic principles that serve as the basis for a company's beliefs or actions. Those involved in corporate management may wonder how this definition relates to success in the business world. Managers and company owners may be surprised to learn that a strong philosophy is

the cornerstone of success in business. As you begin to understand and develop a philosophy for your business, it becomes easier to build a productive and cohesive organization that can handle any challenges that may arise. In this way, business philosophy is akin to a roadmap for a company. If you are visiting a new city, it can be frustrating trying to navigate without a GPS or map. You don't know how to get to various places or how long it takes to get there. This same analogy can be applied to a company without a solid business philosophy.

On the basis of the above thoughts, and to answer the two research problems, which are related to the significance of business philosophy in responding to the Covid-19 problem, I would like to recite Ander Poursen's [14] question: Why Do Future Business Leaders Need Philosophy? I deliberately raised this, to describe how philosophy plays a very important role in solving the various challenges and economic crises faced by business people in the post-Covid-19 era. According to Poursen, after the financial crisis, an era of severe turbulence, there has been an increase in the rapid changes and complexity of life. Black clouds hang over the last decade's economic prosperity and global consumption habits, fundamentally challenging business objectives. Often the approaches to business practice are one-dimensional, lacking richness and depth. This is true for both supporters and critics of current business practices. In these times, it is important to be able to see the world in many nuances. Citing Thomas Hurka, professor of philosophy at the University of Calgary and Payscale's latest research results, Poursen not only raises the case of a philosophy graduate who, after being hired, progressed faster than their peers with only business degrees, but also Thomas Hurka, strongly recommends the younger generation to consider philosophical thinking, if they want to be successful in business.

This is supported by recent research by Pay scale, which shows that while philosophy graduate starting salaries may be lower than those for business degrees, mid-career, philosophy graduate salaries exceed those of marketing, communications, accounting, and business management. Taking this into account, it seems that having a proper business degree from a prestigious business school does not guarantee a successful career in business. Following this line of thinking, Matthew Stewart, former management consultant for the Mitchell Madison Group said, "If you want to be successful in business, don't get an MBA.

Study philosophy instead." In his experience, MBA programs basically involve, "taking two years of life and get you into debt, all for the sake of learning how to keep a straight face when using phrases like "thinking outside the box," "win-win situations," and "core competencies. "While this arguably exaggerates the current state of business education, it is hard to ignore the truth: the concept of 'business as usual' in management education is rapidly becoming obsolete, while global socio-economic challenges are only for the mature [adult] way of thinking. In many countries, labor market conditions are deteriorating with unemployment rates to unprecedented levels. For younger generation, job prospects are declining, as they are often the 'last in' and 'first out' of the labor market. Nowadays, it's a common joke that the phrase most philosophy graduates use is "Would you like French fries and a Coke?. It's a joke in the West to explain that philosophy graduates find it difficult to find jobs. But is this an actual representation of the real world? Surprisingly, a study conducted by CNN showed that only 5% of people who recently earned their philosophy diploma had problems finding a job. In addition, many well-known entrepreneurs such as Reid Hoffman, Peter Thiel and Carly Fiorina attribute their overall success to their education in philosophy.

How does philosophy respond to global economic shocks and crises, especially business problems due to Covid-19? In my book *Philosophy of Pandemic: Response to Religious Social Problems in the Covid-19 Period* [15], it is described very long and clearly. In this article, I will briefly state that starting from human fears due to the impact of the Wuhan phenomenon. This phenomenon even though it had not spread throughout the world at that time, had psychologically affected the feelings of all mankind, affected the tissue cells in their brains, and then alarmed the body of the danger and threat of death, then what happened was anxiety, fear and panic.

For example, the Covid-19 can really make people panic, but a proactive person is not affected by the situation, on the contrary he with his free will or his own choice responds in a positive way, that this condition is God's way of training himself to be a strong person and understand suffering and appreciate how this life is very important and meaningful. With the Covid-19, we are taught to come back to ourselves. It turns out that the remote control in our life is not in other people or social media, but within ourselves. Never let your thoughts, views, or news on social media regarding the Covid-19 influence your perception. Eleanor Roosevelt once expressed her view, "No one can hurt you without your consent". Or Gandhi's words, "they cannot take our pride, if we don't give it to them". Since the remote control of your life is in your own hands, decide positively what you will think. The seeds you sow will produce similar yields. Socrates said, if you plant apple seeds, you will get apples. Likewise with the mind, if you cultivate negative thoughts, the results you get will be negative results. If you plant the seeds of love, pleasure and happiness, then the results you get will be the same as the seeds you plant [15].

How to reflect this awareness in today's concrete situations, especially in the post-Covid-19 period, I want to discuss this issue by looking at the answers of Amie Thomasson, philosophy professor, Dartmouth University, when she was asked about the anxiety and alienation of society due to the Covid-19. She answered as following [16] :

"It's no surprise that so many people are feeling bad through the isolation - not just worried for themselves or their loved ones, but more deeply, feeling a kind of meaninglessness. Heidegger talked about two sorts of things that are distinctive of our being human, and that give our lives the only kind of meaning we can hope for: One is our projects - the things we care about, work toward, are engaged in - and the other is our being with others. The pandemic, and the isolation it has brought, has cut most of us off from our projects - whether it's baking cakes for weddings, teaching first-graders or cheering on the Rays. And it's cut us off from much of our normal ways of being with other people. Once we get disengaged, there's also the threat that the things we once cared so much about no longer seem important. And that can bring on the feeling that it's not just a temporary state - it's not just that life feels meaningless now, while we're stuck inside, but maybe it was never meaningful to"

The same is expressed by Kevin Scharp, philosophy department, University of St. Andrews, Scotland [17] . He Said:

"This is not an existential crisis in the sense of Homo sapiens going extinct. That is not going to happen. Even the direst predictions estimate no more than 5 percent of

the population will be dead. Nevertheless, it is also worth emphasizing that many things about our identities will change, and these could be thought of as existential changes. I'm thinking about personal identities ("I'm a world traveler") and societal identities ("We're a tourist destination"). In a sense, the COVID-19 has forced every person on earth and every society and humanity itself to go through a transformative experience. That means we get to make up new identities for ourselves to some extent. Let's go with "we are environmentally responsible," and "we care about everyone's rights and quality of life."

The views of these two philosophers in responding to the Covid-19 show their ability to cultivate critical and innovative thinking systems, which Makunda Raghavan [17] calls one of the most important skills gained from studying philosophy. The former is something that most people expect from learning philosophy but not the latter. Studying philosophy requires you to reason through your assumptions and the ideas of others, finding the problems in both and also finding a solution. This is the key point of Philosophy: the idea of finding problems and solutions for those problems, some of these problems are theoretical and other problems are practical and real. This is what innovation requires, the finding of a problem that exists in the world and also finding or creating a solution. Weber Shandwick [6] said that "One of the few inevitabilities from the pandemic is that this period in history will have profound influence on our generation and how we live our lives in the future."

4. Conclusion

In the 21st century, the discourse on health and disease is no longer the monopoly of medicine, because there are other factors outside of clinical reality that influence that matters, especially socio-cultural factors. Many philosophers, biology, anthropology, sociology, medicine, and other fields of science have tried to provide a better understanding of the concept of health and illness in terms of their respective disciplines. The problem of health and illness is a process related to the ability or inability of humans to adapt to the environment both biologically, psychologically and socio-culturally. This paradigm of thinking also applies in the field of economics, especially in business. Business people, cannot see business practices as one-dimensional, but must be multi-dimensional, especially those related to business philosophy as the driving force for navigating the company to success. This navigation or world view serves as a blueprint for the operation of the entire business, which affects its vision-mission and objectives.

References

- [1] Y. R. Guo, Q. D. Cao, Z. S. Hong, Y. Y. Tan, S. D. Chen, H. J. Jin, *et al.*, "The origin, transmission and clinical therapies on coronavirus disease 2019 (COVID-19) outbreak - an update on the status," *Mil Med Res*, vol. 7, p. 11, Mar 13 2020.
- [2] World-Health-Organization. WHO Coronavirus Disease (Covid 19) Dashboard [Online]. Available: https://covid19.who.int/?gclid=Cj0KCQjwqfz6BRD8ARIsAIXQCf0WzdiKbHtQuZTtxaU919RYczCRsR80nHL3-iQU6vxKpebW3yyMOkaAsvaEALw_wcB

- [3] World-Economic-Forum. Challenges and Opportunities in the Post-COVID-19 World [Online]. Available: <https://www.weforum.org/reports/post-covid-19-challenges-and-opportunities>
- [4] International-Labour-Organization. COVID-19 and the world of work: Impact and policy responses [Online]. Available: <https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/lang-en/index.htm>
- [5] United-Nations-Industrial-Development-Organization. Coronavirus: the economic impact [Online]. Available: <https://www.unido.org/stories/coronavirus-economic-impact-10-july-2020>
- [6] Weber-Shandwick. The New Normal? The Future After COVID-19 [Online]. Available: <http://webershandwick.scot/the-new-normal/>
- [7] The-Organization-of-American-States. Post-Covid 19: OAS Portal for Consultations, Forum, and Repository [Online]. Available: <https://www.oas.org/ext/en/main/covid-19/home>
- [8] D. Matthews. German humanities scholars enlisted to end coronavirus lockdown [Online]. Available: <https://www.timeshighereducation.com/news/german-humanities-scholars-enlisted-end-coronavirus-lockdown>
- [9] J. J. V. Bavel, K. Baicker, P. S. Boggio, V. Capraro, A. Cichocka, M. Cikara, *et al.*, "Using social and behavioural science to support COVID-19 pandemic response," *Nature Human Behaviour*, vol. 4, pp. 460-471, 2020/05/01 2020.
- [10] J. Kirkpatrick. The Importance of Philosophy to a Successful Business Career [Online]. Available: <https://jerrykirkpatrick.blogspot.com/2009/08/importance-of-philosophy-to-successful.html>
- [11] S. Soekanto, *Sosiologi Suatu Pengantar*. Jakarta: Rajawali Press, 1986.
- [12] KBBI. Kamus Besar Bahasa Indonesia [Online]. Available: <https://kbbi.kemdikbud.go.id/>
- [13] S. Loeb, P. Morris, S. Dynarski, S. Reardon, D. McFarland, and S. Reber, "Descriptive Analysis in Education: A Guide for Researchers," Institute of Education Sciences, Washington DC2017.
- [14] L. Tahir, *Filsafat Bisnis: Kiat Sukses Membangun Bisnis Anda*. Yogyakarta: Anwarul Quran, 2020.
- [15] L. Tahir, *Filsafat Pandemi: Merespon Masalah Sosial Keagamaan di Masa Covid 19*. Yogyakarta: Pesantren Anwarul Qur'an, 2020.
- [16] L. DeGregory. A philosopher's guide to the coronavirus [Online]. Available: <https://www.tampabay.com/news/health/2020/04/10/a-philosophers-guide-to-the-coronavirus/>
- [17] M. Raghavan. Philosophy in Business: Is it relevant? [Online]. Available: <https://www.linkedin.com/pulse/philosophy-business-relevant-mukunda-raghavan>

Assessing Carbon Awareness of Indonesian Mining and Oil & Gas Companies

Paulina Permatasari¹, Vania Natasha², Laura Angelica³
 {paulina@unpar.ac.id¹, assdirteam1.hanielshengroup@gmail.com²,
 assdirteam9.hanielshengroup@gmail.com³}

Parahyangan Catholic University¹, Parahyangan Catholic University², Parahyangan Catholic University³

Abstract. The issue of air pollution has become one of the trending topics in Indonesia, mainly related to greenhouse gas emissions produced by companies. This study aims to analyse how companies in Indonesia disclose their carbon emission disclosures in their sustainability reports, including making assessments related to company performance on carbon emissions. This research was conducted using descriptive methods and content analysis to generate a structured and systematic analysis. This study used secondary data sources in the form of 33 sustainability reports published by 11 Indonesian companies in the Mining and Mineral and Oil and Gas industries in 2016-2018. The results of the research show that Mining and Mineral and Oil and Gas companies in Indonesia during 2016-2018 period have good performance in relation to carbon emissions, both in terms of disclosure in its sustainability report and in terms of the performance of related companies' efforts to reduce carbon emissions.

Keywords: Carbon Emission, Carbon Emission Disclosure, GRI

1 Introduction

In recent years, one issue experiencing urgency in Indonesia is the issue of air pollution. In July 2019, Jakarta had an Air Quality Index (AQI) figure of 195. The index indicated that Jakarta was in an unhealthy air condition. In order, Jakarta occupies the first position with the highest AQI level, followed by Dubai, Johannesburg, Beijing, and Santiago [1]. The emergence of this news made people uneasy, as air pollution is correlated with several diseases such as acute respiratory infections (ARI), coronary heart disease, pneumonia, chronic obstructive pulmonary disease (COPD/COPD), and asthma. According to research from Universities Indonesia, almost 60 percent of patients in Jakarta hospitals suffer from diseases caused by air pollution [2]. Director of the Committee for the Elimination of Lead in Gasoline (KPBB), Ahmad Safrudin, said that after being calculated, the loss of funds to treat diseases caused by unhealthy air in Jakarta could reach Rp 51.2 Trillion [3].

Some of the main sources of air pollution include inefficient modes of transportation, household fuel and waste burning, as well as coal-fired power plants and industrial activities. The Indonesian Forum for the Environment (Walhi) and the Governor of DKI Jakarta, Anies Baswedan, agreed that one of the biggest contributors to air pollution in Jakarta is coal-fired steam power plants (PLTU), with a value of 20-30 percent of the total air pollution in Jakarta [4]. Until May 2018, air pollution from coal-fired power plants in Southeast Asia has contributed to 20,000 premature deaths annually. If the plans for the

development of various new power plants continue to run, the early death rate is expected to continue to rise until it reaches 70,000 [5] [6]. In other words, mining companies that extract raw materials as fuel for PLTU also have a significant contribution to the air pollution that is currently happening.

To be able to successfully make an ideal sustainability report, a company must be able to describe the contents of all its activities in a complete and in-depth manner. However, making this will be difficult if the company does not know the priorities of the stakeholders. Therefore, choosing the most ideal sustainability reporting reference is needed by the company. In issues related to air pollution and carbon emissions, one of the main references that can be used as a guide for companies in disclosing sustainability reporting is GRI. With the existence of GRI, it is hoped that companies, especially those involved in *Mining and Mineral and Oil & Gas* sectors, have a basis for measuring performance related to carbon emissions.

Based on the background of the study, this study specifically focuses on assessing companies' performance in relation to carbon emissions during the 2016-2018 period.

2 Literature Review

2.1 Climate Change

The earth is experiencing occurrences of global warming as the impact of climate change. It can be noticed by dynamic weather and climate episodes that keeps changing from time to time [7].

The First World Climate Conference, organized in Geneva, Switzerland in 1979, highlighted the problem of global warming as an international priority. Scientists, politicians and economic leaders questioned the reality of the impact of human activities on the climate. This led to an awareness of the need to limit the rise of the Earth's temperatures within an acceptable cap for future generations [8].

Climate change is a threat to a stable function of the Earth's system, and ecosystem plays critical roles in mitigation and adaption to climate change. According to the UNFCC: "Climate change is a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability over comparable time periods". Climate change which resulted from increased greenhouse gases (GHGs) in the atmosphere, is the greatest social, economic and environmental threat of this century [9].

According to Ja'far and Kartikasari [10], economic activities are also one of the triggers of global warming. Industry growth will have a positive correlation with an increased emission from companies' operational activities. Although some companies claim the products that they produce are environmentally friendly, they have not provided sufficient explanations regarding their efforts to reduce the impact of environmental damage [11].

2.2 Carbon Emission

Carbon emission is a release of carbon into the Earth's atmosphere. The release occurs due to a combustion of carbon, whether in singular or compound [12].

CO₂ emissions continuously increase from time to time at global, regional, and national levels whether in a country or a regional location. This happens because of the increased use of energy from organic materials (fossil), changes in land use and forest fires, and also an

increase in anthropogenic activities. One of the biggest contributors of carbon emissions is companies' operational activities. In dealing with climate change, companies are expected to be able to disclose their activities related to climate change improvement, one of which is by making carbon emission disclosure [11].

A case study by Hashim, et al. [13] focusing on the plating industry, illuminated that electricity consumption accounts for the highest amount of carbon emission within the plating process. Substantial emission reduction, of around 20%, could be achieved by the implementation of higher efficiency heating tools that require less energy, and also produce better heating performance for the process. Ultimately, by reducing carbon emissions, the industry can ensure cleaner production across the entire plating process [13].

2.3 Carbon Emission Disclosure

Carbon emission disclosures has become more significant because investors are increasingly taking note of carbon profiles in their evaluation of asset prices and potential investments. In response, companies are learning to report their carbon management initiatives, some going so far as to track CO₂ emissions through the value chain at the product level and disclose this information on consumer product labels [14].

Stakeholders have a significant role in carbon emission disclosure, because in protecting the environment and company's sustainability, many parties are needed to supervise. Stakeholders expect companies to calculate and report the emissions produced by the company, because carbon management and its reporting are used to manage and assess business risks and business opportunities related to climate change [15]. If a company is able to manage climate change risks, then the company can avoid disasters caused by global warming. Companies which produce environmental disclosures could increase their legitimacy in the society because they are known to be responsible to the environment [16].

Berthelot and Robert [17] also stated that companies that disclose carbon emissions have advantages to gain legitimacy from stakeholders and avoid corporate threats resulting from greenhouse gas, such as increased operating costs, declining demand, reputation risks, legal process, fines, and penalties [16].

Another study in Europe suggests that external stakeholder pressure is a determinant of the existence of emissions disclosure, but not in terms of completeness. This finding is consistent with the stakeholder theory, which argues that companies respond to external stakeholder pressure to report greenhouse gas emissions, but also with legitimacy theory, which claims that firms can use carbon disclosure to address legitimacy exposures [18].

2.4 Carbon Accounting

The implication of the Kyoto Protocol was the emergence of carbon accounting, which is a necessity for companies to recognize, measure, record, present and disclose their carbon emissions [19]. Carbon accounting is an accounting method carried out to measure the amount of carbon dioxide that will not be released into the air as a result of the company's flexible mechanism, as a form of organizational compliance to the Kyoto Protocol [20].

By implementing carbon accounting, a company can measure the level of carbon emission produced by the company, then the management can establish strategies to reduce the carbon emission and report it to the company's stakeholders [21].

A fully functioning carbon accounting system needs to be based on measurement techniques that are: materially accurate, that is, they need to reflect actual atmospheric emissions; consistent over space and time through the use of calibrated equipment, agreed

procedures and verification; and incorporate indicators of certainty to allow for valid interpretation of data [14].

The design of carbon management accounting can be of strategic importance for companies trying to measure and manage their carbon performance. Managers may expect that carbon management accounting helps them identify and assess the potentials of different activities to reduce the company's emissions and related economic impacts [22].

3 Methods

This research was conducted to analyse the performance of Indonesian companies in Mining and Mineral with Oil and Gas industries during the 2016-2018 period. In Indonesia, there are a total of 15 Indonesian companies in the industry that have published sustainability reports. However, the sample used in this study consisted of only 11 companies. This is because there have been only 11 companies that have published complete, regular and public sustainability reports from 2016-2018. This includes PT Aneka Tambang Tbk, PT Bukit Asam Tbk, PT Bumi Resources Tbk, PT Indo Tambangraya Megah Tbk, PT Petrosea Tbk, PT Vale Indonesia Tbk, PT Badak LNG, PT Pertamina, PT Pertamina EP Cepu, PT Pertamina Geothermal Energy, and PT Perusahaan Gas Negara Tbk.

Conducting research is one of the various methods used to find a solution for a particular problem, under a comprehensive framework with the inclusion of existing situational factors. In carrying out research, certain methods are needed to ensure that the research process is able to run systematically and in an organized manner. The selection of appropriate research methods helps in identifying a problem, collecting and analysing data, as well as elaborating a valid conclusion from all the collected data [25].

The research method used in this study is a combination of descriptive method and content analysis. Descriptive method has proven its usefulness in providing an overview of relevant aspects from various perspectives, such as an individual, an organisation or industry orientation. Content analysis is a technique to collect and analyse specific contents [26]. The word content itself can refer to various elements, such as words, meanings, images, symbols, ideas, themes, or messages communicated. In other word, content analysis is a data collection technique which consequently converts qualitative data to a quantitative format through the process of codification [27].

Therefore, both methods used in this study is considered sufficient to analyse the performances of Indonesian companies in the Mining and Mineral and Oil and Gas industries during 2016-2018.

4 Result and Discussion

4.1 GRI Approach for Measuring Companies' Performance on Carbon Emission

In this study, other aspects outside of emissions, such as energy, general disclosures, and economic performances are also analysed. This is because these three aspects have an indirect connection to the measurement of a company's carbon emission performances.

Carbon emissions produced by companies must always be adequately managed and regularly monitored by companies, to ensure that the amount of emissions produced does not exceed the reasonable threshold determined by governments. By using the indicators of the

general disclosure aspects above, they can become one of the basis for measuring a company's carbon emission performances, as a form of responsibility and monitoring mechanism for the carbon emissions produced.

In addition, it also becomes important for a company to assess the impact of climate change. This is because one of the factors which causes climate change is the carbon emissions produced by companies. With the occurrence of climate change, companies are expected to be able to measure the financial impacts, risks and opportunities materialising around the company's environment.

4.2 Assessing Companies' Performance on Carbon Emission

4.2.1 Percentage of Carbon Emission Disclosures Per GRI Indicators

In measuring the percentage of a company's carbon emission disclosures, this study utilised 11 GRI indicators as the basis for measurement. A total of 11 sample companies were used as research objects, in which all companies regularly published their sustainability reports during 2016-2018.

Disclosure percentage measurement was done by counting the number of companies who periodically published carbon emission disclosures based on GRI indicators within their sustainability reports. The number of disclosures implemented in each period was then divided by the total amount of ideal disclosures from each period. In this study, two period timelines were measured: per annual year and per 3 years.

Table 1 presents the percentage of carbon emission disclosures per each GRI indicators produced by companies:

Table 1. Percentage of the Usage of Carbon Emission Disclosures Per GRI Indicators

Aspect	GRI Standards	G4 Guidelines	Amount				%			
			1	2	3	T	1	2	3	T
Emission	305-1	G4-EN15	8	8	8	24	72.	72.	72.	72.
	305-2	G4-EN16	3	3	5	11	27.	27.	45.	33.
	305-3	G4-EN17	3	3	2	8	27.	27.	18.	24.
	305-4	G4-EN18	4	7	6	17	36.	63.	54.	51.
	305-5	G4-EN19	1	11	11	23	10	10	10	10
	305-6	G4-EN20	1	2	3	6	9.0	18.	27.	18.
Energy	302-1	G4-EN3	1	11	11	23	10	10	10	10
	302-2	G4-EN4	0	0	0	0	0	0	0	0
General Disclosure	102-20	G4-36	6	8	7	21	54.	72.	63.	63.
	102-30	G4-46	8	8	9	25	72.	72.	81.	75.
Economic Performance	201-2	G4-EC2	4	4	4	12	36.	36.	36.	36.

Note:

1 = 2016, 2 = 2017, 3 = 2018, T = Total

305-1 = Direct (Scope 1) GHG emissions; 305-2 = Energy indirect (Scope 2) GHG emissions; 305-3 = other indirect (Scope 3) GHG emissions; 305-4 = GHG emissions intensity; 305-5 = Reduction of GHG emissions 305-6 = Emissions of ozone-depleting substances (ODS); 302-1 = Energy consumption within the organization; 302-2 = Energy consumption outside of the organization; 102-20 = Executive-level responsibility for economic, environmental, and social topics; 102-30 = Effectiveness of risk management processes; 201-2 = Financial implications and other risks and opportunities due to climate change

For the purpose of simplification, **Figure 1** an illustration related to the trends of GRI carbon emission indicator disclosures produced by companies within the last 3 years.

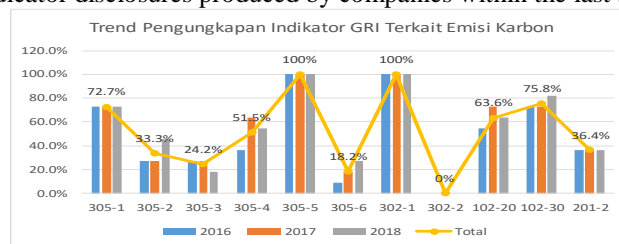


Figure 1. Trends of GRI Indicator Disclosures on Carbon Emissions

Based on **Figure 1**, one interesting notion is the fact that the GRI standard indicator 302-2, or G4 Guideline indicator G4-EN4, has not been disclosed by any of the 11 company samples during the 3-year period. The GRI standard indicator, or G4 302-2 Guideline indicator G4-EN4 itself is an indicator which discloses the energy consumptions outside the organisation. The absence of this disclosure within the last 3 years may be caused by the difficulty in obtaining data related to this matter. However, the indicator is actually still correlated to a company's own carbon emissions, especially in regards to Carbon Emissions Scope 3, which comes from sources not owned or controlled by the company (for example, official travel done by the company). With the inclusion of this disclosure indicator, it will facilitate companies to calculate and analyse Carbon Emissions Scope 3, such as the aforementioned official travel done by companies using vehicles from parties outside of the organisation.

4.2.2. Trend of Companies' Performance on Carbon Emission

On the topic of carbon emissions, each company possess their own unique performance trends. In this study, company performance trends related to carbon emissions in the last 3 years (2016, 2017, 2018) were measured by adding up the number of carbon emissions generated within Scope 1, Scope 2, and Scope 3 by each company. Emission figures included in this calculation are figures that have only been reported by companies openly and routinely for 3 consecutive years. Based on these criteria, Scope 1 emissions contained only 6 out of 11 companies which reported emissions figures openly and regularly for 3 consecutive years. For Scope 2 emissions, only 4 companies did so, while only two companies disclosed their Scope 3 emissions. The limitation of this disclosure can be caused by various elements, such as the limitation of a company's measurement methods, as well as the absence of emissions produced by the company within that scope.

Table 2 shows the companies' carbon emission trends in tonnes of CO₂ eq:

Table 2. Carbon Emission Trends for Scope 1, 2 and 3			
	2016	2017	2018
Scope 1	22,234,139.15	20,780,973.20	19,212,018.87
Scope 2	220,696.43	127,307.41	162,542.15
Scope 3	4,429.93	3,714.46	4,006.64

From **Table 2**, it can be seen that the number of Scope 1 emissions have experienced a declining trend in the last 3 years. The emission reduction illustrates that companies in general have succeeded in carrying out emission efficiencies in the sector quite well. For Scope 2 and Scope 3 emissions, the trends show minute fluctuations, where it decreased during 2016 to 2017, but showed an increase during 2018. However, the incremental increase of emission levels during 2018 is still smaller compared to the decrease of emission levels during 2016-2017. This means that the increase of emissions during 2018 cannot be considered as monumentally significant. Therefore, it is still very possible for companies suppress their numbers of Scope 2 and Scope 3 emission levels during the next period, by tightening the supervision of air emissions produced by the company.

A company's energy consumption can occur under two scopes, namely within the organisation and outside of the organisation. In this study, the trend analysis conducted was only related to energy consumption within the organisation. This is due to the absence of companies who disclosed the energy consumption figures outside of their organisations within the 2016-2018 sustainability reports. In addition, the figures included in the graphic are combined figures for energy consumption from renewable and non-renewable energy sources. This is because only 5 out of 8 companies listed their distribution of energy by sources. Additionally, the ratio of renewable and non-renewable energy sources was far too significant to compare.

Table 3 shows the companies' energy consumption trends in GJ units:

Table 3. Trends of Companies' Energy Consumption Levels			
	2016	2017	2018
	5,550,656,105.88	4,774,933,867.17	4,704,402,986.69

It appears companies' energy consumption levels have decreased in the last 3 years. This illustrates that companies in general have succeeded in managing substantive energy efficiencies. With the decrease in energy consumption levels, it will also indirectly impact the emission reductions in both Scope 1 and Scope 2.

4.2.3. Types of Carbon Emission' Levels

Based on the results of the disclosure data, the highest type of carbon emissions in the last 3 years was CO₂. In the disclosure of corporate sustainability, CO₂ is categorised as Scope 1 emission indicator.

Based on the Republic of Indonesia's Presidential Regulation No. 71 of 2011, concerning the Management of National Greenhouse Gas Inventory, there are six types of gases classified as greenhouse gases, in which carbon dioxide (CO₂) is considered as one of the most

important. Therefore, it is only normal that the results of this study found that CO₂ had been the highest type of carbon emission disclosed in the last 3 years.

According to REPUBLIKA.co.id (2018), a study released by the Global Carbon Project found that there were 40.9 billion tons of carbon dioxide in the world during 2018, an increase from 39.8 billion tonnes during 2017. From the 11 sample companies, only 3 companies produced detailed disclosure of emissions for the division of emission categories. However, in 2018 one of the 3 companies did not publish their disclosures related to carbon emissions. This limited information makes it generally difficult to analyse trends in the research sample. However, if we look at the data from the other two companies, the CO₂ emissions produced by both of them in 2018 were less than the emissions produced in 2017. This shows an opposite of the global CO₂ emissions trend.

4.2.4. Types of Carbon Emission with Low Awareness

Based on the collected disclosure data, the types of carbon emissions that have not been given much attention by both the Mining and Mineral, and Oil and Gas companies in Indonesia in the last 3 years were related to ozone depleting substances (ODS).

According to the official government website of the Jambi Province, Web.jambiprov.go.id, ozone depleting substances (ODS) are chemical components that have the potential to react with ozone molecules within the stratosphere. The compound contains various combinations of chemical elements, such as chlorine, fluorine, bromine, carbon, and hydrogen from the halocarbon group. ODS is further disclosed as GRI *standards* indicators 305-6 or G4 *Guidelines* for indicators G4-EN20 in sustainability reports. In **Table 1**, we can see that the percentage of GRI indicator-based company disclosures related to ODS carbon emissions only amounted to 18.2% within the last 3 years. This data certainly proves that many companies, to date, have not paid enough attention to the issue, even though ODS has a significant impact on the environment.

4.3 Comparison of Companies' Performances on Carbon Emission with Indonesia's Carbon Emission Reduction Targets

The government of Indonesia has declared its commitment to reduce its Greenhouse Gas (GHG) emissions by 26% (on its own) and by 41% (with the addition of international assistance) by 2020 at the 15th Conference of Parties (COP) in 2009. This was stated through President Regulations No. 61 of 2011 concerning National Action Plan for Reducing Greenhouse Gas Emissions (RAN-GRK). Indonesia's commitment is reinforced through the document Nationally Determined Contribution (NDC) of the Republic of Indonesia, the first implemented in November 2016, with the enactment of unconditional targets by 29% and the conditional targets of up to 41%, compared to a business-as-usual scenario (BAU) in 2030 (Regulations No. 16 of 2016 concerning the Ratification of the Paris Agreement to the United Nations Framework Convention on Climate Change). On a national scale, the target of emission reduction in 2030, based on the NDC, amounts to 834 million tons of CO₂eq for the unconditional target, and 1,081 million tons of CO₂eq on the conditional target. To meet these targets, various mitigation actions have been carried out nationally in all sectors by parties responsible for mitigation actions.

Based on the results this research, there were only two companies who had published GRI disclosure topics related to reducing emissions (GRI *Standards* indicator 305-5 or G4 *Guidelines* indicator G4-EN19). This was done by stating the targeted emission reduction figure in accordance with the targets set up on the national scale. It was found that one of the

companies has successfully exceeded the target, while the other company had nearly reached the National reduction target in 2018. Although it is difficult to generalise, due to the fact that not all companies produce disclosures using comparisons of national emission reduction targets, the results obtained from the two companies indicate that there have been several Indonesian companies in the mining & mineral and oil & gas sectors that have also pursued these national emission reduction targets and almost reached it.

5 Conclusion

One of the main causes of air pollution is carbon emissions. Increasing demands from stakeholders pushes disclosures of carbon emissions a matter of materiality to report on the company's sustainability reports. In measuring companies' performances in carbon emissions in the fields of Mining & Mineral and Oil & Gas, the basis of GRI indicators were used: aspects of emissions (6 pieces), energy (2 pieces), general disclosure (2 pieces), and economic performance (1 piece). Within the last three years, companies' performances in carbon emissions have generally shown good results, with a trend of decreased emissions. However, for the next period, companies will have to suppress CO₂ emissions even more optimally, and pay a more focused attention to emissions related to Ozone Depleting Substances (ODS). When comparing companies' performances with national targets, there has been substantially positive results, as the rate of emissions reduction is already close to the target. Therefore, it can be concluded that the performances of Indonesian companies in the field of Mining and Mineral and Oil and Gas during 2016-2018 related to carbon emissions, in general has been positive, both in terms of sustainability reporting disclosures, as well as in terms of companies' performances in reducing and creating efficiencies in carbon emissions.

References

- [1] Wahid, A. B., "detikNews," 28 July 2019. [Online]. Available: <https://news.detik.com/berita/d-4642349/airvisual-akhir-pekan-udara-jakarta-kembali-jadi-terburuk-di-dunia>.
- [2] Samosir, H. A. , "CNN Indonesia," 21 May 2015. [Online]. Available: <https://www.cnnindonesia.com/gaya-hidup/20150521141419-255-54787/polusi-udara-sebabkan-hampir-60-persen-penyakit-di-jakarta>.
- [3] Mantalean, V., "Kompas.com," 9 July 2019. [Online]. Available: <https://megapolitan.kompas.com/read/2019/07/09/05322231/kpbb-dampak-polusi-udara-warga-dki-rugi-rp-512-triliun>.
- [4] CNN Indonesia, "CNN Indonesia," 17 July 2019. [Online]. Available: <https://www.cnnindonesia.com/nasional/20190716161616-20-412627/walhi-10-pltu-batu-bara-sumbang-30-persen-polusi-jakarta>.
- [5] Bisnis.com, "Bisnis.com," 8 May 2018. [Online]. Available: <https://ekonomi.bisnis.com/read/20180508/44/792793/setahun-batu-bara-picu-20.000-kasus-kematian-dini->.
- [6] Okefinance, "okefinance," 10 May 2018. [Online]. Available: <https://ekonomy.okezone.com/read/2018/05/10/320/1896803/favor-batu-bara-tidak-banding-rusak-environment>.
- [7] M. Anggilia and A. Djazuli, "An Overview: Forest Carbon Accounting (Case Study Ulu Masen Ecosystem Aceh Province, Indonesia)," *TAZKIA Islamic Business and Finance Review*, pp. 20-35.

- [8] R. Matineau and J.-P. Lafontaine, "When carbon accounting systems make us forget nature: from commodification to reification," *Sustainability Accounting, Management and Policy Journal*, 2018.
- [9] A. Q. Al-Amin, A. H. Jaafar and C. Siwar, "Climate change mitigation and policy concern for prioritization," *International Journal of Climate Change Strategies and Management*, pp. 418-425, 2010.
- [10] M. Ja'far and L. Kartikasari, "Need Assesments: Standar Akuntansi Carbon," 2009.
- [11] D. Guntari and K. Yunita, "Pengungkapan Emisi Karbon: Studi pada Perusahaan Manufaktur di Indonesia".
- [12] U. Hanifah and Wahyono, "Diskursus Urgensi Carbon Emission Disclosure Pada Perusahaan-Perusahaan Publik di Indonesia," *Jurnal Penelitian*, pp. 111-136, 2018.
- [13] H. Hashim, M. Ramlan and Y. Wang, *A New Framework for Carbon Accounting and Mitigation for Greening the Industry*, Malaysia Sustainable Cities Program, Working Paper Series, 2017.
- [14] F. Bowen and B. Wittneben, "Carbon accounting - Negotiating accuracy, consistency and certainty across organisational fields," *Accounting, Auditing & Accountability Journal*, pp. 1022-1036, 2011.
- [15] J. Lash and F. Wellington, "Competitive advantage on a warming planet," *Harvard Business Review*, vol. 85, no. 3, pp. 94-102, 2007.
- [16] D. N. Pratiwi, "Implementasi Carbon Emission Disclosure di Indonesia," *Jurnal Ilmiah Akuntansi dan Bisnis*, pp. 101-112, 2018.
- [17] S. Berthelot and A. Robert, "Climate Change Disclosure: An Examination Of Canadian Oil and Gas Firms," *Issues In Social and Environmental Accounting*, vol. 5, no. 1, pp. 106-123, 2011.
- [18] A. Liesen, A. G. Hoepner, D. M. Patten and F. Figge, "Does stakeholder pressure influence corporate GHG emissions reporting? Empirical evidence from Europe," *Accounting, Auditing & Accountability Journal*, 2015.
- [19] B. Irwhantoko, "Carbon Emission Disclosure: Studi pada Perusahaan Manufaktur Indonesia," *Jurnal Akuntansi dan Keuangan*, pp. 92-104, 2016.
- [20] J. Susilo, "Penerapan Carbon Offset Policy Sebagai Bagian dari CSR Perusahaan Melalui Carbon Accounting," *APLIKASI BISNIS*, pp. 1123-1135, 2008.
- [21] P. F. Dwijayanti S., "Manfaat Penerapan Carbon Accounting di Indonesia," *Jurnal Akuntansi Kontemporer*, pp. 79-92, 2011.
- [22] D. Gibassier and S. Schaltegger, "Carbon management accounting and reporting in practice - A case study on converging emergent approaches," *Sustainability Accounting, Management and Policy Journal*, pp. 340-365, 2015.
- [23] M. J. Milne and S. Grubnic, "Climate change accounting research: keeping it interesting and different," *Accounting, Auditing & Accountability Journal*, pp. 948-977, 2011.
- [24] M. Huelsenbeck, "Ocean-Based Food Security Threatened in a High CO2 World. A Ranking of Nations' Vulnerability to Climate Change and Ocean Acidification," *oceana.org*, 2012.
- [25] U. Sekaran and R. Bougie, *Research Method for Business - A Skill Building Approach 7th Edition*, West Sussex: John Wiley & Sons Ltd, 2016.
- [26] W. L. Neumann, *Social Research Methods. Qualitative and quantitative approaches*, 2003.
- [27] R. H. Gray, R. Kouhy and S. Lavers, "Corporate Social and Environmental Reporting: A Review Of The Literature And A Longitudinal Study Of UK Disclosure," *Accounting, Auditing and Accounting Journal*, vol. 8, no. 2, 1995.

Analysis the Impact of Strategic Management on the Firm Performance of SMEs in Malaysia

Marieah Binti Omar¹, Samsudin Wahab², Siti Nur Fadzilah Muhsain³, Adi Izhar Che Ami,
Nor Aziyah Bakhari⁴

{marieah186@uitm.edu.my¹, samsudinw@uitm.edu.my², sitinurfadzilah077@uitm.edu.my³,
adiizhar@uitm.edu.my⁴, noraziyah140@uitm.edu.my⁵}

Universiti Teknologi MARA Cawangan Pulau Pinang, Malaysia¹, Universiti Teknologi MARA
Cawangan Pulau Pinang, Malaysia², Universiti Teknologi MARA Cawangan Pulau Pinang, Malaysia³,
Universiti Teknologi MARA Cawangan Pulau Pinang, Malaysia⁴

Abstract. The previous study concluded that most SMEs have paid less attention to their strategic planning processes. In this regard, this study tends to examine theoretically how Malaysian SME companies can use strategic management to effectively formulate growth and development plans. Thus, the goal of this study is to close the research gap by presenting empirical data on strategic management impacts and will explore the extent to which the adoption of strategic management practices like business strategy, organizational structure, competitive advantage, innovation and networking with suppliers among SMEs in Malaysia has increased their number of customers and consequently their business performances

Keywords: *strategic management, business strategy, organizational structure, Competitive advantage, Innovation, SME, .*

1 Introduction

Small Medium Enterprise (SME) has always been one of the major contributors in Malaysian economy. As per the SME Annual Report 18/19, SME represent 98.5% of the business population in Malaysia and contributes 38.3% to overall country GDP. The report also stated that SME has take up 66.2% from the overall employment in Malaysia. According to SME Corp official website, the SME is defined by two type of criteria which are turnover and number of full-time employees. Though SMEs lack of resources, many researcher stated that most of these SMEs struggle due to their poor management, lack of management experience and lack of effort due to a lack of strategic planning [1][2]. As SME is different from a large corporation, a different approach to in managing the performance is required. An organization especially SMEs must have an effective tool to monitor firm's performance that can ensure the firm is less dependent on government entity, such as SME Corporation. Developed countries has long been actively conducting research in the area of strategy that SME can take in order to gain superior performance [3]. This study will mainly focus on the strategic management practices in SMEs and how such practices impact their overall performance.

2. Methods

However, there is a little of research into the effect of strategic management practices on SMEs in Malaysia [4][5]. The previous study concluded that most SMEs have paid less attention to their strategic planning processes. In this regard, this study tends to examine empirically how Malaysian SME companies can use strategic management to effectively formulate growth and development plans. Thus, the goal of this study is to close the research gap by presenting theoretical analysis on strategic management impacts and will explore the extent to which the adoption of strategic management practices like business strategy, organizational structure, competitive advantage, innovation and networking with suppliers among SMEs in Malaysia has increased their number of customers and consequently their business performances

3. Result and Discussion

2.1 Contribute to SMEs performance

2.1.1 *Business Strategy*

Business strategy is the means by which a business sets out to achieve its desired aims (objectives). It could simply be described as long-term business planning. Typically, the business strategy will cover a period of about 3-5 years (sometimes longer). Business strategy may be defined as a set of strategic statements. It summarizes how the company will achieve its objectives, meet the expectations of its customers and maintain a competitive advantage in the marketplace. Business strategy sets priorities for the company and management team and helps to attract and retain the talented employees needed by SMEs.

Small and medium-sized enterprises play an important role in our economic stability and the pillars for industrial development in Malaysia. [6]. Yet the risk of SMEs being wiped out if they are not successful in the current and rapidly evolving market climate is high. To success in competition, strategic planning implementation must rely to the time and resources effectively. Most of the failure come from their planning failure which is did not matching their resources. A study from [7] suggest that an organization lacks a clearly established plan and does not have a viable basis for establishing and retaining a competitive edge in the marketplace. Several studies indicate a positive relationship between strategic planning and market success [8][9][10][11]. Researcher in [9] claim that structured strategic planning is a hypothetical practice meant exclusively for larger companies and thus has little impact on financial performance.

Study from [12] found that business strategy has a significant connection with organizational performance. The study showed clearly that SME owners need a business strategy to improve and enhance corporate efficiency that can contribute to business continuity. Effective strategies must meet both government and environmental wide business objectives [13]. Business strategy suitable for small- to medium-sized company managers / owner-managers [14]. Thus, the hypotheses have been proposed to investigate the relationship between business strategy and firm performance of SMEs.

2.1.2 *Organizational Structure*

The organizational structure of strategic management refers to a sustainable organization within a business to carry out the tasks set out in its strategy. These include the distribution of authority and responsibility, the relationship of reporting and the mechanism for integrating its functions [15] describe structure as:

"A formal system of task and reporting relationships that controls, co-ordinates and motivates employees so that they work together to achieve Organizational goals"

Some strategies and environments require decentralized structures, while others require centralized structures. Alfred Chandler stressed the importance of taking a long-term view of the future. In his 1962 ground-breaking work *Strategy and Structure*, Chandler showed that a long-term coordinated strategy was needed to give the company structure, direction and focus. He says it is concise, the structure follows the strategy. The corporation and its staff are responsible for the best organizational structure. The structure framework has a direct influence on the organizational strategy of the company. The best organizational structure of the company affects the behavior of an organization. The structure not only forms the organizational skills but also the performance processes. The idea that the organizational structure shapes performance was endorsed by [16]. Structure's effect on supply chain management through performance mediation was studied and it found a positive impact on performance in a stable setting of the formal structure [17]. In addition, the project management team can benefit from a suitable organizational structure to achieve high project performance through productivity and quality gains [18]. Researcher in [19] also found that the project management team will benefit from a suitable organizational structure to achieve high project performance through efficiencies and productivity gains.

Most organizations are influenced by a specific and predictable organizational structure [20]. Resercher from [21] revealed in order to achieve the set goals, it should aim for a well-defined structure in place because organizational structure has an impact on firm performance. Small businesses looking for a useful organizational framework must understand that the mechanism can be complicated because it is mostly left to a start-up organization [22]. Thus, the hypotheses have been proposed to investigate the relationship between organizational structure and firm performance of SMEs.

2.1.3 Competitive Advantage

A competitive advantage is what makes products or services of a business better than any other choices made by a customer. The competitive advantage may be the most commonly used concept in strategic management, but it is still poorly defined and operational. Researcher in [23] describe competitive advantage as superiority gained by a company when it can give equal value but more advantages than its rivals. The study also identified two basic forms of competitive advantage: cost advantage and differentiation. The researcher also believes that a competitive advantage helps the business to generate higher prices and greater results for its customers. From [24] stated that "An enterprise has a Competitive Advantage if it is able to create more economic value than the marginal (breakeven) competitor in its product market".

Firm's achieved competitive advantage with good strategic management [25]. Small businesses who understand their customers can have a competitive advantage, which means that they can benefit from higher pricing and consumer loyalty. Greater utilization of capacity will then lead to cost reduction [26]. Much similar has been noticed on the process of the strategic management of independent film companies and all the various strategic management measures have affected the competitive advantage of the companies [27]. The competitive advantage and corporate strategies of SMEs led significantly to their respective rise in customer numbers and market shares [28]. In order to achieve a competitive advantage which not only matches their competitors' averages but also exceeds the averages of industry performing, organizations first need to understand the connection between their business strengths and weaknesses and the potential effect on their firm's competitive advantage and performance.

Competitive advantage and firm performance are two distinct buildings with a seemingly complicated relation [29]. Competitive advantages should be streamlined with respect to costs leadership, product and service diversification, and sensitivity to the needs of a particular customer community to be compatible with both internal and external company opportunities and obstacles [30]. Thus, the hypotheses have been proposed to investigate the relationship between competitive advantage and firm performance of SMEs.

2.1.4 Innovation

The definitions of innovation may vary from one context to another. Key function of innovation is basically change. The concept of innovation has always been complex, and ambiguity has been generated over the last decade as political, social and technical aspects of life have changed rapidly. In [31] highlighted that innovation measures such as R&D and patent number do not apply to all firms, and therefore may not be enough innovation measures. There are common characteristics in these definition despite of various meanings of innovation. Innovation can be describe as a technology implementation that enhances and gives users added value [32].

Innovation is an integral part of the survival and development of SMEs [33]. Innovation has a strong impact on firm performance [34]. In [35] stresses that although innovation is not enough to ensure the survival and success of SMEs, innovation is important for SME's success. Many researcher categorized innovation in four category; product innovation, process innovation, marketing innovation and organizational innovation [36] [37] [38]. This study will adopt product innovation and marketing innovation measures as instruments for measuring innovation in the firm.

In [39] indicates that by implementing product innovation practices with a strong emphasis on launching new products, firm will boost their performance. According to [40], "A product innovation is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses". Other functional aspect also improving such as technical specifications, components and materials, incorporated software, user friendliness. Marketing innovation are a new method of marketing that change the design or packaging of the product, placement, promotion and pricing [40]. Marketing innovation may open new markets, address customer needs, reposition products in the market to increase sales. Some researchers highlight that marketing innovation is one of the crucial factors of innovation for SMEs. Therefore, innovation is one of strategic management tools to support SMEs performance. Thus, the hypotheses have been proposed to investigate the relationship between innovation and firm performance of SMEs.

2.1.5 Business Network

Business networks are defined as close and lasting ties to key suppliers and customers of a company [41], which generally consist of existing linkages between different companies [42]. At the fundamental level, a business requires suppliers to provide resources for the goods or services they offer, or to provide resources to operate the business. Frequent connections and close ties with suppliers could have a beneficial impact on information and knowledge exchange and flow and could thus enhance processes and performance [43]. The supplier management method helps to quantify the time, resources and energy used to create good ties with suppliers. Organizations who use their clients and suppliers as resources during childbirth are more likely to grow more quickly [44]. This study will measure the relationship with suppliers as instruments in the business network.

An outstanding buyer-seller relationship is a long-term win-win collaboration. A responsive supplier is an advantage for the entire business. A supplier who is handled in a friendly way, integrity and fairness can provide a quality product at the best price, offer good service and respond to special needs and emergencies. [45] opines that entrepreneurs will be able to get quality products, guarantee good service and ensure prompt delivery by forming relationships with suppliers. Suppliers influence the company dramatically on the expense, quality and distribution of goods and services. Enterprises need to build supplier strategies to enhance procurement capabilities for suppliers and to promote collaborations with suppliers so that market performance is increased [46]. In view of the short product life cycles, intense global competition, the need for sustainability and the increasingly growing consumer demands, cooperation between companies and their suppliers is becoming more and more relevant [47].

In Malaysia, some SME entrepreneurs use a strategic market network to manage their suppliers and learn about their competitors' strengths and weaknesses [48]. Furthermore, the researcher also found that strategic business network has significantly and positively affect business performance. New firms, particularly in the searching for new information, are more reliable in business network compared to those established. Thus, the hypotheses have been proposed to investigate the relationship between business network and firm performance of SMEs.

3 Conclusion

The **Figure 1** below is a proposed conceptual framework for explaining the relationship between strategic management practices and their impact towards firm performance of SMEs. The framework assumes the resultant impacts of strategic management practices such as business strategy, organizational structure, competitive advantage, innovation and business network directly impact the performance of SMEs in term of non-financial aspects.

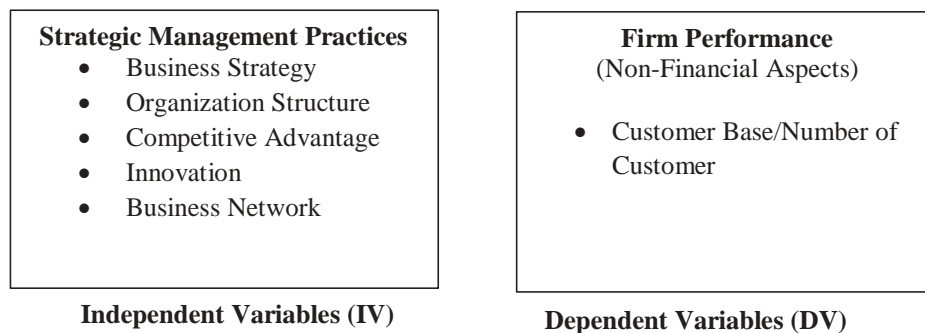


Figure 1: Conceptual Framework showing the relationship between Strategic Management Practices and Firm Performance

Acknowledgements. Special appreciation to Universiti Teknologi MARA, Cawangan Pulau Pinang for providing the budget for this research proposal.

References

- [1] F. Nwankwo, N. Ewuim, and N. Asoya, "Role of Cooperatives in Small and Medium Scale Enterprises (SMEs) Development in Nigeria: Challenges and the Way Forward," *African Res. Rev.*, 2012, doi: 10.4314/afrrrev.v6i4.10.
- [2] Y. Kraja and D. Osmani, "Competitive Advantage and Its Impact in Small and Medium Enterprises (SMEs) (Case of Albania)," *Eur. Sci. J.*, 2013.
- [3] W. M. N. bin W. M. Nasir, A. Al Mamun, and J. Breen, "Strategic Orientation and Performance of SMEs in Malaysia," *SAGE Open*, 2017, doi: 10.1177/2158244017712768.
- [4] M. K. Moorthy *et al.*, "A Study on Factors Affecting the Performance of SMEs in Malaysia," *Int. J. Acad. Res. Bus. Soc. Sci.*, 2012, doi: ISSN: 2222 - 6990.
- [5] K. Mohamad Radzi, M. N. Mohd Nor, and S. Mohezar Ali, "The impact of internal factors on small business success: A case of small enterprises under the felda scheme," *Asian Acad. Manag. J.*, 2017, doi: 10.21315/aamj2017.22.1.2.
- [6] A. S. Saleh, P. Caputi, and C. Harvie, "Perceptions of business challenges facing Malaysian SMEs : some preliminary results," *Res. Online*, 2008.
- [7] N. M. Scarborough and T. W. Zimmerer, "Effective Small Business Management," *Facilities*, 2011.
- [8] J. S. Bracker, B. W. Keats, and J. N. Pearson, "Planning and financial performance among small firms in a growth industry," *Strateg. Manag. J.*, 1988, doi: 10.1002/smj.4250090606.
- [9] R. . Pierce, J.A. dan Robinson, *Strategic management, Formulation Implementation and Control. Malaysia: McGraw Hill.* 2000.
- [10] W. E. Hopkins and S. A. Hopkins, "Strategic planning-financial performance relationships in banks: A causal examination," *Strateg. Manag. J.*, 1997, doi: 10.1002/(sici)1097-0266(199709)18:8<635::aid-smj904>3.0.co;2-%23.
- [11] M. Anderson and A. S. Sohal, "A study of the relationship between quality management practices and performance in small businesses," *Int. J. Qual. Reliab. Manag.*, 1999, doi: 10.1108/02656719910289168.
- [12] C. Sriviboon, "Strategy and performance interrelation: The mediating role of the solidarity," *J. Secur. Sustain. Issues*, 2020, doi: 10.9770/JSSI.2020.9.M(19).
- [13] O. Sunday and E. E. Joseph, "Inventory Management and SMEs Profitability. A Study of Furniture Manufacturing, Wholesale and Eatery Industry in Delta State, Nigeria," *J. Financ. Account.*, 2017, doi: 10.12691/jfa-5-3-1.
- [14] A. J. Abosede, K. A. Obasan, and O. J. Alese, "Strategic Management and Small and Medium Enterprises (SMEs) Development: A Review of Literature," *Int. Rev. Manag. Bus. Res.*, 2016.
- [15] A. Buchanan, D., Huczynski, *Organizational Behaviour. An Introductory Text*, 5th ed. Prentice Hall, 2004.
- [16] J. Clemmer, "The Leader's Digest: Timeless Principles for Team and Organization Success," *TCG Press*, 2013.
- [17] R. Germain, C. Claycomb, and C. Dröge, "Supply chain variability, organizational structure, and performance: The moderating effect of demand unpredictability," *J. Oper. Manag.*, 2008, doi: 10.1016/j.jom.2007.10.002.
- [18] W. Arthur, T. B. Kyte, A. J. Villado, C. A. Morgan, and S. S. Roop, "Introducing a subject matter expert-based utility analysis approach to assessing the utility of organizational interventions such as crew resource management training," *Int. J. Aviat. Psychol.*, 2011, doi: 10.1080/10508414.2011.556504.
- [19] M. A. Zaki, H. S. Hussien, H. M. Sanad, and S. S. El-Khoriby, "Analyzing Organizational Structure for Contracting Firms' of Classification 'a', Egypt," *J. Eng. Sci. Assiut Univ. Fac. Eng.*, 2015.
- [20] F. A. Cszaszar, "Organizational structure as a determinant of performance: Evidence from mutual funds," *Strategic Management Journal*. 2012, doi: 10.1002/smj.1969.
- [21] M. A. Ajagbe, S. Maduenyi, A. O. Oke, and F. Olatunji, "Impact of Organisational Structure on Organisational Performance," *Int. Conf. African Dev. Issues*, 2015.

- [22] "Organizational Structure," *Inc.*
- [23] M. E. Porter, "From Competitive Advantage to Corporate Strategy," in *Readings in Strategic Management*, 1989.
- [24] J. B. Barney and W. S. Hesterly, *Strategic management and competitive advantage*. Pearson Education Upper Saddle River, NJ, 2009.
- [25] O. A. Otungu, W. J. Nyongesa, O. E. ochieng, and K. simeon, "STRATEGIC MANAGEMENT: THE LINK BETWEEN THE AGENCY THEORY AND THE COMPANY'S COMPETITIVE ADVANTAGE," *Int. J. Bus. Soc. Sci.*, 2011.
- [26] E. Papulova and Z. Papulova, "Competitive strategy and competitive advantages of small and medium manufacturing enterprises in SLOVAKIA," *Geogr. Ann. Ser. B Hum. Geogr.*, 2015, doi: 10.1002/sej.
- [27] I. Vitkauskaitė, "Strategic management of independent film production companies," 2017.
- [28] M. E. Agwu, "Analysis of the impact of strategic management on the business performance of SMEs in Nigeria," *Acad. Strateg. Manag. J.*, 2018.
- [29] H. Ma, "Competitive advantage and firm performance," *Compet. Rev.*, 2000, doi: 10.1108/eb046396.
- [30] P. Potjanajaruwit, "Competitive advantage effects on firm performance: a case study of startups in Thailand," *J. Int. Stud.*, 2018, doi: 10.14254/2071-8330.2018/11-3/9.
- [31] Ø. Moen, T. Tvedten, and A. Wold, "Exploring the relationship between competition and innovation in Norwegian SMEs," *Cogent Bus. Manag.*, 2018, doi: 10.1080/23311975.2018.1564167.
- [32] M. I. Haddad, I. A. Williams, M. S. Hammoud, and R. J. Dwyer, "Strategies for implementing innovation in small and medium-sized enterprises," *World J. Entrep. Manag. Sustain. Dev.*, 2019, doi: 10.1108/WJEMSD-05-2019-0032.
- [33] J. Yadollahi Farsi and M. Toghraee, "Identification the main challenges of small and medium sized enterprises in exploiting of innovative opportunities (Case study: Iran SMEs)," *J. Glob. Entrep. Res.*, 2014, doi: 10.1186/2251-7316-2-4.
- [34] I. Hajar, "The Effect of Business Strategy on Innovation and Firm Performance in the Small Industrial Sector," *Int. J. Eng. Sci.*, 2015.
- [35] A. P. Ndesaulwa and J. Kikula, "The Impact of Innovation on Performance of Small and Medium Enterprises (SMEs) in Tanzania : A Review of Empirical Evidence," *J. Bus. Manag. Sci.*, 2016, doi: 10.12691/jbms-4-1-1.
- [36] M. U. Hassan, S. Shaikat, M. S. Nawaz, and S. Naz, "Effects of Innovation Types on Firm Performance: an Empirical Study on Pakistan's Manufacturing Sector," *Pakistan J. Commer. Soc. Sci.*, 2013.
- [37] M. M. Rosli and S. Sidek, "The Impact of Innovation on the Performance of Small and Medium Manufacturing Enterprises: Evidence from Malaysia," *J. Innov. Manag. Small Mediu. Enterp.*, 2013, doi: 10.5171/2013.885666.
- [38] D. C. Roach, J. A. Ryman, and J. Makani, "Effectuation, innovation and performance in SMEs: an empirical study," *Eur. J. Innov. Manag.*, 2016, doi: 10.1108/EJIM-12-2014-0119.
- [39] A. Osei, S. Yunfei, W. Appienti, and S. Forkuoh, "Product Innovation and SMEs Performance in the Manufacturing Sector of Ghana," *Br. J. Econ. Manag. Trade*, 2016, doi: 10.9734/bjemt/2016/29906.
- [40] OECD/Eurostat, *Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data, 3rd Edition, The Measurement of Scientific and Technological Activities*. 2005.
- [41] J. Johanson and J. E. Vahlne, "The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership," *J. Int. Bus. Stud.*, 2009, doi: 10.1057/jibs.2009.24.
- [42] J. C. Anderson, H. Hakansson, and J. Johanson, "Dyadic Business Relationships within a Business Network Context," *J. Mark.*, 1994, doi: 10.2307/1251912.
- [43] M. Roushdy, M. Mohamed, S. Hesham, S. Elzarka, and L. Hafez, "Investigating the Impact of Suppliers Relationship Management on Firms' Performance: A Multiple Case Study Approach on Manufacturing Companies in Egypt," *Int. Conf. Oper. Excell. Serv. Eng.*, 2015.

- [44] J. L. Capelleras and F. J. Greene, "The determinants and growth implications of venture creation speed," *Entrep. Reg. Dev.*, 2008, doi: 10.1080/08985620701855683.
- [45] B. N. Neneh, "Customer orientation and SME performance: the role of networking ties," *African J. Econ. Manag. Stud.*, 2018, doi: 10.1108/AJEMS-03-2017-0043.
- [46] Y. Xu and Q. Peng, "An Empirical Study on the Relationship between Green Supplier Development and Firm Performance," *Am. J. Ind. Bus. Manag.*, 2018, doi: 10.4236/ajibm.2018.84064.
- [47] K. Amoako-Gyampah, K. G. Boakye, E. Adaku, and S. Famiyeh, "Supplier relationship management and firm performance in developing economies: A moderated mediation analysis of flexibility capability and ownership structure," *Int. J. Prod. Econ.*, 2019, doi: 10.1016/j.ijpe.2018.11.021.
- [48] E. F. Surin, O. T. Edward, M. H. F. Hussin, and I. Ab. Wahab, "Recognising the Importance of Strategic Business Network on Business Performance of Sme Manufacturing Firms in Malaysia: Analysing the Moderating Influence of Human Capital and Business Environment," *Int. J. Arts Sci.*, 2017.

Leadership Autonomy Support and employee performance: Mediating effect of Intrinsic Motivation

Samsudin Wahab¹, Adi Izhar Che Ani², Siti Nur Fadzilah Muhsain³, Ahmad Rashidy Razali⁴,
Nor Aziyah Bakhari⁵
{samsudinw@uitm.edu.my¹, adiizhar@uitm.edu.my², sitinurfadzilah077@uitm.edu.my³,
ahmad073@uitm.edu.my⁴, noraziyah140@uitm.edu.my⁵}

Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia¹, Universiti Teknologi MARA,
Cawangan Pulau Pinang, Malaysia², Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia³,
Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia⁴, Universiti Teknologi MARA,
Cawangan Pulau Pinang, Malaysia⁵

Abstract: The focal objective of this research is to examine the empirical relationship between Leadership Autonomy Support (LAS), Employees Well-being and Performance while considering intrinsic motivation and workplace climate as a mediator construct in relation to the proposed theoretical framework. This study will significantly extend the existing literature by considering the Pakistan's cultural context in relation to the Leader Autonomy Support (LAS), Employees Personal Well-being and productivity by applying SDT (Self-Determination Theory). In addition, the current empirical evidence will also exhibit the focal implications for the academia and industry practitioners.

Keywords: Leadership Autonomy Support (LAS), Employee Well-Being, Workplace Climate, Employee Performance.

1 Introduction

Since the industrial revolution, there has been increasing attention towards how leaders can engender and sustain motivation and human capital performance at the workplace. Based on the several theories of leadership, more specifically, Self-Determination Theory (SDT), we may argue that Leader Autonomy Support (LAS) is a leadership style which is the stronger predictor of employee's internal motivational resources, LAS is defined by leaders who exhibit interest towards their employee's perspective, ensure the provision of input and choice opportunities, engender self-esteem and resilience, and refrain from the use of negative reinforcements aiming to attain desired behaviors, which consequently, optimize the employee's level of engagement, well-being and productivity in the organizational work environment [1] [2].

Past studies exhibit mixed findings in relation to the effects of LAS on organizational personnel well-being and performance, clarity is required in relation to the theoretical framework involved. Consequently, The focal objective of this research is to examine the empirical relationship between LAS, Employee Personal Well-being and Performance through the mediating role of Workplace Climate and Intrinsic Motivation by adopting SDT Framework. The focal emphasis of the SDT theory towards people's volitional motivation which is described as the extent to which they perceived their actions as autonomous (for

instance, actions based on values, happiness, interest and choice) or controlled (for instance, actions based on obligations, feelings of guilt, punishment and rewards). Based on the various empirical evidences generated on the basis of SDT perspective, we may argue that autonomous kinds of motivation are seems to be aligned with the more constructive organizational outcomes, for instance, Job satisfaction, persistence, commitment and self-regulation and the LAS can also trigger autonomous type of motivation among the organizational members (e.g., in [3]). Current research will also shed the light on the empirical summary of the noticed correlations in the existing literature; various theoretical frameworks exhibit the areas of further interest for the future scholars. We initiate our study by documenting a short history and background of LAS in relation to the workplace, and then we provide a fundamental overview regarding the various categories of motivation with reference to the SDT perspective and explain how these constructs are related to the LAS at the workplace. Moreover, we shall also review the potential mediators of effects, and then investigate how LAS significantly contributed towards the employee-centric outcomes, for instance, well-being and performance.

2 Literature Review

Despite of various kinds of motivation, for instance, degree of autonomy, the focal emphasis of SDT is towards the significance of personal well-being and supportive autonomy environment. Generally, it has been evident that perceived autonomy support engender the autonomous kind of behavioral regulations among the organizational members. Plenty of research has been documented on the significance of supportive autonomous environment that significantly related to the fostering of personal well-being and autonomous motivation [4] [5] [6] [7].

Although, few researchers demonstrated that how LAS is mainly related to five various types of motivation. Extending past studies, the current empirical evidence will examine the direct and indirect relationship between LAS, well-being and performance by considering workplace climate and intrinsic motivation as mediators constructs. In relation to the various types of motivation, the majority of the researchers categorized motivation into two types, autonomous motivation (the amalgamation of identifies regulation and intrinsic motivation) and controlled motivation (the amalgamation of introjected and external regulation) (e.g., in [3] [5] [8]).

Since the industrial revolution, employee motivation and performance is conceptualized as to be driven by LAS provided at the workplace [9]. As a result, plenty of research has been documented that exhibit how LAS is mainly associated with the behaviors and motivation at the workplace. Initial attention to the topic can be traced through the Taylor's work on "scientific management" where the follower's motivation was perceived as a consequence of scientifically crafted reward system. Recently, s few studies have been generated that grab the attention of the contemporary scholars on the notions of intrinsic and extrinsic motivation as a framework of SDT [10]. SDT perspective is wider with reference to the human motivation that is aligned with the individual's instinctive growth dispositions and pivotal cognitive requirements emphasize on the extent to which behavior of the individual is perceived as controlled or autonomously motivated. It has been applied among the various research contexts and industries, for instance, parenting, health, sports, education and organizations (e.g., in [2] [11]).

With reference to the organizational domain, it has been evident that the contextual elements strongly predict the organizational personnel focal cognitive needs and self-determination (e.g., in [12]). Job autonomy has been defined as “the extent to which individual workers can self-govern how and when they perform the various tasks that make up their job”, is generally perceived as a contextual antecedent in relation to the self-determination at the organization work settings. In relation to the job design at the organizational work settings, we may argue that LAS can be generated on the basis of a personal hallmarks exhibit by the organizational leadership, for instance, leadership styles and patterns of motivation [11] [13]. LAS refer to an array of leadership behaviors that jointly engender the support climate and clarity in relation to the supervisor-subordinates dyads [11]. LAS generally comprised by the various leadership traits which includes employee acknowledgement, fostering self-initiation at the workplace, decentralization and refrain from the negative and positive reinforcements aiming to control behaviors and offering choice and input opportunities to the organizational members [2]. It is essential to conceptualize that fostering a sense of self-determined among the organizational employees, organizational leadership should engender the feelings that behaviors are internally directed rather than externally controlled in an organizational work environment. On the other hand, a controlling leadership style exerts external restrictions on employee’s behaviors in order to force organizational members to exhibit desired behaviors. A controlling leadership style generally perceived as more rigid, inflexible, authoritarian, pressing employees to feel, think and behave in specific ways. Noncompliance with the leadership requirements triggered disciplinary actions aiming to generate desired behaviors [13].

2.1 Intrinsic Motivation as a Mediator between LAS & Well-being

It has been demonstrated that LAS is an antecedent of several kinds of motivations which are the strongest predictors of employee’s well-being at the workplace (e.g., in [6]). It has been suggested in the previous studies that it is reasonable to choose employee’s intrinsic motivation as a mediator construct between LAS and well-being. Although, past studies investigated the mediating effects of intrinsic motivation and on LAS and well being in the Chinese context, but empirical evidence is not available in relation to the Pakistan’s context. The focal purpose of this research is to fill the void in the existing literature by choosing intrinsic motivation as a mediator construct with reference to the banking sector of Pakistan. In relation to the SDT, we may argue that LAS is a strong predictor of well-being and performance at the workplace, across various cultural contexts based on focal cognitive needs, for instance, autonomy needs [14]. Few studies shown that LAS is significantly contributed only in those cultures in which autonomy is perceived as more valuable. Consequently, the focal question of this empirical research is whether LAS is still beneficial or desirable in a cultural context that may not exhibit explicit value in relation to the significance of autonomy support. Particularly, the current empirical evidence extends the available literature by examining the direct relationship between LAS, well-being and performance and considering intrinsic motivation and workplace climate as mediators constructs in relation to the proposed theoretical framework in a Pakistan’s cultural context by using a sample of the banking sector of Pakistan.

3 Methods

In their routine lives, people generally perform deeds of kindness or do small favors for others. Few of these kind deeds are independently chosen and from the core of heart, for instance, purchasing a coffee cup for a friend. It has been evident that the pro-social attitudes and behaviors significantly associated with the employees personal well-being when autonomy support provided in the organizational work settings [15]. Yet, little is known about whether and how it might be possible to engender autonomy in the context of everyday kindnesses.

The current study shall have the three focal objectives. First, we will examine the role of autonomy support in relation with the employee personal well-being and performance. Second, we will tap the mediating role of intrinsic motivation and workplace climate between autonomy support, personal well-being and performance. Finally, the third focal purpose of this empirical investigation is to test the generalizability of our findings across Pakistan's culture. Autonomy support provided in the organizations is mainly related to the increasing level of personal well-being across various cultures, this correlation may be exist on the basis of psychological universal [16] [17]. Autonomy support can be executed effectively among several nations. To examine whether the focal mechanisms of the suggested link between autonomy support, well-being and performance are identical across cultures, data shall be collected from the banking sector of Pakistan. The proposed framework for this study is shown in **Figure 1**.

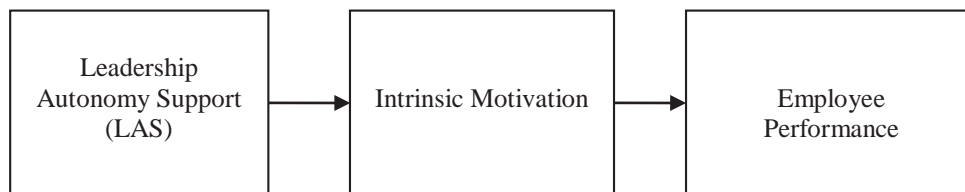


Figure 1: Proposed Framework

4 Result and Discussion

Very big issues on leadership is the feedback subordinate to listen the order by their leader. Most leader failed to motivated their subordinate as a result their team not really committed to the task. In nursing routine job, most of them facing real tension and stress due to numbers of patient arising from time to time. especially in the corona virus phenomenon, part of them are front liners that involved directly to the situation. LAS consequently influence subordinate motivation, then directly linked to employee performance. Previous study confirmed the relationship between this three variables.

5 Conclusion

As a conclusion, the banking sector must open their eyes on the routine activities in the counter. Clerical staff performance are important to make sure high quality of services offered to the customer. Both parties important role in achieving high productivity in term of ROI and non-financial performance.

6 Acknowledgements

Acknowledgemets. Special appreciation to Universiti Teknologi MARA, Cawangan Pulau Pinang for providing the budget for this research study.

References

- [1] M. Vansteenkiste, W. Lens, and E. L. Deci, "Intrinsic Versus Extrinsic Goal Contents in Self-Determination," *Educ. Psychol.*, 2006.
- [2] Y. L. Su and J. Reeve, "A Meta-analysis of the Effectiveness of Intervention Programs Designed to Support Autonomy," *Educational Psychology Review*. 2011, doi: 10.1007/s10648-010-9142-7.
- [3] C. Fernet, S. Austin, S. G. Trépanier, and M. Dussault, "How do job characteristics contribute to burnout? Exploring the distinct mediating roles of perceived autonomy, competence, and relatedness," *Eur. J. Work Organ. Psychol.*, 2013, doi: 10.1080/1359432X.2011.632161.
- [4] V. I. Chirkov, "A cross-cultural analysis of autonomy in education: A self-determination theory perspective," *Theory Res. Educ.*, 2009, doi: 10.1177/1477878509104330.
- [5] E. Kins, W. Beyers, B. Soenens, and M. Vansteenkiste, "Patterns of Home Leaving and Subjective Well-Being in Emerging Adulthood: The Role of Motivational Processes and Parental Autonomy Support," *Dev. Psychol.*, 2009, doi: 10.1037/a0015580.
- [6] L. G. Pelletier, M. S. Fortier, R. J. Vallerand, and N. M. Brière, "Associations among perceived autonomy support, forms of self-regulation, and persistence: A prospective study," *Motiv. Emot.*, 2001, doi: 10.1023/A:1014805132406.
- [7] I. M. Taylor and N. Ntoumanis, "Teacher Motivational Strategies and Student Self-Determination in Physical Education," *J. Educ. Psychol.*, 2007, doi: 10.1037/0022-0663.99.4.747.
- [8] M. Vansteenkiste, M. Zhou, W. Lens, and B. Soenens, "Experiences of autonomy and control among Chinese learners: Vitalizing or immobilizing?," *J. Educ. Psychol.*, 2005, doi: 10.1037/0022-0663.97.3.468.
- [9] M. H. Gilbert, V. Dagenais-Desmarais, and F. St-Hilaire, "Transformational leadership and autonomy support management behaviors: The role of specificity in predicting employees' psychological health," *Leadersh. Organ. Dev. J.*, 2017, doi: 10.1108/LODJ-08-2015-0173.
- [10] E. L. Deci and R. M. Ryan, "'Facilitating optimal motivation and psychological well-being across life's domains': Correction to Deci and Ryan (2008).," *Can. Psychol. Can.*, 2008, doi: 10.1037/0708-5591.49.3.262.
- [11] S. H. Cheon, J. Reeve, J. Lee, and Y. Lee, "Giving and receiving autonomy support in a high-stakes sport context: A field-based experiment during the 2012 London Paralympic Games," *Psychol. Sport Exerc.*, 2015, doi: 10.1016/j.psychsport.2015.02.007.
- [12] V. Den Broeck, M. Vansteenkiste, and H. De Witte, "Self-determination theory: A Theoretical and Empirical Overview In Occupational Health Psychology," ... *Theor. Soc. Psychol.*, 2011.
- [13] E. L. Deci, J. P. Connell, and R. M. Ryan, "Self-Determination in a Work Organization," *J.*

- Appl. Psychol.*, 1989, doi: 10.1037/0021-9010.74.4.580.
- [14] S. N. Chua, N. Wong, and R. Koestner, "Autonomy and controlling support are two sides of the same coin," *Pers. Individ. Dif.*, 2014, doi: 10.1016/j.paid.2014.04.008.
 - [15] N. Weinstein and R. M. Ryan, "When Helping Helps: Autonomous Motivation for Prosocial Behavior and Its Influence on Well-Being for the Helper and Recipient," *J. Pers. Soc. Psychol.*, 2010, doi: 10.1037/a0016984.
 - [16] L. B. Akinin *et al.*, "Prosocial spending and well-being: Cross-cultural evidence for a psychological universal," *J. Pers. Soc. Psychol.*, 2013, doi: 10.1037/a0031578.
 - [17] S. Lyubomirsky and K. Layous, "How Do Simple Positive Activities Increase Well-Being?," *Curr. Dir. Psychol. Sci.*, 2013, doi: 10.1177/0963721412469809.

Contamination and Supply Chain Issues in Food Safety

Mohd Hafiz Bin Mohamad Zahari¹, Elias Kamaruzzaman², Samsudin Wahab³, Adi Izhar Che Ani⁴, Mohd Rozaiman Aziz⁵
 {hafizmz@yahoo.com¹, elias@gmail.com², samsudinw@uitm.edu.my³, adiizhar@uitm.edu.my⁴,
 man@uitm.edu.my⁵}

Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia¹, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia², Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia³, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia⁴, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia⁵

Abstract: The method of food processing offers many possibilities for contamination at different levels. The consequence of inappropriate use of agrochemicals, fertilizers, and pesticides in the field, and antibiotics and anti-parasitic agents in animal agriculture will lead to unsafe compounds in food products. Also, the bacteria and harmful microorganisms contaminate foods that can be spread through sub-optimal storage and transport processes. In food production, the use of unlawful additives will further contaminate food products. The difficulties and time-consuming to trace the origin of the commodity due to complicated long supply chain where involved the processes from raw materials to the final customer lead to great attention from academic researchers to study on the food and agricultural supply chain.

Keywords: Food contamination, Supply Chain, Food Safety.

1 Introduction

57 percent increased from 30 cases in 2015 to 45 cases in 2016 was reported from food poisoning [1]. The major contribution of the food poisoning is from schools and institutions which 47 out of 60 cases are reported under the Ministry of Education. The school canteens and kitchens affected most of the incidences. The infection on raw materials, cross-contamination during handling, and four hours early in cooking before serving time are the main factors of food poisoning as well as misuse of temperature during preparation, shipping, sales, and storage. Food poisoning incidences in Malaysia have risen dramatically from 2005 to 2013 and have also caused several cases of mortality [2].

2 Literature Review

2.1 Food Contamination

The food processing method presents many possibilities for contamination at different levels. The unsafe compounds in food products from the main production are caused by improper use of agrochemicals, fertilizers, and pesticides in the field, as well as antibiotics and anti-parasitic agents, use in animal agriculture. Besides, suboptimal storage and transportation will cause bacteria and harmful microorganisms to contaminate foods. Food products will become contaminated by using illegal food-processing chemicals [3].

Indeed, the issue of agricultural land and freshwater sources were caused by chemical contamination [4]. The growth in food safety issue was led by the field of pollution from industrial waste like heavy metals as the number of industrial facilities is increased in rural areas affecting the agricultural land. Heavy metal in contaminated soil and water, for example, will contribute to the toxicity exposure in agricultural products. This toxicity will lead to a variety of health risks when ingested and cause a higher risk of certain cancers by renal failure and then cause osteoporosis.

2.2 Supply Chain Issues

One of the important ways to ensure product safety is by monitoring product production and efficient logistics management in food and agricultural supply chains. It is becoming a higher concern to improve traceability in the supply chain when it is involved in food safety and contamination risks [5]. The trading of agricultural products across multiple countries requires accurate monitoring and compliance with country-specific regulations. Traceability of goods in the agricultural supply chain demands that sensitive information be gathered, shared, and handled by specifically identifying the origin, various exchanges of information within the supply chain. The difficulties in monitoring and tracking are caused by the complicated nature of information systems in the agricultural and food supply chain from multiple intermediaries in the production, processes, and transmission products [6].

In response to food safety issues, new policies, standards, and laws were developed for the food industry for food safety and control. Furthermore, the food industry has been introduced to integrated quality and food safety management systems for quality assurance as a pillar of food safety policy [5]. A tool to comply with the regulation and meet the requirement of food safety and food quality is the traceability system. This system will be an important safety and quality monitoring and tracking system to enhance food supply chain management and the trust of customers will be increased [7].

3 Methods

This paper represents the literatures on food contamination and supply chain issues in complying the SOP and standard for food safety practices among entrepreneurs. This basis article is on the earlier stage of proposal before conducting a real field research to prove the hypothesis. Therefore, this article is discussing the reviewed of available literature about contamination and supply chain variable as the determinants of food safely.

4 Result and Discussion

4.1 Improving the quality and safety within food supply chain management

A modern decentralized information system could become a revolutionary breakthrough that could include a knowledge network focused on openness, accountability, neutrality, reliability, and protection for all members of the supply chain (including government departments and third-party regulators).

Establishing a traceability system for the food supply chain for real-time food tracking, creating a safety control system for the food supply chain by integrating it with the general supply chain risk management methods, and significantly improving the efficiency of the food

logistics sector [8]. It is possible to monitor, control, plan, and refine food supply chains remotely and in real-time from the Internet based on virtual objects rather than on-site inspection. To track the location of such items and trace their past, digital supply chains rely on food traceability systems.

To collect state information on items of interest over the life cycle, RFID and sensor technology are used. This could entail temperature control, microbiological awareness, and other food safety parameters [9].

4.2 Enhance information security in the food supply chain

It offers a permanent record for any business segment that has been sorted into separate blocks and can not be tampered with. It will replace the old paper following systems and the manual enforcement method, thus preventing the conventional approach of the supply chain from suffering the wrong impact [10]. **Figure 1** shows the proposed framework for this study.

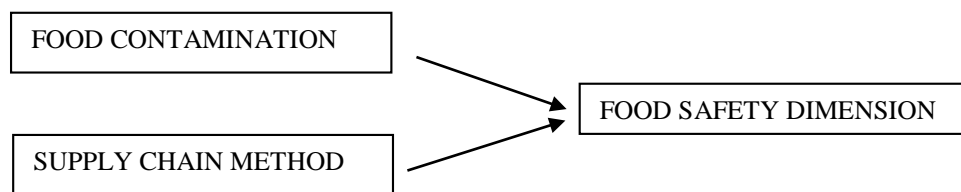


Figure 1: Framework to proceed

5 Conclusion and Recommendation

In conclusion, this study highlights the significance and impact of food contamination and supply chain management on food safety. Food safety is a concern for the food industry to comply with the regulation, increase revenue, and consumer trust in the food produced. A framework for further research in this study is proposed based on the identified issues regarding food contamination and the supply chain.

6 Acknowledgements

Acknowledgements. Special appreciation to Universiti Teknologi MARA, Cawangan Pulau Pinang for providing the budget for this research study.

References

- [1] M. of H. Malaysia, "Kenyataan Akhbar Ketua Pengarah Kesihatan Malaysia; Kejadian Keracunan Makanan di Sekolah Seluruh Malaysia," *Minist. Heal. Malaysia*, 2016.
- [2] W. Salleh, M. N. Lani, W. Z. W. Abdullah, T. Z. T. Chilek, and Z. Hassan, "A review on incidences of foodborne diseases and interventions for a better national food safety system in Malaysia," *Malaysian Applied Biology*. 2017.

- [3] H. M. Lam, J. Remais, M. C. Fung, L. Xu, and S. S. M. Sun, "Food supply and food safety issues in China," *The Lancet*. 2013, DOI: 10.1016/S0140-6736(13)60776-X.
- [4] J. Zhang, D. L. Mauzerall, T. Zhu, S. Liang, M. Ezzati, and J. V. Remais, "Environmental health in China: progress towards clean air and safe water," *The Lancet*. 2010, DOI: 10.1016/S0140-6736(10)60062-1.
- [5] M. M. Aung and Y. S. Chang, "Traceability in a food supply chain: Safety and quality perspectives," *Food Control*, vol. 39, no. 1, pp. 172–184, 2014, DOI: 10.1016/j.foodcont.2013.11.007.
- [6] D. Mao, Z. Hao, F. Wang, and H. Li, "Novel Automatic Food Trading System Using Consortium Blockchain," *Arab. J. Sci. Eng.*, 2019, DOI: 10.1007/s13369-018-3537-z.
- [7] A. Regattieri, M. Gamberi, and R. Manzini, "Traceability of food products: General framework and experimental evidence," *J. Food Eng.*, vol. 81, no. 2, pp. 347–356, 2007, DOI: 10.1016/j.jfoodeng.2006.10.032.
- [8] F. Tian, "A supply chain traceability system for food safety based on HACCP, Blockchain & Internet of things," 2017, DOI: 10.1109/ICSSSM.2017.7996119.
- [9] C. N. Verdouw, J. Wolfert, A. J. M. Beulens, and A. Rialland, "Virtualization of food supply chains with the internet of things," *J. Food Eng.*, vol. 176, pp. 128–136, 2016, DOI: 10.1016/j.jfoodeng.2015.11.009.
- [10] D. Tse, B. Zhang, Y. Yang, C. Cheng, and H. Mu, "Blockchain application in food supply information security," 2018, DOI: 10.1109/IEEM.2017.8290114.

Sin Stocks in Various Litigation Risk: A Case Study in 14 Countries

Iis Nurasiah¹, Nugraha², Disman³, Rozmita Dewi Yuniarti⁴
 {buiisnurasiah@gmail.com¹, nugraha@upi.edu², disman@upi.edu³, rozmita.dyr@upi.edu⁴}

Universitas Bina Bangsa, Serang, Indonesia¹, Universitas Pendidikan Indonesia, Bandung, Indonesia²,
 Universitas Pendidikan Indonesia, Bandung, Indonesia³, Universitas Pendidikan Indonesia, Bandung,
 Indonesia⁴

Abstract. The capital market has an important role for the economy of a country with stock as the most important instrument. One of the most interesting stock is the sin stock because it provides a fairly high return compared to other stocks. However, the existence of the sin stock is considered contrary to a social norm, especially legal norm. In this study, we will examine whether there are differences in sin stock returns in 3 different litigation risk groups using the rule of law as the indicator. This type of study is descriptive with a quantitative approach. The number of samples was 63 stocks from 14 countries with an observation period of 21 years, from 2000 to 2020. To test the hypothesis, was using the Kruskal Wallis test and followed by the Man Whitney test as the post hoc test. The test results show that there are differences in sin stock returns in 3 different litigation risk groups, namely high, middle, and low in 14 countries. A significant difference occurs between low and medium litigation risk as well as between low and high. Meanwhile, there is no difference between medium and high.

Keywords: Litigation risk, Rule of law, Stock return, Sin stock return, Sin industry.

1 Introduction

The capital market has an important role for the economy of a country because it performs two functions at once. First, the capital market's function as a means for business funding or as a means for companies to obtain funds from investors. Funds obtained from the capital market can be used for business development, expansion, additional working capital and others. Both capital markets are a means for people to invest in various financial instruments such as stocks, bonds, mutual funds, derivatives and others. Thus, the public can place the funds they own according to the characteristics of the profit and risk of each instrument.

From the various financial instruments traded on the capital market, stocks are the most popular instrument. Stocks are investment instrument that many investors choose because they are able to provide interesting returns, both dividend and capital gain. Of course, a high level of return is accompanied by a large level of risk (High risk, high return). One of the most interesting stocks is the sin stock. Sin stock provides high returns, however, sin stock also contains high risks because it is related to social norms that apply to a country. Sin stock is stock issued by public companies involved in the production of alcohol, tobacco and gambling

[1]. This type of company is considered to violate social norms. Salaber [2] proved the relationship between social norms, namely religion, litigation risk and excise tax rates with the sin industry where sin stock returns are the object of the research. His empirical research suggested that sin stocks return is higher in countries that face litigation risk and high tax rates. This is what underlies the author to make a legal factor, namely litigation risk, as the basis for this study.

In this study, we will examine whether there are differences in sin stock returns in 3 different litigation risk groups, namely high, middle and low in 14 countries using the rule of law as an indicator.

2 Literature Review

2.1 Sin Industry and Stock Return

Sin Industry is an industry that produces products where most of people consider the product unethical or immoral. The following is the definition and coverage of the sin industry based on Fabozzi, F., K.C. Ma., Oliphant [3]:

Sin Industry	Products & Services
Adult Services	Provides subscription-based adult entertainment Provides adult products and online entertainment Provides dating and chat services Owns and operates adult-themed clubs Manufactures and sells adult products Provides adult media content Holding company with an adult-themed division
Alcohol	Produces malt for breweries Produces cork stoppers for wine Produces and distributes wine Owns and operates establishments that sell alcohol Manufactures and distributes alcoholic beverages Manufactures ethanol used in liquor Imports foreign alcohols Holding company with an alcohol division Engages in retailing and brewing beer Distills liquors Designs bottles for liquor and wine
Biotech	Provides tissue engineering and gene therapy Provides biomedical research of genome applications Conducts animal testing and creates gene-modified mice Creates injectable aesthetic products Experiments with animal genes for producing proteins Conducts genetic testing and genome research Conducts nanotechnology research for treatment of STDs Conducts stem cell-based research
Defense	Produces products for military use Produces firearms Holding company with a firearms division Creates software applications used for the military
Gaming	Involved in aspects of gambling and operates bars Provides digital fortune-telling content Supplies and/or produces gambling-related products Owns and/or operates establishments that allow gambling Conducts gambling servicing
Tobacco	Makes paper used to wrap various parts of the cigarette Develops methods to reduce toxins in tobacco Produces tobacco-based products Sells pipes, rolling tobacco, and lighters Holding company with a tobacco division

Figure 1. The Definition and Scope of Sin Industry

The 3 largest sin industries and the focus of study are tobacco, alcohol, and gambling.

1. Tobacco

Tobacco is an agricultural product that is processed from the leaves of plants of the genus *nicotiana*. Tobacco can be consumed, used as a pesticide and in the form of nicotine tetra can be used as medicine. Tobacco products produced by the sin industry based on The Tobacco Atlas *6th edition, 2018 include Cigarettes, Cigar, Heat-not-burn, E-cigarettes, Bidis.

2. Alcohol

Alcohol is an organic compound that has a hydroxyl group (-OH) attached to a carbon atom, which itself is attached to a hydrogen atom and/or another carbon atom. By substituting -OH to H from CH₄, we get CH₃OH which is known as methanol. The functional formula for alcohol is OH with the general formula for ROH alcohol, where R is an alkyl or alkyl group substitution [4].

3. Gambling

Gambling (sometimes called gaming) ranks the 3rd in the sin industry. The gambling industry has experienced rapid and consistent growth since the enactment of the law. Since the law was implemented, this industry has generated huge amounts of international income. The gambling and gaming industries provide employment for a large part of society. The gambling and gaming industry consist of all types of gambling or betting, which includes slot machines, card games, roulette, sports betting, online games, bingo, card games, charity lotteries and others created in a large spectrum of bingo halls, casinos, betting, various lotteries, and charity.

Stock return according to Dermawan [5] is a rate of return in the form of profits or losses obtained by investors from the value invested. So, sin stock return can be interpreted as the rate of return obtained by investors from the value invested in stock issued by the sin company/industry.

Realized return can be calculated using historical data, namely by measuring the rate of change in stock prices, so that it can be formulated as follows [6] :

$$Stock\ Return_t = \frac{P_t - P_{t-1}}{P_{t-1}} \quad (1)$$

P_t = Stock price in t time

P_{t-1} = Stock price in t-1 time

2.2 Litigation Risk

Litigation risk in a country can be defined as the risk for a company located in that country which makes it as the subject of lawsuits [2]. This includes litigation costs such as current and future health care and recovery costs.

The litigation risk faced by a company can come from individuals (customers), organizations and even countries. They make claims for displeasure with services and products, disruption and loss of service, injuries and hazards related to operations, staff, products and services.

This risk is relatively higher for 'sin' companies than for other companies, but also depends on the company's environmental laws, such as law enforcement or the possibility of being sued.

The litigation risk faced by sin companies certainly in their products. However, sin products (tobacco, alcohol and gambling) are products that can cause addiction and interference with its users. The disturbances in question include physical health, mental health and even social environmental problems. Therefore, the industry engaged in this field certainly requires definite regulation and legal protection. Salaber [2] concluded that countries with high levels of litigation produce higher sin stock returns than countries with low levels of litigation.

There are several indicators that can be used to measure litigation risk, including the level of rule of law in a country, the number of lawyers per capita of a country and it can also be measured by the number of judicial cases per population in one year in a country.

According to Salaber [2], litigation risk in this study is measured using the rule of law. La Porta, Lopez-de-Silanes, Shleifer and Vishny [7] defined the rule of law as an assessment of the tradition of law and order in a country. In this study, the sample countries are classified into 3, namely low litigation risk, medium litigation risk and high litigation risk.

The hypothesis that can be drawn from this theory are:

1. There are differences in sin stock returns in 3 categories of litigation risk (low, medium, high) in 14 countries.
2. There is a significant difference in sin stock return between low-high litigation risk.
3. There is no significant difference in sin stock returns between medium-high litigation risk and between low-medium litigation risk.

3. Methods

This type of this study is descriptive with a quantitative approach. The number of samples was 63 stocks from 14 countries with an observation period of 21 years, from January 2000 to April 2020. The data used is secondary data in the form of monthly stock data accessed through the yahoo finance web to be processed into annual data. Thus, the amount of data obtained in this study is 1323 data.

The rule of law data are obtained from the world bank and then divided into 3 categories based on the rank value. Values with a rank of 0-33 are low, 34-66 are middle, and 67-100 are high.

Table 1. Total sin stock and level of litigation risk

No	Country	Sin Stock	Rule of Law
1	Indonesia	3	Low
2	Brazil	1	Medium
3	China	18	Medium
4	<i>Mexico</i>	<i>1</i>	<i>Medium</i>
5	<i>Malaysia</i>	<i>3</i>	<i>Medium</i>
6	<i>India</i>	<i>1</i>	<i>Medium</i>
7	<i>Turkey</i>	<i>2</i>	<i>Medium</i>
8	<i>Taiwan</i>	<i>1</i>	<i>Medium</i>
9	<i>Australia</i>	<i>1</i>	<i>High</i>
10	<i>Canada</i>	<i>2</i>	<i>High</i>

11	Chile	2	High
12	England	4	High
13	Hongkong	1	High
14	USA	23	High

Data normality was tested using Kolmogorov Smirnov and homogeneity tests using Levene's statistic.

To answer the first hypothesis, the Kruskal Wallis test was used to determine whether there was a statistically significant difference between two or more groups of independent variables on the dependent variable with a numerical data scale (interval / ratio).

Furthermore, the post hoc test was carried out using Man Whitney to answer the second hypothesis. This test is conducted to assess between categories whether there are significant differences.

4 Result and Discussion

All valid data means complete and legible (table 1), data are not normally distributed because the sig value is $0.000 < 0.05$ (table 2) but are in the same group or homogeneous because of $\text{sig. } 0.286 > 0.05$ (table 3).

Table 1. Case Processing Summary

		Cases					
		Valid		Missing		Total	
	Law	N	Percent	N	Percent	N	Percent
Return	low	63	100,0%	0	0%	63	100,0%
	medium	567	100,0%	0	0%	567	100,0%
	high	693	100,0%	0	0%	693	100,0%

Table 2. Tests of Normality

		Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Law	Statistic	Df	Sig.	Statistic	df	Sig.
return	low	,086	45	,200*	,971	45	,310
	medium	,060	346	,004	,965	346	,000
	high	,399	443	,000	,098	443	,000

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Table 3. Test of Homogeneity of Variances
Return

Levine Statistic	df1	df2	Sig.
1,253	2	1320	,286

It can be seen in Table 4 that the Kruskal Wallis test statistic shows that the probability value (Sig.) = 0.001, so that $0.001 < 0.05$, then H_0 is rejected. So it can be concluded that there are differences in returns on the low, medium and high ligases risk.

Table 4. Kruskal-Wallis Test Ranks

	Law	N	Mean Rank
Return	Low	63	393,43
	Medium	567	453,36
	High	693	391,94
	Total	1323	

Test Statistics^{a,b}

a. Kruskal Wallis Test

b. Grouping Variable: Law

	Return
Chi-Square	13,101
Df	2
Asymp. Sig.	,001

Based on the Table 5, 6 and 7 below, the result of Mann-Whitney statistic test with alpha 0,05 are obtained as follow :

- 1) Low-medium resulting value sig. 0,118>0,05 (H_0 rejected)
- 2) Low-high resulting value sig. 0,973>0,05 (H_0 rejected)
- 3) Medium-high resulting value sig. 0,000<0,05 (H_0 accepted)

Table 5. Mann-Whitney Test Low-Medium
Ranks

	Law	N	Mean Rank	Sum of Ranks
return	Low	63	171,26	7706,50
	Medium	567	199,22	68929,50
	Total	630		

Test Statistics^a

a. Grouping Variable: Law

Return	
Mann-Whitney U	6671,500
Wilcoxon W	7706,500
Z	-1,561
<i>Asymp. Sig. (2-tailed)</i>	<i>,118</i>

Table 6. Mann-Whitney Test Low-High
Ranks

	Law	N	Mean Rank	Sum of Ranks
Return	Low	63	245,18	11033,00
	High	693	244,43	108283,00
	Total	756		

Test Statistics^a
a. Grouping Variable: Law

Return	
Mann-Whitney U	9937,000
Wilcoxon W	108283,000
Z	-,034
<i>Asymp. Sig. (2-tailed)</i>	<i>,973</i>

Table 7. Mann-Whitney Test Medium-High
Ranks

	Law	N	Mean Rank	Sum of Ranks
return	medium	567	427,64	147962,50
	High	693	369,51	163692,50
	Total	1260		

Test Statistics^a
a. Grouping Variable: Law

Return	
Mann-Whitney U	65346,500
Wilcoxon W	163692,500
Z	-3,555
<i>Asymp. Sig. (2-tailed)</i>	<i>,000</i>

The Kruskal Wallis test statistic shows that there are differences in returns between countries with low, medium and high litigation risk with the rule of law as an indicator.

This result is consistent with Stulz and Williamson [8] where in their study shows that the development of the stock market is correlated with the legal origin of a country (common law vs. civil law). Meanwhile Salaber [2] shows that the sin stock return is higher in countries with higher litigation risk. Both use the rule of law as an indicator of both civil law and litigation risk. La Porta, Lopez-de-Silanes, Shleifer and Vishny [7] define the rule of law as an assessment of the tradition of law and order in a country.

In the data above, Indonesia is the only country with a low rule of law category, namely 33.03, while there are 7 countries that have a medium rule of law with an average of 53.95, these two categories produce significant differences in returns. Likewise, if Indonesia is compared with 6 countries in the high rule of law category with an average of 92.11 it results a significant difference.

Thus, if the rule of law is an assessment of the tradition of law and order in a country, then each country, especially the low and medium categories, should continue to improve the quality of law and its enforcement. Improving the quality of the law can be done by focusing on 3 important aspects, namely the effectiveness of the corrective system (sanctions), non-discrimination and anti-corruption policies so that the development of the stock market increases and can compete with developed countries.

5. Conclusion

The capital market is a measure of a country's economic success through its stock transactions. Stocks that are quite interesting are those that produce high returns. But business law always says that high risk high return. Likewise, sin stock is considered quite sexy because it generates high returns. However, the existence of sin stock is considered unethical and tends to violate social norms, especially legal norms. Therefore, sin companies/industries are always faced with the risk of litigation.

The risk of litigation varies from country to country. These differences are grouped into the low, medium and high litigation risk categories. The results of the analysis reveal that there are differences in sin stock returns in the three categories. Significant differences occurred in the low-medium and low-high categories, while the medium-high was not significant. This result is in line with a number of studies which show that risk litigation with the rule of law as an indicator is correlated with stock market developments, especially sin stocks.

References

- [1] Hong, H., and M. Kacperczyk.: The Price Of Sin : The Effect of Social Norms on Markets. *Journal of Financial Economic*, 93, 15-36 (2009)
- [2] Salaber, J.: The Determinants of Sin Stock Returns: Evidence on the European Market. Working Paper, Paris Dauphine University, November (2007)
- [3] Fabozzi, F., K.C. Ma., Oliphant.: Sin Stocks : A Natural Hedge. Working Paper (2008)
- [4] Wiley, J., & Soon.: *Introduction to Organic Chemistry*. ttp.: t.p., hlm 487 (2011)
- [5] Dermawan, Sjahrial.: *Manajemen Keuangan Lanjutan Edisi Revisi*. Jakarta: Mitra Wacana Media hal 119. (2014)

- [6] Jogyianto.: Teori Portofolio dan Analisis Investasi Edisi Kesepuluh. Yogyakarta: BPFE hal 265 (2015)
- [7] La Porta., Lopez-de-Silanes., Shleifer., & Vishny.: Legal Determinants of External Finance. NBER Working Paper No. 5879. January (1997)
- [8] Stulz, R M., & Williamson, R.: Culture, Openness, and Finance. Journal of Financial Economics 70, hal 383-349 (2003)
- [9] <https://finance.yahoo.com>
- [10] <http://info.worldbank.org>
- [11] https://tobaccoatlas.org/wp-content/uploads/2018/03/TobaccoAtlas_6thEdition_LoRes_Rev0318.pdf

The Influence of Account Officer Development on the Smoothness of Murabahah Financing Returns (Case Study at Bank Syariah Mandiri, Bandar Lampung, Indonesia)

Hendra Novian¹
{hnfarras@gmail.com¹}

Graduate Program of Raden Intan Lampung Islamic State University, Indonesia¹

Abstract. The banking sector is very important for the progress of the country. This is because banks have financing products which are one of the most important sources of funds for any type of business, especially, the banking business is growing and entering the sharia banking business. The syari'ah banking system offers bank financing options that are more profitable for the small and medium business sector. but still have the risk of failure to return financing. This research was conducted at Bank Mandiri Syariah, Bandar Lampung City, Indonesia. The study was conducted to see whether the guidance of the Account Officer has an influence on the return of financing by customers. The results showed that coaching by the Account Officer had an effect on returns by customers in Bank Mandiri Syariah, Bandar Lampung City.

Keywords: Account Officer, Sharia Banking Business

1 Introduction

In the development of the banking world, the sector of sector financing is very important for the progress of the country [1]. This is because financing is one of the most important sources of funds for any type of business, especially, the banking business is growing and entering the sharia banking business. Banking activities in terms of channeling public funds are partly carried out in the form of goods or services provided to customers.

Then, to improve banking services to the public, it is necessary to develop bank activities that can meet people's needs, one of which is banking products with the principle of profit sharing. The principle of profit sharing is banking services needed by the community and in Indonesia itself is regulated in Government Regulation No. 72 of 92 concerning Banks Based on the Principle of Profit Sharing [2]. The main function of a profit-sharing bank is as a mediator between owners of capital or funds who wish to deposit funds in the bank (funding) and customers who need capital (financing).

The syari'ah banking system offers a more profitable bank financing option for the small and medium-sized business sector, where the risk of losing capital due to economic turmoil and so on does not have to be borne solely by the borrower. The syari'ah banking system offers fair financing based on the spirit of risk sharing and business results equally.

In carrying out institutional functions so that the operations of Islamic banks do not deviate from the guidance of Islamic shari'ah, a Shari'ah Supervisory Board has been formed where the institution does not exist in conventional banking [2]. Banking institutions must be able to manage the financing they distribute. If the bank cannot manage it properly, it will greatly affect the progress of the bank itself.

A common risk faced by banks is the failure of the debtor to repay the financing installments. Transactions in which there are elements of fraud that are prohibited by the syara', such as transactions that occur between an Account Officer and a financing customer, here the Account Officer is a bank personnel engaged in product marketing. Financing that has been provided to customers must be carried out in accordance with the applicable financing procedures and internal bank regulations. Therefore, it is necessary to have supervision and guidance by the Account Officer to prevent information asymmetry [3]. This information asymmetry can be detrimental to the bank, because there is a possibility that the financing that has been given is used by the customer not in accordance with the proposed financing.

The emergence of information asymmetry can affect the size of the investment income carried out. The asymmetric form of agent information is usually in the form of moral hazard and adverse selection [4]. Adverse selection occurs in debt contracts when the quality of the borrower is only able to provide returns beyond the specified limit, while moral hazard occurs if the borrower reacts differently to contracts that have been agreed upon [5]. Therefore, syari'ah banks really need the role of an Account Officer in the supervision and guidance of financing customers. This effort is needed to avoid problematic financing.

2. Literature Review

2.1 Account Officer

Account Officer is a bank officer who in carrying out his work tries to create a mixture of various products and services tailored to market needs. An Account Officer has a role to foster customers in order to get efficiency and optimization of every financial transaction carried out without leaving his / her responsibilities as bank personnel. Account officers must be able to bridge the possibility of using the most suitable product for customers and monitor loans given to customers [6].

2.2 Murabahah

Murabahah is a sale of goods or sale and purchase of goods at the original price with an additional profit agreed between the bank and the customer [7]. The amount of the additional profit can be stated in a certain nominal rupiah or as a percentage of the purchase price. Murabahah contract is a form of natural certainty contract, because murabahah determines how much the required rate of profit is.

2.3 Problematic Financing

Non-performing financing does not appear immediately but generally goes through a period where various aspects of the customer have gradually decreased and ends with the customer's inability to pay the financing during that period. Several indications indicate the emergence of financing problems and banks must immediately take security steps to prevent the problem from getting worse. It is very possible that a financing that initially did not show a

problem since the beginning of the gift suddenly became problematic without a signal of any kind of result [8].

3. Methods

This research is a field research with the aim of finding answers to existing problems [9]. The research location was conducted at one of the banking institutions in Indonesia, namely Bank Mandiri Syariah, Bandar Lampung City Branch. The population of this research is all customers who use murabahah financing products as many as 120 customers, while the research sample is 30 customers by distributing questionnaires.

4. Result and Discussions

The process of realizing financing in Islamic Banks is not as smooth as imagined, because not all customer characteristics are the same as one another. The involvement of Bank Syairah officials (Account Officer) in monitoring and supervising financing is a necessity that must be done. This is done to save public funds that have been mandated by Islamic banks. In addition, the supervision and guidance of Bank Syariah Mandiri Bandar Lampung financing customers is carried out by Account Officers to avoid delayed repayments or problematic returns. If something like this happens, the bank can experience a loss where financing is the main source of bank income.

The results of the study show that the coaching carried out by the account officer has an influence on the return of financing by customers with murabahah contract financing. This is shown from the results of the t test of 5.261 so that the t count is 5.261. Then, the value of t table itself is 2.048 so that t count is greater than t table ($5.261 > 2.048$). Thus the results of the t test show that in Bank Mandiri Syariah in the city of Bandar Lampung itself there is a relationship or influence between coaching by the Account Officer and returns by customers for murabahah financing.

5. Conclusion

Research conducted at Bank Mandiri Syariah, Bandar Lampung City shows that the development of the Account Officer has an influence on the return of financing by customers with a contract or murabahah products as indicated by $t_{table} > t_{count}$. So this shows that in managing murabahah financing products it would be better if Bank Mandiri Syariah through an Account Officer to provide guidance to customers so that the refund rate can be on time and do not experience payment failures.

References

- [1] C. Paun, "The Impact of Financial Sector Development and Sophistication Sustainable Economic Growth," *J. Sustain.*, vol. 11, no. 1, 2019.
- [2] W. Suminto, *Analisis Ruang Lingkup Wewenang dan Tanggung Jawab Account Officer dalam*

- mengantisipasi pembiayaan bermasalah*, I. Jakarta: Raja Grafindo Persada, 2002.
- [3] Jogiyanto, *Teori Portofolio dan Analisis Investasi*, 3rd ed. Yogyakarta: BPFE, 2000.
 - [4] Muhammad, *Lembaga-lembaga Keuangan Kontemporer*, I. Yogyakarta: UII, 2000.
 - [5] Muhammad, *Konstruksi Mudarabah Dalam Bisnis Syari'ah*. Yogyakarta: PSEI, 2003.
 - [6] J. Jusup, *Panduan Dasar untuk Account Officer*, 3rd ed. Yogyakarta: Yogyakarta Publisher, 2004.
 - [7] A. Maulidizen, "Literature Study on Murabahah Financing in Islamic Banking in Indonesia," *Economica*, vol. 9, no. 1, pp. 25–49, 2018.
 - [8] M. Ali, *Pembiayaan Bermasalah Analisa, Penyelamatan dan Penyelesaian*. Bandung, 1999.
 - [9] N. Indriartono, *Metodologi Penelitian Bisnis Untuk Akuntansi dan Manajemen*. Yogyakarta: BPFE, 1999.

The Inter-Relationship of Cognitive and Affective Trust Towards Servant Leadership

Syaiful Bakhtiar Bin Zulkifli¹, Mohd Shazwan Syafiq Bin Ishak², Mohd Subri Tahir³,
Samsudin Wahab⁴, Adi Izhar Che Ani⁵
{syaiful.bakhtiar@gmail.com¹, shazwansyafiq.ishak@gmail.com², mohdsabri@uitm.edu.my³,
samsudinw@uitm.edu.my⁴, adiizhar@uitm.edu.my⁵}

Universiti Teknologi MARA Cawangan Pulau Pinang, Malaysia¹, Universiti Teknologi MARA
Cawangan Pulau Pinang, Malaysia², Universiti Teknologi MARA Cawangan Pulau Pinang, Malaysia³,
Universiti Teknologi MARA Cawangan Pulau Pinang, Malaysia⁴, Universiti Teknologi MARA
Cawangan Pulau Pinang, Malaysia⁵

Abstract. As such, a study on leadership in public healthcare organizations concerning servant leadership among nurses to be an essential variables that influences job performance. As there is a severe lack of studies on the relationship between the role of cognitive and affective trust with servant leadership in public healthcare. There is a growing number of nurses in public healthcare of Malaysia. With the increasing of the numbers we believe strong leadership skill is important in high job performance. Previous studies show that combination of cognitive and affective based trust plays a crucial role contributing to the servant leadership performance. Few studies have been done in determining the relationship of cognitive and affective based trust towards the leader performance. This paper theoretically aims to assess the influence of cognitive and affective trust towards servant leadership.

Keywords: Cognitive, Affective, Trust, Communication, Servant Performance.

1 Introduction

In the public service organizations like Ministry of Health (MOH) played an important role in the public health sector and been responsible agency for one of the large organizations workforce in the Malaysia public service. Of these, nurses make up a significant number of the much necessary workforce in the Malaysian public health service. The reality is the nurses do more than playing second fiddle to the doctor. Nurses corresponds to the physical and mental act of providing attention to those who are ill. As one of the front liners in the healthcare field, nurses are responsible for a multi tasks, such as prescribing medication, wound care and recovery, conducting physical exams and diagnostic tests, monitoring vital signs and supporting patient recovery. While the role of doctors is not ignored, it is nurses who provide the sick with holistic care, monitor allergies and medication reactions, provide continuous treatment and provide the doctor with vital information. Literally, nurses seem to be embracing a pragmatic approach, displaying dedication, thriving in the face of challenges and dedicating themselves to their duties. These qualities, which are committed to work, are likely to lead to higher job performance and contribute to greater overall organizational success. Thus, in ensuring that the objectives and outputs of the organization are met, it can be seen in a nutshell that nurses also have the quality of leadership by instilling cotrust based among them in term of leadership performance.

Leaders who express more than self-related concern about others often show signs of humbleness. This situation encourages close ties with followers, making it easier for followers to embrace their goals and objectives related to their work [1] [2]. At once, servant leadership was first initiated in 1970, but until lately it attracts the interest of academic researchers. Study on servant leadership is under way at an accelerated tempo today. There are psychometrically sound measures available, and servant leadership has passed the test of displaying incremental validity after accounting for the two most commonly discussed approaches to leadership, leader-member exchange, and transformational leadership. Now that servant leadership has gained credibility in the academic field, development in theory is expected to direct their further development [3]. Therefore, this study is necessary to see nurses' performance as servant leaders serving in the organization as well as assessing their leadership qualities.

A servant leader shares power, puts others' needs first, helps individuals improve and maximize performance, is eager to learn from others, and forsakes personal advancement and rewards. Servant leaders concentrate on performance management, day-to-day coaching, and helping people accomplish it. They offer vision and their team understands their goals and their expected outcome. The servant's ultimate responsibility is indeed the enduring investment in the lives of those who follow the leader [4] [5]. Previous studies have been shown that leadership plays a crucial role in influencing the ultimate organizational outcome, and in particular output [1]. However, few efforts were made to understand the influence of servant leadership on how employees evaluate their performance and whether the role of cognitive and affective trust among employees is shaped by such a relationship. According to [6], there is not enough research has been done to ratify the outcomes predicted by the theory of servant leadership. Therefore, this study is conduct to able to understand the performance of servant leadership, cognitive and affective based trust among nurses in the context of the public health sector in Malaysia.

2. Methods

This paper represents the literatures on cognitive trust effect of followers creativity. This basis article is on the earlier stage of proposal before conducting a real field research to prove the hypothesis. Therefore, this article is discussing the reviewed of available literature about trust element either cognitive or affective that might affect creativity of clinical staff employees.

Our study will insight the influence of trust towards leaders performance. We need to emphasis in the methodology about the construct of trust by focusing at individual-level performance. The conceptual searh is aim to improve our understanding the new area of study, focusing on unravelling servant leadership convoncing on individual-level acheivement. Our aim was to explore how servant leadership effects performance in an individual performing workplace environment, proposing the influencing role of trust construct. In this study, we use the model below for explaining the relationship between cognitive and affective trust towards servant leadership effect on individual performance among nurses.

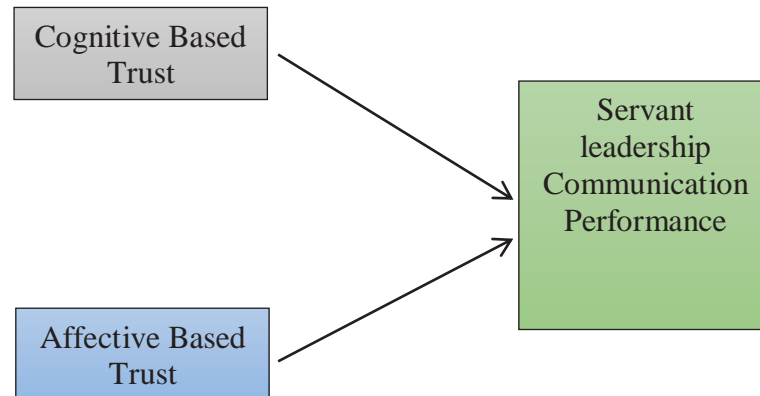


Figure 1. Theoretical Framework showing the association of bi-dimensional trust on Servant Leadership Performance

3. Result and Discussion

3.1 Servant Leadership Performance

Evidence from studies throughout the past decades on the effects of servant leadership is attributable to [6] for pioneering work paving the way for the study of the servant leadership form [7]. Since then numerous approaches have been explored for understanding the impact of servant leadership on organizations. Servant leadership is founded on the idea that leaders who are less associated with achieving personal objectives and more motivated to achieve followers are more likely to inspire those around them [8]. Effective servant leadership among nurses in public healthcare in Malaysia is critical to deliver reliable performance while meeting organizational challenges. Nurses encounter particular challenges relating to regulation and accreditation, inefficiencies in the process, patient difficulties, resource allocation, job satisfaction and patient satisfaction. The main objective of servant leadership is to serve and meet the needs of the follower [9]. Servant leadership representing leaders philosophy covering the concerns of ethics [10]. A servant leader prioritizes dedication to the organization's members rather than personal accomplishment, and focuses on meeting the needs of its members [8]. Servant leadership thus focuses on the dual focus of achieving organizational objectives as well as the growth and development of its staff, centered on the emotional cohesion between the leader and the organization's members [11], and it can play a significant role in supporting the overall satisfaction of the members of the organization's work. It is a demanding research area on servant leadership linking the ethical, virtues and morality element of leaders [12,13]. The special attention is on the leaders role as a servant that foster the positive organizational outcome. [14] [15] [16]. Given the problems associated with public healthcare, such as the shortage of nurses, it is incredibly important to manage rising allocation and to have an increased demand for better clinical care and productivity improvements that include healthcare staff, especially nurses. Despite these issues and because the nursing career is demanding, the involvement of nurses in the workforce in public healthcare in Malaysia is strategically important.

3.2 Contribute to Leader Performance

3.2.1 Cognitive Based Trust

The confidence of followers in the capacities of the leader is seen as the primary element of cognition based trust. Cognitive trust depends on the follower's personal appraisal of the leader i.e. whether or not the leader has shown competence, reliability and integrity in the past.

Knowledge and business competence are two important factors which make followers trust a leader and their leadership belonging. Cognitive trust is primarily how sure somebody feels about the technical capacity of the leader to do the job. It is based on the Leader's subjective evaluation by each individual, through certain qualities such as qualifications and award received might increase level of the cognitive trust in a group. From [17] [18], mentioned that cognition-based trust involves logic, which is based on evidence supporting the other person's reliability and competence under specific circumstances. Previous research has found that trust as a bi-dimensional variable whereas cognitive trust as the tool for competent and responsibility instead of affective trust representing emotional feeling on faith and interaction [19]. Recent development of leadership study incorporated this two dimension as valid for trust measurement.. We broaden [19] line of thought and analyse the effect of perceived trustworthiness in the servant leadership performance relation. In analysing the relationship between servant leadership performance and cognitive and affect based trust, previous research by [20] showed that cognitive trust is the key to increasing the benefits of cognitive conflict while affect-based trust is the miracle cure for cognitive conflictive. In other words, both cognitive and affect based trust have a different role and plays crucial role in managing conflict between colleague. This will indirectly have impacted the leadership performance as well. Moreover, [21] indicate that affective trust and cognitive trust mediate between the transformation leadership and organizational commitment positively. Affective trust and cognitive trust both mediate negatively between transformational leadership and task performance. Numbers of research held resulted with a different outcome. Since the aim of this study is to investigate the process on how cognitive and affective trust influences and interacts with servant leadership performance, as well their downlink staff as person player in the organization, as an informer that reflex leadership performance, we concentrated on the trust of the subordinates in their leadership. To further investigate the relationship, we would include nurses in public service organizations such as Ministry of Health (MOH) as our study population. Nurses make up a significant number of the much necessary workforce in the Malaysian public health service. The reality is the nurses do more than playing second fiddle to the doctor. As one of the front liners in the healthcare field, nurses are responsible for a multi tasks, such as prescribing medication, wound care and recovery, conducting physical exams and diagnostic tests, monitoring vital signs and supporting patient recovery. Meaning that, nurses are the closest example for implementation and evaluation of servant leadership performance.

3.2.2 Affective Based Trust

In servant leadership, the interaction process (explicit or implicit) towards their followers is key for communication [22] [23]. Thus, leader-follower relationships are considered to be a dynamic phenomenon which can be affected by many individual and contextual factors. Trust stimulates successful leadership. It is the real relationship dimension in their work structure and this interaction are main part in relationship performance. This is the symbol for corporate sharing, sharing and managing the agreement. [24]. We are all naturally know what trust means, but there are actually two kinds of trust that are essential

result in a good leadership. Affective trust, known as ‘trust of the heart’. It is made up by empathy, closeness, and sincere consideration and concern. Affect-based trust is especially important as employees make personal investments in building trusting relationships, expressing concern, and caring for the well-being of others, which in turn are reciprocated [18] [25]. From [26] define affective trust is made up by empathy, proximity, and sincere consideration and concern. Hence, affective trust defined as sence of confident on their beliefs during conversation [23] . Thus, leaders with high affective trust result in less vision and less intellectual stimulation behaviour. This can be clarified by leaders with a high degree of affective trust who feel less like they need to earn people attention and concern. And yet frequent visioning is necessary to realign priorities, objectives and targets within a team in order to overcome the natural inclination to wander off course for these issues.

Previous research findings, the leader and employee relationship from the basis fo trust and sence of respect, hence leadership, cognitive and affect-based trust a significant correlation among them. In fact, the altruism has a positive effect on the relationship on the morale and efficiency of the employee and can provide a basis for granting affected trust [18]. The communication through affective trust can impact leadership performance by human touch and good relationships between the leader, colleagues or customers itself. It is also promoting the effectiveness of servant leadership in delivering their task. Research conduct by [27] affective trust intercept the relationship of benevolence and authoritarianism on employee innovation and knowledge delivery. Affective trust is not only lead to the effectiveness of servant leadership but also promotes innovation and germination of fresh ideas in any task. This can have resulted in a good servant leadership performance. In this context, the servant leadership style is considered to be ineffective or outperform without a transactional relationship (i.e. affective based trust) between leader and the follower. Since the theory of servant leadership evolved and its measurement scales, most of the study centred on behavioural contexts in which servant leadership is more or less likely impacted. Based on the findings in [18], we can better understand how servant leadership affects the behavioural outcomes of employees by concentrating on trust building and quality relationships.

4. Conclusion and Recommendation

In conclusion, this study highlights the significance and impact of ttrust and motivation in the medical and health industry. Trust is a concern for the motivation to comply with the regulation, increase revenue, and employees trust in the organization. A framework for further research in this study is proposed based on the identified issues regarding leadership, trust and motivation.

5 Acknowledgements

Acknowledgements. Special appreciation to Universiti Teknologi MARA, Cawangan Pulau Pinang for providing the budget for this research study.

References

- [1] P. Bayram and K. Zoubi, "The effect of servant leadership on employees' self-reported performance: Does public service motivation play a mediating explanatory role?," *Manag. Sci. Lett.*, 2020, doi: 10.5267/j.msl.2020.1.002.
- [2] B. P. Owens and D. R. Hekman, "Modeling how to grow: An inductive examination of humble leader behaviors, contingencies, and outcomes," *Acad. Manag. J.*, 2012, doi: 10.5465/amj.2010.0441.
- [3] D. V Day, *The Oxford handbook of leadership and organizations*. Oxford Library of Psychology, 2014.
- [4] G. P. Allen, W. Mark Moore, L. R. Moser, K. K. Neill, U. Sambamoorthi, and H. S. Bell, "The role of servant leadership and transformational leadership in academic pharmacy," *Am. J. Pharm. Educ.*, 2016, doi: 10.5688/ajpe807113.
- [5] J. C. Maxwell, *Christian reflections on the leadership challenge*, vol. 143. John Wiley & Sons, 2009.
- [6] P. G. Northouse, *Leadership: Theory and practice*. Sage publications, 2018.
- [7] J. A. Laub, "Assessing the servant organization; Development of the Organizational Leadership Assessment (OLA) model. Dissertation Abstracts International," *Procedia - Soc. Behav. Sci.*, 1999, doi: 10.1525/sp.2007.54.1.23.
- [8] L. C. Spears, "Servant leadership and Robert K. Greenleaf's legacy," in *Servant leadership*, Springer, 2010, pp. 11–24.
- [9] R. F. Russell and A. Gregory Stone, "A review of servant leadership attributes: developing a practical model," *Leadership & Organization Development Journal*. 2002, doi: 10.1108/01437730210424.
- [10] D. Carter and T. Baghurst, "The Influence of Servant Leadership on Restaurant Employee Engagement," *J. Bus. Ethics*, 2014, doi: 10.1007/s10551-013-1882-0.
- [11] D. M. Mayer, M. Bardes, and R. F. Piccolo, "Do servant-leaders help satisfy follower needs? An organizational justice perspective," *Eur. J. Work Organ. Psychol.*, 2008, doi: 10.1080/13594320701743558.
- [12] J. D. Lanctot and J. A. Irving, "Character and Leadership : Situating Servant Leadership in a Proposed Virtues Framework," 2007.
- [13] D. L. Parris and J. W. Peachey, "A Systematic Literature Review of Servant Leadership Theory in Organizational Contexts," *J. Bus. Ethics*, 2013, doi: 10.1007/s10551-012-1322-6.
- [14] É. Lapointe and C. Vandenberghe, "Examination of the Relationships Between Servant Leadership, Organizational Commitment, and Voice and Antisocial Behaviors," *J. Bus. Ethics*, 2018, doi: 10.1007/s10551-015-3002-9.
- [15] H. Liu, "Just the Servant: An Intersectional Critique of Servant Leadership," *J. Bus. Ethics*, 2019, doi: 10.1007/s10551-017-3633-0.
- [16] A. Newman, G. Schwarz, B. Cooper, and S. Sendjaya, "How Servant Leadership Influences Organizational Citizenship Behavior: The Roles of LMX, Empowerment, and Proactive Personality," *J. Bus. Ethics*, 2017, doi: 10.1007/s10551-015-2827-6.
- [17] S. J. Reinke, "Service before self: Towards a theory of servant-leadership," *Glob. Virtue Ethics Rev.*, 2004, doi: <http://dx.doi.org/10.1108/17506200710779521>.
- [18] S. Seto and J. C. Sarros, "Servant Leadership Influence on Trust and Quality Relationship in Organizational Settings," *Int. Leadersh. J.*, vol. 8, no. 3, 2016.
- [19] F. Saleem, Y. Z. Zhang, C. Gopinath, and A. Adeel, "Impact of Servant Leadership on Performance: The Mediating Role of Affective and Cognitive Trust," *SAGE Open*, 2020, doi: 10.1177/2158244019900562.
- [20] S. Parayitam and R. S. Dooley, "The relationship between conflict and decision outcomes," *Int. J. Confl. Manag.*, 2007.
- [21] S. Hussain, M. Shujahat, M. I. Malik, S. Iqbal, and F. N. Mir, "Contradictory results on the mediating roles of two dimensions of trust between transformational leadership and employee outcomes," *J. Organ. Eff.*, 2018, doi: 10.1108/JOEPP-11-2016-0063.

- [22] R. C. Liden, S. J. Wayne, J. D. Meuser, J. Hu, J. Wu, and C. Liao, "Servant leadership: Validation of a short form of the SL-28," *Leadersh. Q.*, 2015, doi: 10.1016/j.leaqua.2014.12.002.
- [23] R. Islam, N. Osman, M. F. Othman, and M. Abu Raihan, "Impact of global leadership behaviors on performance of multinational companies," *Humanit. Soc. Sci. Rev.*, 2019, doi: 10.18510/hssr.2019.7397.
- [24] K. T. Dirks and D. L. Ferrin, "Trust in leadership: Meta-analytic findings and implications for research and practice," *J. Appl. Psychol.*, 2002, doi: 10.1037/0021-9010.87.4.611.
- [25] R. Cropanzano and M. S. Mitchell, "Social exchange theory: An Interdisciplinary review," *Journal of Management*. 2005, doi: 10.1177/0149206305279602.
- [26] Y. Tu, Y. Zhang, X. Lu, and S. Wang, "Differentiating two facets of trust in colleagues: How ethical leadership influences cross-team knowledge sharing," *Leadersh. Organ. Dev. J.*, 2019, doi: 10.1108/LODJ-06-2019-0260.
- [27] Q. Tian and J. I. Sanchez, "Does paternalistic leadership promote innovative behavior? The interaction between authoritarianism and benevolence," *J. Appl. Soc. Psychol.*, 2017, doi: 10.1111/jasp.12431.

The Influence of Brand Awareness, Perceived Quality, Brand Association, Brand Loyalty on Brand Equity of Zakat Institutions

Muhammad Doddy¹, Juhary Ali², Anton Hindardjo³, Cicih Ratnasih⁴
 {muhammad.doddy@sebi.ac.id¹, juhary.ali@aeu.edu.my², anton.hindardjo@sebi.ac.id³,
 cicih_ratnasih@borobudur.ac.id⁴}

Lecturer STEI SEBI, Indonesia and PhD Candidate of Asia e University Malaysia¹, Professor of Asia e University Malaysia, Kuala Lumpur², Lecturer STEI SEBI, Indonesia and PhD Candidate of Asia e University Malaysia, Professor of Universitas Borobudur, Jakarta, Indonesia⁴

Abstract. This study aims to examine how the influence, among others, brand image, perceived quality, brand loyalty to brand equity in a zakat institution. The research design used is descriptive and explanatory with a quantitative approach. The sample size is 375 zakat payers from a leading zakat institution in Greater Jakarta. The method of collecting data by distributing questionnaires was taken by clustered random sampling. Data processing used Partial Least Square SEM (PLS-SEM), where the results showed a significant influence between the variables of brand awareness, perceived quality, brand association, brand loyalty to brand equity. According to previous studies, brand loyalty has a dominant effect on brand equity as a whole. Zakat institutions must pay attention to the antecedents of brand equity in order to increase zakat fundraising.

Keywords: brand awareness, perceived quality, brand association, brand loyalty, brand equity.

1 Introduction

The scope for zakat funding in Indonesia is comparatively high as a mainly Muslim nation in South East Asia. However, only three percent of the zakat potential is the zakat that Zakat institutions can collect. According to BAZNAS, the zakat management situation nationally in Indonesia is 2.76 percent of the IDR 217 trillion (15 billion USD) capacity in 2017. In Indonesia, the potential for zakat funds is almost 3.4% of the Gross Domestic Product. There are two zakat institutions responsible for managing, distributing, and utilizing zakat in Indonesia, namely the National Amil Zakat Agency (known as BAZNAS) and the Amil Zakat Institute (known as LAZ). The Amil Zakat Institution has risen recently in Indonesia. The emergence of various kinds of Amil Zakat Institutions is motivated by various antecedents, such as the excitement to raise awareness among Muslims, the spirit of establishing a professional zakat institution, and regulations that have begun to help the zakat management system in Indonesia. Recently, the Ministry of Religion of the Republic of Indonesia has registered 15 zakat institutions [1].

There is a growing competition among zakat institutions. Not only at single moments like Ramadan, is the promotion of zakat institutions carried out. Zakat institutions are being allowed to optimize their accomplishments by the rising number of middle classes in Indonesia. This opportunity is good because those institutions' efforts will help the Indonesians, especially the poor, distribute wealth. For zakat institutions, competition is a good thing. Zakat institutions will be pushed to develop their services by the competition between zakat institutions. Different developments have emerged in the field of zakat services,

including zakat services, e-payments, and the provision of zakat consulting companies that facilitate the planning of Zakat payers [2].

Zakat institutions must be branded to provide the institution with added value and reinforce the institution's identity. Amil zakat institutions of public trust would find it easier to send zakat messages to zakat payers. Zakat institutions unable to create identities will get their customers' wrong impression and credibility. Brands thus shield organizations from the negative view of evil things by individuals. By branding, amil zakat institutions can provide muzakki with added value so that muzakki can pay more.

Therefore, this study aims to determine what influences the strength of brand equity in zakat institutions, which is driven by brand awareness, brand association, perceived quality, and brand loyalty.

2 Literature Review

In particular, in the 1980s, marketing and brand experts have researched brand equity [3] and produced various brand equity models [4]. Brand equity was first defined as the value transferred to products by a brand [5]. The definition of brand equity is then expanded to include the driving factors for brand equity based on consumer-based perceptions that show the value assigned to a product in its customers [6] [7]. Keller then supported this definition, who proposed a definition of brand equity based on consumer responses to brand marketing based on brand knowledge [8].

In the 2000s, Yoo et al. defined brand equity based on consumer decisions on the difference between branded and unbranded products [9]. Kotler et al. promote brand equity, as the added value provided to goods and services based on price, market share, or profitability, for buying decisions based on the value provided to a product. Finally, this term is more generally known as "customer-based brand equity," so customers understand an advertised product in current business practices. [10]. Cheng and Chan have divided the definition of customer-based brand equity. The first is based on consumer perception, including brand awareness, branding association, and perceived quality. Second, based on consumer behavior, including customer loyalty [11].

No consensus was found about the meaning of brand equity and its dimensions, and the term brand equity has various connotations [12], [13], [14], [15], [16], [17]. In measuring brand equity and building strong brands, brand experts have proposed various indirect models and measures, and these models consider it a multidimensional construct [6], [9], [10], [18], [19]. The brand equity model provided by Aaker has been predominantly used in the literature on consumer-based brand equity [19], [20]. It consists of brand awareness, perceived quality, brand association, and brand loyalty.

2.1 Brand Awareness

Shimp & Andrews define that brand awareness is a brand that can be present in the minds of customers when they think about those product groups and how simple it is to say the name [21]. Brand awareness is one of the fundamental brand equity dimensions. Consumers are unaware of a brand's nature because the brand has little equity in the customer viewpoint. Brand awareness is the strength of the brand identity of the consumer, according to Aaker. The capacity of the customer to remember and store in its memory demonstrates this power [6].

2.2 Brand Association

According to Aaker, brand associations, which primarily form brand images, are the basis for consumer decision making to buy products or use services, and encourage brand loyalty [22]. According to Keller, brand association has several types. The first type is the attribute in which the brand association has a relationship with the brand attribute, whether it has a direct relationship with the product or not. The second type is a brand benefit where the brand association is associated with brand advantages, both functional advantage, and user experience. The third type is an attitude, where the brand association is associated with self-motivation, forms of reward, punishment, knowledge, and learning [8].

2.3 Perceived Quality

According to Zeithaml, perceived quality is a consumer's perception of the overall quality or superiority of a product or service concerning its intended purpose and its relationship with other product alternatives. Perceived quality is a subjective consumer assessment of product dominance, consumption circumstances, and special needs that can influence subjective consumer quality assessments [23]. According to Aaker, positive quality impressions can be developed through efforts to identify the quality dimensions that customers consider essential (targeted market segments) and to establish quality perceptions of critical brand dimensions. [6].

Perceived quality is an overall service product that can determine the value of a product or service and directly influence consumer purchasing decisions and brand loyalty. If the consumer's opinion of quality is negative, the product will not be liked and will not last long. A product is preferred if the customer is supportive [24].

2.4 Brand Loyalty

One of the main elements of building brand equity is brand loyalty. This element is the main factor that creates customer-based brand equity because customers are loyal to their brand only in terms of satisfaction and complete trust [24]. According to Aaker, brand loyalty is based on the consistency of consumer behavior in buying a brand as a means of consumer learning about the brand's ability to meet its needs [22].

3 Conceptual Model and Hypotheses Development

3.1 Conceptual Model

Figure 1 describes the conceptual model that will be used in this study based on the framework proposed by Aaker [6]. Several variables are antecedents of brand equity, which will later be applied to zakat institutions. The brand equity of zakat institutions is influenced by brand awareness, brand association, perceived quality, and brand loyalty. All antecedent-consequence relationships need to be assessed for applying the concept of brand equity to zakat institutions.

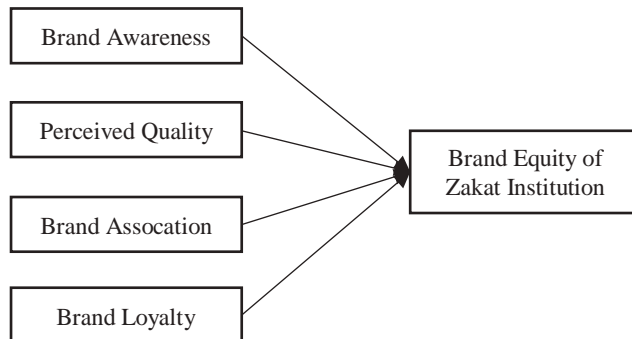


Fig. 1. Conceptual Model.

3.2 Hypotheses Development

From this conceptual model, several hypotheses will be made, which will later be tested whether the hypothesis has a significant effect. The following are some of the proposed hypotheses.

3.2.1 Brand Awareness and Brand Equity

Brand awareness is an initial prerequisite for creating brand equity [25] because consumers need to be aware that a brand exists. Brand awareness is a signal of how well consumers can recognize a brand and remember it [26]. Previous studies have shown that brand associations are shown to significantly contribute to consumer decision making [27] and generate customer-based brand equity [6]. Customers were found to buy these brands, which they could identify [28], and awareness signifies reputation and familiarity [29]. Researchers considered brand awareness an integral brand equity dimension [12], [29], [18], [30], [31], [32]. Thus, the following hypothesis is formulated:

H1: Brand awareness has a significant direct effect on brand equity of zakat instituion.

3.2.2 Perceived quality dan Ekuitas Merek

Perceived quality is the advantage of an offer from a product or service [23], [25]. Perceptions of quality develop brand perceptions differently from others [22], [19] and influence consumers' purchasing decisions [19]. Perceived quality is one of the dimensions of customer-based brand equity [5], [22] and is supported by several studies [12], [33], [17], [30], [31], [32]. Thus, the hypothesis for perceived quality is formulated:

H2: Perceived quality has a significant direct effect on brand equity of zakat instituion.

3.2.3 Brand Association and Brand Equity

Brand association is also a brand equity dimension and can contribute to brand memory [6]. Studies show that brand associations provide a differential advantage for brands [13]. The brand association can take the form of taking information related to brands, differentiation, providing reasons for purchase, and positive feelings [22]. Aaker's studies have proposed brand association as a brand equity dimension, which researchers further evaluate in various cases [9], [34], [17], [30], [31], [32]. A significant positive brand association will have higher brand equity. Thus, the following hypothesis is formulated:

H3: The brand association has a significant direct effect on brand equity of zakat institution.

3.2.4 Brand Loyalty and Brand Equity

Brand loyalty is a core dimension of brand equity [31]. According to Aaker, brand loyalty is defined as the possibility of customers switching to another brand whenever the product's feature or price has changed [7]. Keller mentions brand loyalty as the relationship between customers and brands and the relationship between customers and brands. Keller also proposes the term 'brand resonance' whereby a customer with a higher level of brand loyalty is found to have a higher brand resonance [27]. Aaker has established brand loyalty as a dimension of brand equity and has been well studied by several researchers in various cases [12], [35], [16], [36], [18], [37], [29], [31], [32]. Thus, the following hypothesis is formulated:

H4: Brand loyalty has a significant direct effect on brand equity of zakat institution.

4 Methods

4.1 Measuring scale

Brand equity for zakat institutions in this study is built based on a model developed by Aaker. Likewise, items for brand awareness, perceived quality, brand association, and brand loyalty variables were also adapted from several studies by Aaker [6], Yoo et al. [12], Yasin et al. [29] and Mahfooz [32]. While the items to measure brand equity were adapted from the measurement scale developed by Yoo et al. [12] and Mahfooz [32]. They suggest identifying brand equity from a customer perspective by evaluating current brands with comparable brands in the same category. For the context of zakat institutions, the comparison of zakat institution brands is carried out by comparing one zakat institution to another. A five-point Likert scale was used in this study, ranging from "1 = strongly disagree" to "5 = strongly agree".

4.2 Data Collection

Data were collected by distributing questionnaires. This survey was conducted in Greater Jakarta, where the enormous amount of zakat collected in this area is Indonesia's most extensive. The population of paying zakat is the largest compared to other regions in Indonesia. The zakat institution brand being measured is the Dompot Dhuafa brand, where it has been operating for 26 years. Besides, Dompot Dhuafa is diligent in conducting brand campaigns in various media. The sampling technique was clustered random sampling in which

the questionnaires were distributed in five Greater Jakarta areas. The questionnaires were distributed over 500 questionnaires, of which 375 responses are valid for analysis purposes (response rate 70 percent). The questionnaire's first question is, where do they pay zakat, followed by a series of items related to brand equity dimensions.

5 Result

4.1 Respondent Profile

This section will present respondents' profiles, including gender, age, education, and frequency of paying zakat in a year. Of the 375 respondents, 211 (56.27 percent) were male, and 164 (43.73 percent) were female. The age group of zakat payers is dominated by the age group 17-25 years (37.6 percent), followed by ages 26-35 years (27.73 percent), then 36-45 years (21.87 percent). Those aged over 45 years only consisted of 48 respondents (12.8 percent). Based on education, zakat payers with Senior High School and Bachelor education dominate with a percentage of 37.33 percent and 33.6 percent, respectively. Then, most of the zakat payers pay their zakat a majority of 1-2 times in a year, with 68.27 percent followed by a frequency of 3-4 times in a year. For more details, see Table 1

Table 1. Respondent Profile

Variable	Category	Frequency	Percentage
Gender	Male	211	56.27
	Female	164	43.73
Age	17 – 25 years old	141	37.60
	26 – 35 years old	104	27.73
	36 – 45 years old	82	21.87
	upper 45 years old	48	12.80
Education	Elementary & Junior High School	15	4.00
	Senior High School	140	37.33
	Diploma	60	16.00
	Bachelor	126	33.60
	Master	30	8.00
	Doctor	4	1.07
Frequency of Paying Zakat in A Year	1 – 2 times in a year	256	68.27
	3 – 4 times in a year	64	17.07
	5 – 6 times in a year	48	12.80
	7 – 8 times in a year	2	0.53
	More than 8 times in a year	5	1.33

4.2 Evaluation of Measurement Model (Outer Model)

The processing process uses SMART PLS 3.0 software to test several Structural Equation Modeling (SEM) procedures. Convergent validity aims to determine the validity of the relationship between the indicator and its latent variable. Convergent validity is known based on the loading factor value. An instrument meets the convergent validity test if it has a loading factor value above 0.7 [38]. The test results indicate that all indicators measuring brand awareness, perceived quality, brand association, brand loyalty, and brand equity have a greater value than 0.7. Thus the indicator is declared valid. For more details, see Figure 2.

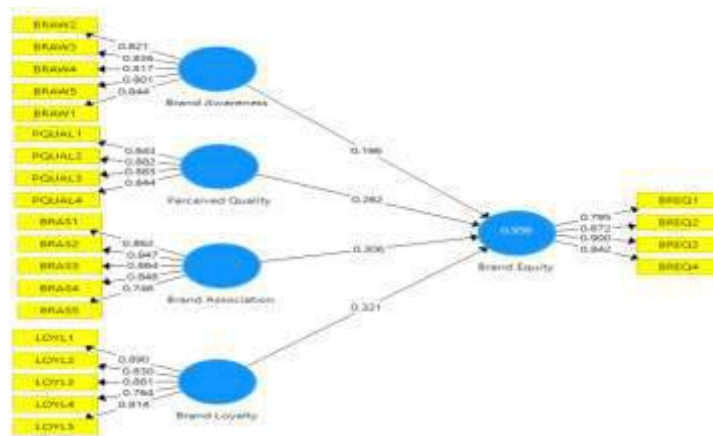


Fig. 2. Result of PLS-SEM Calculation.

The calculation of construct reliability used discriminant reliability (AVE), Cronbach's alpha and composite reliability. The calculation results appear in Table 2 below:

Table 2. The results of the calculation of AVE, composite reliability, and Cronbach's Alpha

Variable	Average Variance Extracted (AVE)	Composite Reliability	Cronbach Alpha
Brand Awareness	0.679	0.914	0.882
Perceived Quality	0.746	0.922	0.886
Brand Association	0.696	0.920	0.890
Brand Loyalty	0.701	0.921	0.893
Brand Equity	0.728	0.914	0.875

The test criteria state that if the discriminant reliability indicated by AVE is greater than 0.5, Cronbach alpha is greater than 0.7, and the composite reliability is greater than 0.7, then the construct is declared reliable[39]. Overall, using the calculation of AVE, composite reliability, and Cronbach's alpha, it can be concluded that all instrument items that measure variables are declared reliable.

4.3 Evaluation of Measurement Model (Outer Model)

Structural model evaluation describes the relationship between latent variables in the substantive theory. In this study, the PLS structural model was tested by measuring the value of R^2 (goodness of fit model). The path model in this study is also used to determine the level of influence of hypothesis testing.

The R^2 in this study was 0.956 or 95.6%. This results can shows that the overall model of 95.6% can explain the diversity of brand equity variables or, in other words, the contribution of brand awareness, perceived quality, brand association, and brand loyalty to brand equity as

a whole is 95.6%. In comparison, the remaining 4.4% contributes to other variables that do not discuss in this study.

This study also uses the t-test for the direct effect of the independent variable on the dependent variable. The direct effect test in this study is used to explain the hypotheses H1, H2, H3, and H4. The test criteria are using the t-count value. The independent variable (exogenous) has a significant effect if the t-statistics value is greater than the t-table with the t-table limit = 1.96 [40]. Based on the t-count value, H1 is accepted, where brand awareness has a significant effect on brand equity with t-statistics of 8,594. The effect of perceived quality on brand equity is significant with t-statistics of 11,674, which is greater than t-table = 1.96. These results indicate that H2 is accepted; that is, perceived quality significantly affects brand equity. The test results also show that brand association significantly affects brand equity with t-statistics of 11,973 greater than t-table = 1.96. These results indicate that H3 is accepted; namely, the brand association significantly affects brand equity. For the brand loyalty variable, hypothesis testing results are based on the t-statistics value of 19,760, which is greater than t-table = 1.96. These results indicate that H4 is accepted; that is, brand loyalty has a significant effect on brand equity. In summary, the results of hypothesis testing can be seen in Table 3.

Table 3. Hypotheses test results

Exogenous	Endogenous	t-statistics	Results
Brand Awareness	Brand Equity	8.594	H1 accepted
Perceived Quality	Brand Equity	11.674	H2 accepted
Brand Association	Brand Equity	11.973	H3 accepted
Brand Loyalty	Brand Equity	19.760	H4 accepted

6 Discussion and Conclusions

The results of this study indicated that Aaker's four brand equity dimensions have a significant positive relationship with overall brand equity[6]. It is also in line with several other studies for various cases. In this study, the zakat institution can apply the brand equity concept to enhance zakat fundraising. These findings confirm that increased brand awareness, perceived quality, brand association, and brand loyalty increase overall brand equity. In the context of zakat institutions, the institution's high brand equity will encourage zakat payers to donate their zakat in the institution.

If viewed per variable, the antecedent with a significant contribution to brand equity is the variable brand loyalty with $\beta = 0.321$, followed by brand association ($\beta = 0.306$). This result is following previous research conducted by Yoo [12], Atilgan et al.[16], Yasin et al. [29], Gil et al. [37], Buil et al. [25] and Mahfooz [32]. This finding implies that zakat institutions should focus on building brand loyalty to generate a higher level of brand equity overall.

Within the conceptual framework, all hypotheses have a significant positive relationship for the institutional brand of zakat. This framework of study provides a better understanding of the concept of brand equity for zakat institutions and zakat management as a whole. This study offers an overview of the antecedents and implications of brand equity, which will help

the management of zakat institutions better understand the factors influencing brand equity and guide them to establish effective fundraising strategies to raise more zakat than before.

7 Limitation and Future Research

The main limitation of this study is that sampling is limited to the Greater Jakarta area. Samples from these regions can limit generalizations to all Indonesia countries, which have a wide geographical area. The study could be extended to areas outside Greater Jakarta, such as Java, Sumatra, Borneo, and Sulawesi. The research model can also be further developed by adding several variables, such as brand trust, brand preference, and brand performance. Brand equity can also be applied to other non-profit organizations apart from zakat institutions such as charities, environmental NGOs, and other non-profit organizations.

References

- [1] BAZNAS, *Statistik Zakat Nasional 2017*. Jakarta: Badan Amil Zakat Nasional, 2018.
- [2] Widarwati, E., Afif, N. C., and Zazim, M., "Strategic Approach for Optimizing of Zakah Institution Performance: Customer Relationship Management," *Al-Iqtishad J. Islam. Econ.*, vol. 9, no. 1, pp. 81–94, (2016).
- [3] Cobb-Walgren, C. J., Ruble, C. A., and Donthu, N., "Brand equity, brand preference, and purchase intent," *J. Advert.*, vol. 24, no. 3, pp. 25–40, (1995).
- [4] Broyles, S. A., Schumann, D. W. and Leingpibul, T., "Examining brand equity antecedent/consequence relationships," *J. Mark. Theory Pract.*, vol. 17, no. 2, pp. 145–162, (2009).
- [5] Farquhar, P. H., "Managing Brand . Peter Farquhar," *Mark. resesearch*, no. September, pp. 24–33, (1989).
- [6] Aaker, D. A., *Managing Brand Equity: Capitalizing on the Value of A Brand Name*. New York: The Free Press, (1991).
- [7] Aaker, D. A., *Brand Relevance: Making Competitors Irrelevant*. San Francisco: Jossey-Bass, (2011).
- [8] Keller, K. L., *Strategic Brand Management: Building, Measuring and Managing Brand Equity*. New Jersey: Pearson Education Limited, (2013).
- [9] Yoo, B., and Donthu, N., "Developing and validating a multidimensional consumer-based brand equity scale," *J. Bus. Res.*, vol. 52, no. 1, pp. 1–14, (2001).
- [10] Keller, K. L., "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity," *Am. Mark. Assoc.*, vol. 57, no. 1, pp. 1–22, (1993).
- [11] Cheng-Hsui Chen, A., "Using free association to examine the relationship between the characteristics of brand associations and brand equity," *J. Prod. Brand Manag.*, vol. 10, no. 7, pp. 439–451, (2001).
- [12] Yoo, B., and Donthu, N., "Testing cross-cultural invariance of the brand equity creation process," *J. Prod. Brand Manag.*, vol. 11, no. 6, pp. 380–398, (2002).
- [13] Vázquez, R., del Río, A. B., and Iglesias, V., "Consumer-based Brand Equity: Development and Validation of a Measurement Instrument," *J. Mark. Manag.*, vol. 18, no. 1–2, pp. 27–48, (2002).
- [14] Washburn, J. H., and Plank, R. E., "Measuring Brand Equity: An Evaluation of a Consumer-Based Brand Equity Scale," *J. Mark. Theory Pract.*, vol. 10, no. 1, pp. 46–62, (2002).
- [15] Keller, K. L., "Understanding brands, branding and brand equity," *Interact. Mark.*, vol. 5, no. 1, pp. 7–20, (2003).
- [16] Atilgan, E., Aksoy, S., and Akinci, S., "Determinants of the brand equity: A verification approach in the beverage industry in Turkey," *Mark. Intell. Plan.*, vol. 23, no. 3, pp. 237–248, (2005).
- [17] Pappu, R., Quester, P. G., and Cooksey, R. W., "Consumer-based brand equity and country-of-origin relationships: Some empirical evidence," *European Journal of Marketing*, vol. 40, no. 5–

6. pp. 696–717, (2006).
- [18] Pappu, R., and Quester, P., “Does customer satisfaction lead to improved brand equity An empirical examination of two categories of retail brands,” *J. Prod. Brand Manag.*, vol. 15, no. 1, pp. 4–14, (2006).
- [19] Ha, H. Y., Janda, S., and Muthaly, S., “Development of brand equity: Evaluation of four alternative models,” *Serv. Ind. J.*, vol. 30, no. 6, pp. 911–928, (2010).
- [20] Liu, M. T., Wong, I. K. A., Tseng, T. H., Chang, A. W. Y., and Phau, I., “Applying consumer-based brand equity in luxury hotel branding,” *J. Bus. Res.*, vol. 81, no. June, pp. 192–202, (2017).
- [21] Shimp, T.A. and Andrews, J.C., *Advertising, Promotion, and Other Aspects of Integrated Marketing Communications*, 13th ed. Mason: Cengage Learning, (2013).
- [22] Aaker, D. A., “Measuring Brand Equity Across Products and Markets,” *Calif. Manage. Rev.*, vol. 38, no. 3, pp. 102–120, (1996).
- [23] Zeithaml, V. A., “Consumer Perceptions of Price, Quality,” *J. Mark.*, vol. 52, no. 3, pp. 2–22, (1988).
- [24] Keller K. L., and Brexendorf, T. O., “Measuring Brand Equity,” pp. 1409–1439 (2019).
- [25] Buil, I., Martínez, E., and de Chernatony, L., “The influence of brand equity on consumer responses,” *J. Consum. Mark.*, vol. 30, no. 1, pp. 62–74, (2013).
- [26] Aaker, D. A., “Managing The Most Important Asset: Brand Equity,” *Plan. Rev.*, vol. 20, no. 5, pp. 56–58, (2006).
- [27] Keller, K. L., “Strategic Brand Management 4th Edition Keller.” (2011).
- [28] Bojei, J., and Hoo, W. C., “Brand equity and current use as the new horizon for repurchase intention of smartphone,” *Int. J. Bus. Soc.*, vol. 13, no. 1, pp. 33–48, (2012).
- [29] Yasin, M. N., Noor, M. N. and Mohamad, O., “Does image of country-of-origin matter to brand equity?,” *J. Prod. Brand Manag.*, vol. 16, no. 1, pp. 38–48, (2007).
- [30] Tong, X. and Hawley, J. M., “Measuring Customer Based Brand Equity : Empirical Evidence from the Sportswear Market in China,” *J. Prod. Brand Manag.*, vol. 18, no. 4, pp. 262–271, (2009).
- [31] Kumar, R. S., Dash, S. and Purwar, P. C., “The nature and antecedents of brand equity and its dimensions,” *Mark. Intell. Plan.*, vol. 31, no. 2, pp. 141–159, (2013).
- [32] Mahfooz, Y., “Brand Equity-Consequence Relationship : Evidence from Automobile Industry,” *Int. J. Bus. Manag.*, vol. 10, no. September, pp. 81–90, (2015).
- [33] Netemeyer, R. G., “Developing and validating measures of facets of customer-based brand equity,” *J. Bus. Res.*, vol. 57, no. 2, pp. 209–224, (2004).
- [34] Ye, G. and Van Raaij, W. F., “Brand equity: Extending brand awareness and liking with signal detection theory,” *J. Mark. Commun.*, vol. 10, no. 2, pp. 95–114, (2004).
- [35] Chaudhuri A., and Holbrook, M. B. “The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty,” *J. Mark.*, vol. 65, no. 2, pp. 81–93, (2001).
- [36] Delgado-Ballester, E., and Munuera-Alemán, J. L., “Does brand trust matter to brand equity?,” *J. Prod. Brand Manag.*, vol. 14, no. 3, pp. 187–196, (2005).
- [37] Gil, R. B., Andrés, E. F., and Salinas, E. M., “Family as a source of consumer-based brand equity,” *J. Prod. Brand Manag.*, vol. 16, no. 3, pp. 188–199, (2007).
- [38] Hair, J. F., Ringle, C. M., and Sarstedt, M., “PLS-SEM: Indeed a silver bullet,” *J. Mark. Theory Pract.*, vol. 19, no. 2, pp. 139–152, (2011).
- [39] Hair, J. F., Hult, G. T. M., Ringle, C. M., and Sarstedt, M., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. California: SAGE Publications, Inc., (2014).
- [40] Hair, J. F., Black, W. C., Babin, B. J., and Anderson, R. E., *Multivariate Data Analysis*, 7th ed., vol. 0. New Jersey: Prentice Hall, (2010).

The Effect of Economic Growth, FDI, and Educational Rate on IFRS Implementation

Panji Putranto¹, Sumiyati², Huda Aulia Rahman³

{Panji.putranto@mercubuana.ac.id¹, sumi.widi@gmail.com², hudaauliarahman@gmail.com³}

Mercu Buana University, Jakarta, Indonesia¹, Mercu Buana University, Jakarta, Indonesia², Mercu Buana University, Jakarta, Indonesia³

Abstract. The objective of this study was to specify the effect of Economic Growth, Foreign Direct Investment, and Educational Rate on IFRS implementation. Data obtained from the World Bank website. The object of the research is 147 countries were selected using the method of *random purposive sampling*. This study takes logistic regression analysis data processing with the assistance of SPSS version 25 *software*. The results consist are that Economic Growth has a positive effect on IFRS Implementation, while Foreign Direct Investment and Educational Rate had no effect on IFRS implementation.

Keywords: Economical Growth, Foreign Direct Investment, Educational Rate, IFRS

1 Introduction

Every company, especially companies that *go public*, are required to present financial information in the form of financial reports. The financial statements that are presented consist of statements of financial position, income statements, changes in equity, cash flow reports, and notes to financial statements.

Each country has its own accounting standards as a procedure for processing good financial reports. 2 accounting standards that are generally used as a reference for each country are US *Generally Accepted Accounting Principles* (GAAP) and *International Financial Reporting Standards* (IFRS).

The implementation of IFRS was initiated by the European Union in June 2000. The European Union requires that from 2005 *go public* companies in Europe must set financial reports based on IFRS (1). The IFRS system has not been implemented globally; therefore several countries have not implemented this system, including the United States. Based on the official IFRS website, currently 144 out of 166 countries have fully implemented IFRS.

One of the factors that might affect a country in implementing IFRS is economic growth. Research conducted by (3) and (1) found that the country's economic development had a positive effect on IFRS implementation.

The next factor that may contribute to a country's decision to implement IFRS is *Foreign Direct Investment* (FDI). The quality of financial information is a main element in the progress and efficiency of capital markets. The main defiance to implementing IFRS lies in the protection of capital market activities, so that the interests of both local and foreign investors will be protected (2).

Another factor that may influence the country's decision to implement IFRS is the degree of public education. The level of understanding about IFRS affects whether a country wants to adopt these standards or not, because these standards are complex. *Professional judgment* and

accountant competence can only be obtained through high education levels. Countries with low levels of education will find it hard to understand IFRS and implement it (3).

There is a research gap on the results of previous studies, likewise the importance of the benefits of IFRS implementation which will be explained further makes the author choose this theme. The difference with previous research is on the number of independent variables, samples and the state as research objects.

The object of this study was to specify the effect of economic growth, *Foreign Direct Investment*, and the level of education on the implementation of IFRS in countries around the world.

2. Literature Review

2.1 International Financial Reporting Standard's (IFRS)

To make sure high quality financial reporting, accountants present financial reports in accordance with accounting standards issued by standard-setting institutions. Currently, there are two institutions accounting standard setters major - International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB). More than 130 countries follow a standard called International Financial Reporting Standards (IFRS). IFRS was made by the IASB. The IASB is headquartered in London, with 15 members from around the world (4).

IFRS is a standard that adheres to "principles-based", while US GAAP is a standard that adheres to "rules-based" (5). The use of IFRS as an accounting standard is expected to increase the quality of accounting information. The use of a balance sheet approach and fair value in IFRS is expected to reduce accounting fraud (6).

2.2 Economic growth

Economic growth occurs when a country broaden its production facilities, improves its public infrastructure, pays attention to educational conditions, and adopts new technology (Sullivan, et al, 2018). GDP growth in a country is the most critical aspect of a country's economic performance a. Since the first, case this is the only way to raise the economic level of the country (7).

GDP measures the production of goods and services in a country. GDP describe the economic capacity of the people of a country (11). GDP is the most common indicator of a country's economic size, although it is widely recognized that GDP disregard several considerations, such as the value of free time and environmental damage that occurs during the country's development process (7).

Based on the above explanation:

H1: Economic growth affects the country in implementing IFRS.

2.3 Foreign Direct Investment (FDI)

FDI is the purchase of physical assets such as real estate or businesses by foreign companies or individuals (8). DFI regarded as supporting uta ma economic growth, especially in developing countries. The importance of FDI can be seen through the channel of technology transfer, new skills, knowledge and techniques in the company's production processes, increasing competition between production for local and foreign producers, exports and imports and economic growth (9).

There is a relationship between FDI and IFRS. The first reason is that the application of IFRS removes barriers to the comparison of financial information between countries and reduces information asymmetry between local and foreign investors. The second reason is that IFRS has features that investors need, compared to other accounting standards. IFRS emphasizes a more detailed explanation of accounting records, which encourages transparency and will be relevant for investors to make investment decisions (1).

Based on the above explanation:

H2: Foreign Direct Investment influences the country in implementing IFRS.

2.4 Educational Rate

The material developed by IAS generally comes from suggestions and opinions of professional competencies as well as practical experiences from various IASB members. In fact, these standards are quite complex and require extensive knowledge to understand them (2).

Countries with education systems that are less well might regard the transition to IFRS is more expensive to implement than other countries with a better education system. Therefore, the level of education affects the country's decision to adopt IFRS (10).

Based on the above explanation:

H3: Educational rate affects the country in implementing IFRS.

3. Methods

This research is a research that uses a quantitative approach. The analysis technique used is *logistic* regression analysis to determine the factors that influence countries around the world to fully implement IFRS. The application used to process data is SPSS version 25.

This study uses data sourced from the world bank website (<https://www.worldbank.org>) and the IFRS website (<https://www.ifrs.org>). The research object used was 147 countries. The research object is determined based on the availability of complete information about the variables used. The research object that has been eliminated is the object of research with incomplete information either on the world bank website or the IFRS website.

The logistic regression equation in this study is as follows:

4. Results and Discussion

4.1 Descriptive Statistics Test

Table 1. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Economic Growth	147	503646211	20494100000000	679938470876	2592353477101
Foreign Direct Investment	147	-239270000000	258390000000	7535639680	39634762869

Educational Rate	147	38,26865	99.93000	79.2543192	19.51286196
Valid N (listwise)	147				

Source: Data Processing

Table 1 show that the economic growth variable has an average value of 679938470876. This figure represents the average economic growth of the 147 samples used. The economic growth variable has a minimum value of 503646211 owned by the Dominica country, one of the smallest countries in the world with low GDP and not many reliable sectors, and a maximum value of 20494100000000 owned by the United States, superpower in all sectors with a very significant GDP in the world.

The Foreign Direct Investment variable has an average value of 7535639680, with a minimum value of -239270000000 owned by the Netherlands, maybe it can be related to the government's low commitment or the long-term realization of foreign investment plans, and a maximum value of 25839 billion owned by the United States, one of the reasons could be because America has long had many large companies and multinational brands.

The educational rate variable has an average value of 79.2543192, with a minimum value of 38.26865 owned by the South Sudan state, one of the countries experiencing malnutrition crisis which will have an impact on education, and a maximum value of 99.93000 owned by the San Marino state, one of the smallest countries but has a good education systems and standards.

Table 2. Frequencies

IFRS					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	98	66.7	66.7	66.7
	1	49	33.3	33.3	100.0
	Total	147	100.0	100.0	

Source: Data Processing

The IFRS variable is a variable with a dummy scale, where 0 is the sample that has not fully adopted IFRS, while 1 represents countries that have fully adopted IFRS. Table 2 shows that 98 out of 147 samples or 66.7% of countries have not fully adopted IFRS, while 49 of 147 samples or 33.3% of countries have fully adopted IFRS.

4.2 Logistic Regression Analysis Test

1) Overall Model Fit

Table 3. Overall Model Fit

Iteration History ^{a, b, c, d}					
		Coefficients			
	-2 Log		Economic	Foreign Direct	Educational
Iteration	likelihood	Constant	Growth	Investment	Rate
Step 1	182,385	-, 317	, 000	, 000	-, 004
1	2	179,325	-, 301	, 000	-, 004
	3	175,994	-, 214	, 000	-, 004
	4	174,591	-, 138	, 000	-, 004
	5	174,450	-, 129	, 000	-, 004
	6	174,448	-, 128	, 000	-, 004

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 187.135

d. Estimation terminated at iteration number 6 because parameter estimates changed by less than, 001.

Source: Data Processing

Table 3 shows that a decline in the value of -2 Log Likelihood beginning at 187, 135 to 174.448 at the end of the value -2 Log Likelihood. The decrease in the Log Likelihood value indicates that the regression model used is declared good or the hypothesized model is fit with the data.

2) Determination Coefficient Test (Nagelkerke R Square)

Table 4. Determination Coefficient Test

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	174,487 ^a	, 446	, 537

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than, 001.

Source: Data Processing

Table 4 shows that the Nagelkerke R Square value is 0, 537 or 53.7 %. The result that can be concluded is that the variability of the independent variables in the form of economic growth, foreign direct investment, and educational rate is able to explain the variability of the dependent variable by 53.7 %, while the remaining 46.3 % is explained by other variables outside of this study.

3) Regression Model Feasibility Test

Table 5. Determination Coefficient Test

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	5,197	8	, 736

Source: Data Processing

Table 5 shows that the chi-square value is 5.197 with a significance level of 0.736. Significance value of 0, 736 far exceeds the criteria Hosmer and Lemeshow's Goodness of Fit is 0.05. These results indicate that the observed value can be predicted by regression models or acceptable models.

4) Classification Matrix Test

Table 6. Classification Table

Classification Table ^a					
Observed			Predicted		Percentage Correct
			IFRS 0	IFRS 1	
Step 1	IFRS	0	97	1	99.0
		1	4	45	91.8
Overall Percentage					95.4

a. The cut value is, 500

Source: Data Processing

Table 6 shows the predictive power of the regression model for predicting a sample that fully implements IFRS. The samples that did not fully adopt IFRS were 98 samples. The prediction results obtained were that 97 samples did not fully adopt IFRS, while the remaining 1 sample had fully adopted IFRS. These results indicate that there are 97 correct predictions or the accuracy of the prediction is 99 %.

The samples that have fully adopted IFRS are 49 samples. The results obtained are 45 countries have fully adopted IFRS, while the remaining 4 samples have not fully adopted IFRS. These results indicate that there are 45 correct predictions or the accuracy of the predictions is 91.8 %. The overall prediction accuracy (overall percentage) in this regression model is 95.4 %.

4.3 Hypothesis test

Table 7. Logistic Regression Test Results

Variables in the Equation

		B	SE	Wald	df	Sig.	Exp (B)
Step 1 ^a	Economic Growth	, 000	, 000	5,179	1	, 023	1,000
	Foreign Direct Investment	, 000	, 000	2,358	1	, 125	1,000
	Educational Rate	-, 004	, 009	, 162	1	, 688	, 996
	Constant	-, 128	, 766	, 028	1	, 867	, 880

Data processing

The regression equation obtained based on table 6 is as follows:

$$\ln \frac{P}{1-P} = -0,128 - 0,004ER + 0,000FDI - 0,000ZEG + \varepsilon$$

1) Effect of Economic Growth on IFRS Implementation

Table 7 shows that Economic Growth has a coefficient of 0.000 d with a significance level of 0.023 or <0.05. These results indicate that Economic Growth has a positive and significant effect on IFRS implementation, which means H1 is accepted. If country's economic growth is high, economic activity, industry and trade will also go up. So that the accounting system needs to be customized and promote the decision making in fully adopting IFRS. This is the same as previous research in this article.

2) The Influence of Foreign Direct Investment on IFRS Implementation

Table 7 shows that Foreign Direct Investment has a coefficient of 0.000 d with a significance level of 0.125 or > 0.05. These results indicate that Foreign Direct Investment has no effect on IFRS implementation, which means that H2 is rejected. There may be other factors affecting IFRS which are not covered in the model. This is the same as previous research in this article.

3) Effect of Educational Rate on IFRS Implementation

Table 7 points that the Educational Rate coefficient - 0,004 with a significance level of 0.688 or > 0.05. These results indicate that Educational Rate has no effect on IFRS implementation, which means that H 3 is rejected. There may be other factors affecting IFRS which are not found in the model. This is the same as previous research in this article.

5. Conclusion

Economic Growth has a positive and significant effect on IFRS implementation, which means that the better a country's economy will promote companies in implementing IFRS.

Foreign Direct Investment has no effect on IFRS implementation, which means that the size of a country's investment does not encourage the country to implement IFRS.

Educational Rate has no effect on IFRS implementation, which means that the average level of education of the population of a country does not encourage the country to implement IFRS.

References

- [1] A. V. Fitriana, "Factors that Influence Countries in Fully Adopting International Financial Reporting Standards (IFRS)," vol. 307, no. SoRes 2018, pp. 86–88, 2019.
- [2] C. Zehri, "Does adoption of international accounting standards promote economic growth in developing countries? Asma ABDELBAKI Researcher in the Higher Institute of Management of Gabes-Tunisia," *Int. Open J. Econ.*, vol. 1, no. 1, pp. 1–13, 2013.
- [3] D. Zeghal and K. Mhedhbi, "An analysis of the factors affecting the adoption of international accounting standards by developing countries," *Int. J. Account.*, vol. 41, no. 4, pp. 373–386, 2006.
- [4] J. J. Weygandt, D. E. Kieso, and P. D. Kimmel, *Principles of financial accounting*. Jerry J. Weygandt, Donald E. Kieso, Paul D. Kimmel. 2015.
- [5] J. . Reeve, C. . Warren, and J. . Duchac, *Principle of Accounting*. 2014.
- [6] L. Rahmawati and H. Murtini, "Kualitas Informasi Akuntansi Pra Dan Pasca Adopsi Ifrs," *Account. Anal. J.*, vol. 4, no. 2, pp. 1–9, 2015.
- [7] S. M. Sheffrin, *Economics: Principles, Applications, and Tools, Global Edition, 9/e*. 2018.
- [8] J. Gerber, *International Economics, Global Edition, 7e*. 2017.
- [9] G. Alzaidy, M. Naseem, B. Niaz, and Z. Lacheheb, "The Impact of Foreign-direct Investment on Economic Growth in Malaysia: The Role of Financial Development," *Int. J. Econ. Financ. Issues*, vol. 7, no. 3, pp. 382–388, 2017.
- [10] K. M. Shima and D. C. Yang, "Factors affecting the adoption of IFRS," *Int. J. Bus.*, 2012.

Statement of Financial Accounting Standard No.34 Applied in Recognition of Revenue in the North Jakarta Breakwater Construction Project by PT Mina Fajar Abadi

Tommy Kuncara¹, Ibnu Haris Nasution²
{tommy_kuncara@staff.gunadarma.ac.id¹, ibnu.haris.nasution@undira.ac.id²}

Accounting Departemen, Faculty of Economy, Universitas Gunadarma, Jakarta, Indonesia¹, Management Department, Faculty of Economy and Business, Universitas Dian Nusantara, West Jakarta, Jakarta, Indonesia²

Abstract. Construction service companies have distinctive characteristics, where not all of the project work processes are completed in one accounting period, and the commencement of work cannot be ensured at the beginning of the year, depending on the contract of the agreed construction work contract. There are several methods that can be used by construction companies in recognizing their income, and we know that income is one of the components of profit formation. Revenue must be measured fairly and must be confirmed in accordance with revenue recognition and the principles of the Statement of Financial Accounting Standards. PT. Mina Fajar Abadi uses the basis of cash in recognizing her income, which is by recording income and expenses in the income statement when cash is received or paid, it is not in accordance with the Statement of Financial Accounting Standards on construction services. If the project is carried out the total revenue and contract expenses can be measured reliably, then the company should apply the percentage of completion method in recognizing its income, thus the income statement presented by the company will provide the right information for decision making for the company.

Keywords: Revenue Recognition, Settlement Method, PSAK No.34

1. Introduction

At a glance, the type of construction contract business is not much different from other business activities, with costs, income and then profit or loss. But if you have entered it, of course there are differences in determining accounting treatment [1]. What scope is most suitable for this construction contract business. How income and expenses are treated in a construction contract business is, of course, different from the treatment of income and expenses in other businesses. This difference occurs because the activities carried out in construction contracts are indeed very different from other types of business [2].

In particular, the date on which contract activity begins and the date when the activity is completed usually fall on different accounting periods [3]. Accounting standards have been established for the accounting treatment of construction contract businesses, so in handling accounting matters relating to construction contracts, the accountant must Therefore, the understanding of the accounting treatment of construction contracts is in accordance with applicable accounting standards, in particular the Statement of Financial Accounting Standards (PSAK) No. 34 of the required Construction Contracts [4].

2. Literature Review

2.1 Financial Statements

According to SFAS No. 1 of 2015, Financial Statements are structured presentations of the financial position and financial performance of an entity. This report displays the history of the entity that is quantified in monetary value. Financial reports are part of the financial reporting process. According to The Indonesian Institute of Accountants, (IAI), [5] the purpose of this financial report for the public interest is the presentation of information on *financial position*, *financial performance*, and *cash flow* from very large entities. useful for making economical decisions for its users. In order to achieve this objective, financial statements provide information about the elements of the entity consisting of the assets, liabilities, *Capital*, expenses, and income (including *gain* or *loss*), changes in equity and cash flow. The information, followed by notes, will help users predict future cash flows. [6]

2.2 Income

Income is an increase in economic benefits during a certain accounting period in the form of income or addition of assets or decrease in liabilities which results in an increase in equity that does not come from investment contributions. An increase in the number of assets or a decrease in liabilities may result from the delivery of goods / services or other business activities in one period. [7]

2.3 Construction Contract

According to PSAK 34 (Revised 2010), "A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely related to one another or interdependent in terms of design, technology, and function or purpose or principal use.[8] " From the above definition, it can be concluded that a construction contract is an agreement or negotiation between the project owner and agents to coordinate all project activities with the aim of minimizing costs and schedules and maintaining project quality [9].

There are two accounting methods used for construction contracts proposed, namely:

1. The percentage of completion method.
Under this method, revenue is recognized progressively for each period according to the level of completion of the transaction at the reporting date. Contract revenue is related to contract costs incurred in reaching the completion stage, so that the reported expenses and profits can be proportionally attributed according to the completion of the work [10].
2. The contract method is complete.
In the completed contract method, the costs of the contract that are worked out are accumulated and no charges are made on the income, expenses and gross profit accounts until the contract is completed. With this method, the contracting company recognizes revenue at once when the contract is completed, so that revenues and expenses / expenses are known with certainty [11].

2.4 Income Recognition According to PSAK No. 34

In Financial Accounting Standards No. 34, recognition is the process of forming an item that meets the definition of an element and the recognition criteria in the balance sheet and profit or loss. Recognition is made by stating the item in words and in the amount of money and including it in the balance sheet or profit or loss. Items that meet these criteria must be recognized in the balance sheet or income statement. Failure to recognize such items cannot be rectified by disclosing the accounting policies used or by notes or explanatory material [6].

3. Methods

To find out how much influence the use of revenue recognition method has on profit, in this study the authors use the following analysis tools [12]:

- a. Descriptive Analysis,
Performing analysis techniques that describe thoroughly the income accounting for construction contracts implemented by PT. Mina Fajar Abadi during.
- b. Qualitative Analysis
Doing a comparison between the existing theories with actual practice so that visible differences in recording happened and how to solve them.
- c. Quantitative Analysis The quantity of
data that has been collected is calculated and uses the calculation of revenue recognition in commonly used data processing using the appropriate calculation method in PSAK No. 34.

4. Result and Discussion

PT. Mina Fajar Abadi is a company engaged in construction services. PT. Mina Fajar Abadi is a continuation of the business of the Limited Liability Company CV. Mina Fajar Abadi is domiciled in East Aceh Regency and was established by virtue of a deed dated June 7, 2000. PT. Mina Fajar Abadi itself was founded in 2007, which is located at Jl. Kuala Bagok Hamlet Mesjid Gampong Keude Bagok Nurussalam, East Aceh.

An overview of how the income accounting applied by PT. Mina Fajar Abadi. The author takes a sample of recording construction contract revenue based on the PT. Mina Fajar Abadi with the Food, Maritime and Agricultural Security Service of DKI Jakarta Province, in accordance with the Work Agreement Letter No. 2897 / 076-3, dated April 1, 2019. Based on this Agreement, the following information can be obtained:

1. Contract date April 1, 2019
2. Implementation period April 1, 2019 to November 26, 2019
3. Contract Value of Rp. 39,762,142,376
4. Fines, the amount of fines imposed on the Provider for late completion of work for each day of delay is 1/1000 (one thousandth) of the remaining part of the contract price that has not been completed if the part of the work that has been carried out can function.

Illustrated by PT. Mina Fajar Abadi obtained a construction contract job, namely a project for the manufacture of a *Break water* located in the Nusantara Muara Angke Fishery Port Area, DKI Jakarta Province. In this case, the company makes a contract agreement in which the company is the 2nd party and the project implementer. The contract value agreed is Rp. 39,762,142,376. The project implementation time is estimated to be 240 days, from April to November 2019.

Based on the statement of the Contract, the transactions recorded by PT. Mina Fajar Abadi is as follows

- 1) Receipt of the first instalment payment (Term I) of 20% on May 23, 2019, so that the first term bill is 20% multiplied by the Contract Price (20% x Contract Price)
After work performance has reached (20%) = Rp. 7,952,428,475
- 2) Receipt of the second instalment payment (Term II) of 30% on July 22, 2019, so that the second term bill is 30% multiplied by the Contract Price (30% x Contract Price)
After work performance has reached (50%) = Rp. 11,928,642,713
- 3) Receipt of the third instalment payment (Termin III) of 25% on September 3, 2019, so that the third term bill is 25% multiplied by the Contract Price (25% x Contract Price)

- After work performance has reached (75%) = Rp . 9,940,535,594
- 4) Receipt of the last instalment payment (Term IV / Repayment) of 25% on December 2, 2019, so that the last term bill is 25% multiplied by the Contract Price (25% x Contract Price)
- After work performance has reached (100%) = Rp. 9,940,535,594.

Income Recognition According to PSAK No. 34

According to PSAK No. 34 paragraph 10, income is measured at the fair value to be received, whereas in paragraph 20, it is stated that contract statements and contract costs related to construction contracts should be recognized as revenue and expenses, respectively, with due regard to the stage of completion of contract activity at balance sheet date [13].

Based on PSAK No. 34, we can calculate the recognition of income during the construction process as follows

Billing Of Payment For Termination I in May 2019

I (20% x IDR. 39,762,142,376) Rp. 7,952,428,475
 5% retention IDR. (397,621,424)
 Net Hospitalization IDR. 7,554,807,051Term
 VAT (10% bill) IDR. 795,242,848
 Total Claims IDR. 8,350,049,899

Journal of Income Recognition for May 2019

(dr) Accounts Receivable IDR. 8,350,049,899

(dr) Project Retention IDR. 397,621,424

(cr) Progress of invoice for contract IDR. 7,952,428,475

(cr) Output VAT IDR. 795,242,848

Journal of Receipt of Claims for Termination 1 of May 2019

(dr) Cash

IDR. 8,350,049,899

(cr) Accounts Receivable IDR. 8,350,049,899

Billing Of Payment For Termination II of July 2019

II bill (30% x IDR. 39,762,142,376) IDR. 11,928,642,713
 5% retention IDR. (596,432,136)
 Net Opname IDR. 11,332,210,577Term
 VAT (10% bill) IDR. 1,192,862,271
 Total Claims IDR. 12,525,072,848

Journal of Income Recognition for July 2019

(dr) Accounts Receivable IDR. 12,525,072,848

(dr) Project Retention IDR.596,432,136

(cr) Progress of invoice for contract IDR. 11,928,642,713

(cr) Output VAT IDR. 1,192,862,271

Journal of Receipt of Claims for Termination II of July 2019

(dr) Cash IDR. 12,525,072,848

(cr) Accounts Receivable IDR. 12,525,072,848

Billing Of Payment For Termination III in September 2019

III (25% x IDR. 39,762,142,376) IDR. 9,940,535,594

5% retention IDR. (497,026,780)

Net Hospitalization IDR. 9,443,508,814Term

VAT (10% bill) IDR. 994,053,559

Total Claims IDR. 10,437,562,373

Journal of Income Recognition for September 2019

(dr) Accounts Receivable IDR. 10,437,562,373

(dr) Project Retention IDR. 497,026,780

(cr) Progress of invoice for the contract IDR. 9,940,535,594

(cr) Output VAT IDR. 994,053,559

Journal of Receipt of Claims for Termination III of September 2019

(dr) Cash IDR. 10,437,562,373

(cr) Accounts Receivable IDR. 10,437,562,373

Billing Of Payment For Termination IV December 2019

Bill (25% x IDR. 39,762,142,376) Rp. 9,940,535,594

5% retention IDR. (497,026,780)

Net Hospitalization IDR. 9,443,508,814Term

VAT (10% bill) IDR. 994,053,559

Total Claims IDR. 10,437,562,373

Journal of Income Recognition for December 2019

(dr) Accounts Receivable Rp. 10,437,562,373

(dr) Project Retention IDR. 497,026,780

(cr) Progress of invoice for the contract IDR. 9,940,535,594

(cr) Output VAT IDR. 994,053,559

Journal of Receipt of Claims for Termination IV of December 2019

(dr) Cash IDR. 10,437,562,373

(cr) Accounts Receivable IDR. 10,437,562,373

Journal of retention collection of the terms of each month which is done at the end of the period after the handover of the Minutes

(dr) Accounts Receivable IDR. 9,940,535,594

(cr) Project Retention IDR. 9,940,535,594

Journal of retention receipts that will still be received from collection

(dr) Cash IDR. 9,940,535,594

(cr) Accounts Receivable IDR. 9,940,535,594

Based on the above calculations, the recognition of income according to PSAK No. 34 is recognized based on the percentage progress achieved in the minutes. In addition, using the method *accrual basis* in recognizing revenue when the revenue is generated, for example, revenue is reported when services are provided to customers during the period concerned.

Differences in Project Income between Companies and PSAK No. 34

Descriptions	by Company	According to PSAK No.34	Difference in
May '19 Revenue	Rp. 7,952,428,475	Rp. 8,350,049,899	Rp. 397,621,424
July '19 Income	Rp. 11,928,642,713	Rp. 12,525,072,848	Rp. 596,430,135
September'19 Income	Rp. 9,940,535,594	Rp. 10,437,562,373	Rp. 497,026,779

December'19			
Income	Rp. 9,940,535,594	Rp. 10,437,562,373	Rp. 497,026,779

From the table above, it is known that the recognition of company revenue for the months of May, July, September, and December 2019 is recognized as lower than the income calculation applied in accordance with the Statement of Accounting Standard No. 34, this is because PT. Mina Fajar Abadi still admits that her income is on a *cash basis*. In the construction work contract that has been agreed upon, the company receives less revenue for each term than the progress that has been made. So in this case, the recognition of revenue by PT. Mina Fajar Abadi is still not in accordance with PSAK No. 34.

5. Conclusion

Based on the analysis and discussion that has been conducted on PT. Mina Fajar Abadi, it can be concluded that the following are:

1. PT. Mina Fajar Abadi, for all projects worked on admits income based on work progress or better known as the *percentage of completion method*. The percentage of completion is measured using *output measures* determined by the experts and operations section in the form of project achievement reports, this is adequate and in accordance with the applicable Financial Accounting Standards, however in practice there are other obstacles, namely PT. Mina Fajar Abadi uses the basis of physical work progress to calculate the amount of income that will be recognized. The company uses the terms of payment or cash received from the employer as revenue recognized by the company.
2. The company does not record project costs based on physical progress, but the company records the costs incurred in a one-time project that is accumulated when the project is completed and uses the concept *all-inclusive* where all expenses related directly and indirectly are all recorded and recognized in income statement. Company continues to acknowledge a 5% retention which will be paid by the employer when the project is 100% completed. The process of recording all transactions in the financial statements uses *cash basis* where all transactions are directly entered into the company's cash account. There are significant differences in recognizing revenue according to companies and according to PSAK No. 34. The basis for recognizing company revenue is the receipt of cash that has been paid by the client from the agreed construction work contract, not based on the progress that has been completed.

References

- [1] R. Wahasumiah, "Analisis Penerapan Pajak Penghasilan Atas Jasa Konstruksi dan Kesesuaian Standar Akuntansi Kontrak Konstruksi (PSAK No. 34)," *ACSJ Politek. Sekayu*, 2018.
- [2] E. Nurjanah, "PENGAKUAN PENDAPATAN DENGAN METODE PERSENTASE PENYELESAIAN BERDASARKAN PSAK NO.34," *El Muhasaba J. Akunt.*, 2016, doi: 10.18860/em.v7i1.3882.
- [3] J. Andres and R. P. Pardede, "Analisis Penerapan Cost Recovery Method Dan Percentage Of Completion Method Berdasarkan PSAK 34 Terhadap Laba Kotor Perusahaan PT Mitra Menara Mandiri," *J. Ilm. Akunt. Kesatuan*, 2018, doi: 10.37641/jiakes.v6i2.137.
- [4] M. Hidayat, "Analisis Pengakuan dan Pengungkapan Pendapatan Pada Laporan Keuangan PT. Adhi Karya (Persero Tbk) Berdasarkan PSAK 23, PSAK 34, PSAK 44," *J. Meas.*, 2016.
- [5] Ikatan Akuntan Indonesia, *Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik (SAK*

- ETAP. Jakarta: Ikatan Akuntan Indonesia, 2019.
- [6] S. Pinatik, J. Sondakh, and M. Andaki, "ANALISIS PERBANDINGAN PENGAKUAN PENDAPATAN DAN PEMBEBANAN BIAYA MENURUT STANDAR AKUNTANSI KEUANGAN DAN UNDANG-UNDANG PERPAJAKAN PADA PERUSAHAAN JASA KONSTRUKSI (Studi Pada PT. Anugrah Adyatama, Jakarta)," *J. Ris. Ekon. Manajemen, Bisnis dan Akunt.*, 2015.
 - [7] P. C. Oroh, "Evaluasi Penerapan Psak No.34 (Revisi 2010) Dalam Pengakuan Dan Pengukuran Pendapatan Usaha Jasa Konstruksi Pada Cv. Surya Gemilang Utama," *J. Ris. Ekon. Manajemen, Bisnis dan Akunt.*, 2013.
 - [8] Rismansyah and S. Nurlaili, "Analisis Pengakuan Pendapatan Dan Beban Pada PT. Wahana Bumi Riau Cabang PALEMBANG (Rismansyah & Nurlaili Safitri)," *Akuntansi*, 2014.
 - [9] D. P. E. S. Dhullo Afandi, Feris Kristian Tikupadang, "ANALISIS PENERAPAN AKUNTANSI KONTRAK KONSTRUKSI DALAM PENYAJIAN LAPORAN KEUANGAN PADA PT. SEDERHANA KARYA JAYA DI MANADO," *J. Berk. Ilm. EFISIENSI*, 2016.
 - [10] C. Liawan and V. N. VAN HARLING, "ANALISIS PERLAKUAN AKUNTANSI PENDAPATAN JASA KONSTRUKSI PADA PT. AGRINDO MAKMUR ABADI," *SOSCIED*, 2019, doi: 10.32531/jsoscied.v2i1.169.
 - [11] Kieso, Weygandt, and Warfield, *Akuntansi Keuangan Menengah Intermediate Accounting*. 2018.
 - [12] B. Bryan and H. Hastoni, "Evaluasi Pengakuan Pendapatan dan Beban Kontrak serta Pengaruhnya Terhadap laba Perusahaan Konstruksi Sesuai PSAK 34 Revisi 2010," *J. Ilm. Akunt. Kesatuan*, 2013, doi: 10.37641/jiakes.v1i3.242.
 - [13] R. Subagja and D. Pradipto, "Analisis Penerapan Pengakuan Pendapatan Kontrak Konstruksi Berdasarkan PSAK 34," *J. Ilm. Akunt. Kesatuan*, 2019, doi: 10.37641/jiakes.v7i3.298.

The Effect of Zakat as A Reduction Of Taxed Income And Self Awareness Of Personal Personal Tax Payer (WPOP) Compliance

Islamiah Kamil¹
{islamiah.kamil@undira.ac.id¹}

Faculty of Business and Social Sciences, Universitas Dian Nusantara, Jakarta, Indonesia¹

Abstract The purpose of this study was to analyze whether zakat as a deduction for income and self-awareness has a significant positive effect on individual taxpayer compliance (WPOP) in the areas of Jakarta, Bogor, Depok, Tangerang and Bekasi. The sample in this study was taken using convenience sampling, while the number of samples was 200 individual taxpayers. Data collection used a questionnaire and analyzed using multiple linear regression through the SPSS program. The results show that zakat as a deduction for income and self-awareness has a positive and significant effect on individual taxpayer compliance (WPOP).

Keywords: Zakat, Self-Awareness, Individual Taxpayer Compliance

1. Introduction

Poverty alleviation should be the main agenda of the Government as the executive mandated by the constitution [1]. The government is given the authority by law to collect taxes from the public as a form of the spirit of mutual cooperation from all levels of society to jointly realize the welfare of the Indonesian nation. As a country with the largest Muslim population in the world, it is realized that Indonesia has a very large potential for receiving Zakat and is believed to be able to provide solutions in alleviating poverty in this country [2].

Inform that Indonesia is a country with a population Muslim largest in the world. However, the receipt of zakat in this country is still minimal. In 2010, there were 209.12 million Muslims living in the archipelago. [3] This number is estimated to reach 229.62 million people in 2020. Of the zakat potential of IDR 230 trillion - as revealed by the National Zakat Agency (Baznas), only IDR 8 trillion (3.5 percent) has been collected. There are at least three obstacles that make zakat acceptance in Indonesia still minimal. First, in terms of education and literacy. [4]



Figure 1. Trends in collecting and distributing Zakat, Infaq, Sadaqah (ZIS) for the last 4 years (2015-2018) Lokadata

Talking about the use of zakat, currently Indonesia is facing the Covid-19 pandemic which has claimed many lives so that it has an impact not only in the health sector, but also on the joints of the economy. In response to this, the Indonesian Ulema Council (MUI) also issued fatwa Number 23 of 2020 concerning the use of ZIS assets to tackle the covid-19 outbreak and its effects. In this fatwa, there is a provision for the distribution of zakat assets to recipients including one of the groups (asnaf) of zakat, namely Muslims who are poor, poor, amil, converts, who are in debt, riqab, Ibnu Sabil, and/or fi sabilillah. The use of zakat assets may be productive, among others, to stimulate the socio-economic activities of the poor who are affected by the epidemic. Meanwhile, the need for overcoming the COVID-19 epidemic and its impacts that cannot be met through zakat assets, can be obtained through donations, alms and other halal donations.

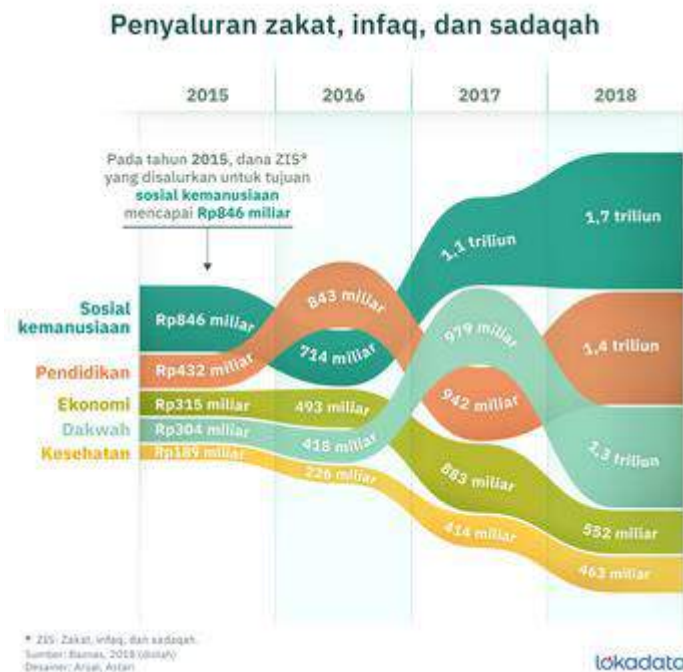


Figure 2. Distribution of Zakat, Infaq, and Sadaqah in the last 4 years (2015-2018)
Lokadata

According to Chairman of the National Zakat Agency (Baznas), Bambang Sudibyo, the collection of zakat, infaq and alms (ZIS) has increased by 46 percent during the Covid-19 pandemic. It was stated, from January to June 2020, the total funds collected by Baznas amounted to Rp 240.39 billion. Meanwhile, in the same period in 2019, Baznas collected funds of Rp. 156.83 billion. ZIS collection in the Covid-19 era has increased by 46 percent compared to the same period last year for January to June 2019. ZIS collection, first, is through the Zakat Collection Unit (UPZ) of 34.6 percent. Second, retail collection of 25.2 percent. Third, digital collection of 23.9 percent. The rest is through CSR 11.1 percent, company zakat 2 percent, and payroll zakat by 2.3 percent. Of the total ZIS collected, zakat distribution in January-June 2020 also increased by 129.82 percent. Meanwhile, the number of mustahik who received zakat increased by 87.42 percent. For distribution and utilization in the Covid-19 era, an increase of 129.82 percent in terms of the amount of funds. And an 87.42 percent increase in the number of mustahiks compared to the same period last year. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore, the total Baznas budget used for operations amounted to IDR 7.27 billion. However, the absorption of the APBN has not been optimal due to the policy of working from home during the Covid-19 pandemic. For distribution and utilization in the Covid-19 era, an increase of 129.82 percent in terms of the amount of funds. And an 87.42 percent increase in the number of mustahiks compared to the same period last year. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore,

the total Baznas budget used for operations amounted to IDR 7.27 billion. However, the absorption of the APBN has not been optimal due to the policy of working from home during the Covid-19 pandemic. For distribution and utilization in the Covid-19 era, an increase of 129.82 percent in terms of the amount of funds. And an 87.42 percent increase in the number of mustahiks compared to the same period last year. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore, the total Baznas budget used for operations amounted to IDR 7.27 billion. However, the absorption of the APBN has not been optimal due to the policy of working from home during the Covid-19 pandemic. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore, the total Baznas budget used for operations amounted to IDR 7.27 billion. However, the absorption of the APBN has not been optimal due to the policy of working from home during the Covid-19 pandemic. The Baznas budget, which was sourced from the State Budget of IDR 8 billion, was used IDR 724 million to help handle Covid-19. Therefore, the total Baznas budget used for operations amounted to IDR 7.27 billion. However, the absorption of the APBN has not been optimal due to the policy of working from home during the Covid-19 pandemic.

Obedient taxpayers (tax compliance) can be identified from the compliance of taxpayers in registering themselves, compliance to remit SPT, compliance in calculating and paying taxes owed, and compliance in payment of arrears. The issue of compliance is important because simultaneously non-compliance will lead to tax avoidance efforts, such as tax evasion and tax avoidance, which results in reduced deposits of tax funds into the state treasury. According to the author, taxpayer compliance is also influenced by Zakat as a deduction from income and self-awareness of individual taxpayers where the tax obligations in calculating, depositing and reporting on their income tax are still on fulfilling the obligations for the consequences of having a taxpayer identification number (NPWP). SPT Annual is a means for taxpayers to submit and be accountable for calculating the amount of taxes that are actually owed (Law No. 16 of 2000 Article 3). This is a logical consequence of implementing the self-assessment system, namely the full authority to calculate, calculate, pay and submit taxes to the taxpayer. In reality it's not that easy. Due to differences in perceptions of taxpayers, limited knowledge, ability and (possibly) bad faith, the Annual Tax Returns filing is incorrect and taxpayers do not submit their income taxes. If it is discovered by the Directorate General of Taxes, the taxpayer will be subject to sanctions, ranging from fines, interest, to imprisonment [5].

The objectives of this research are (1) Knowing the effect of Individual Taxpayer Perceptions about Zakat as a deduction of income on Taxpayer Compliance and (2) Knowing the effect of self-awareness on Taxpayer Compliance [6].

Research that is structured systemically and methodologically based on the norms of this research, either partially or as a whole, is generally intended to have a scientific contribution. Thus it is hoped that it can be used as a reference or knowledge for researchers, practitioners and contribute to policy. The contributions are (1) Research which reveals that Zakat as a deduction for taxable income in submitting an individual's Annual Tax Return (SPT) and self-awareness of the level of taxpayer compliance has a contribution to prove the theory of motivation [7].

2. Literature Review

2.1 Motivation Theory

Public awareness as a compliant taxpayer is closely related to public perceptions of Zakat and taxes. Perception is very influential on the motivation of taxpayers to pay taxes. Motivation will ultimately affect taxpayer compliance in fulfilling tax obligations. Taxpayer compliance behavior is highly influenced by individual and environmental behavioral variables (James L. Gibson, 1991: 24). Many citizens still think that taxes are compulsory levies which are a privilege of the government by not providing direct counter-achievements to taxpayers [8].

2.2 Taxpayer Compliance

Obedient taxation is a condition in which taxpayers fulfill all tax obligations and exercise their tax rights. The tax obligations are in the form of: on time in submitting annual notification (SPT) in the last two years, do not have arrears for all types of taxes, unless you have obtained permission to pay in installments or postpone, and pay taxes according to a predetermined time. The tax right in question is to obtain a preliminary refund of the tax overpayment [9].

2.3 Zakat as a deduction for taxable income

Organizational commitment is defined as a feeling of an employee's obligation to remain with the KH Didin Hafidhuddin and Beik (Republika 2011) encourage the provision of zakat as a tax deduction to be included in the amendment to Law No. 38/1999 on Zakat Management. Armed with a macro perspective, they argue that the application of zakat as a tax deduction will have a positive impact on the performance of zakat, taxes, and the national economy as a whole. The relationship between zakat and tax was first introduced by Law No. 38/1999 as a fiscal incentive for zakat payers by making zakat as a deduction from taxable income (tax deduction) [10]

2.4 Self-awareness

Self-awareness is the ability to recognizing feelings and why someone feels that way and the influence one's behavior has on others. These abilities include; the ability to clearly convey one's thoughts and feelings, defend oneself and defend opinions (assertiveness), the ability to direct and control oneself and stand on one's own feet (independence), the ability to recognize people's strengths and weaknesses and like oneself even though someone has weaknesses (self-esteem), as well as the ability to realize one's potential and feel happy (satisfied) with the potential that someone achieves at work and in personal life (actualization) [11].

2.5 Hypothesis

The hypothesis is a temporary answer to the problem under study and its truth needs to be tested empirically. This study uses a causal research method which states the influence of one variable on other variables. In this writing hypothesis the writer concludes that it is suspected:

H1: Individual Taxpayers' Perception of Zakat as a deduction of income has a positive effect on taxpayer compliance

H2: Individual Taxpayers' Perceptions of Self-Awareness Has a Positive Effect on Taxpayer Compliance

3. Methods

This study uses the Associative Method with a Quantitative Approach which aims to determine the magnitude of the influence between research variables systematically, factually and accurately regarding the perceptions of individual taxpayers about zakat as a deduction for taxable income on the level of taxpayer compliance. The population used in this study is the individual taxpayers in the areas of Jakarta, Bogor, Depok, Tangerang and Bekasi (Jabodetabek). The sampling technique in this study is the Convenience Sampling technique, by distributing questionnaires to individual taxpayers in the areas of Jakarta, Bogor, Depok, Tangerang and Bekasi (Jabodetabek). The sample size required is between 5 - 10 times the number of parameters. With the number of research parameters, in this case the number of construct indicators is 30, then the ideal number of respondents is between 150-300 respondents. The data analysis technique used is; 1. Validity and Reliability Test, 2. Descriptive statistical test to provide an overview or description of data seen from the mean, standard deviation, variant, maximum, minimum, sum, range, kurtosis and skewness; 3. The classical assumption test starts from the normality, multicollinearity, and heteroscedasticity tests, all of these assumptions must pass the test so that the regression equation can be trusted; 4. Test the suitability of the model consisting of the coefficient of determination and the simultaneous F test; and 5. Hypothesis test, namely the t test which basically shows how far the influence of one explanatory or independent variable individually in explaining the variation of the dependent variable [12].

4. Result and Discussion

In accordance with the predetermined hypothesis, namely using regression testing with the tools of the SPSS Statistics program version 20.0. The following is presented in Table 4.1 the results of the Multiple Regression analysis:

Table 1. Multiple Linear Regression Analysis Test Results

Model	Unstandardized Coefficients	Standardized Coefficients	T	Beta	Sig.
	B	Std. Error			
(Constant)	19,436		5,730		.002
Perception of Zakat WPOP (X1)	.785		.359	.652	.000
Perceptions of Self-Awareness WPOP (X2)	.585		.129	.352	.002

a. Dependent Variable: Compliance (Y)

The regression equation is as follows:

$$\text{WPOP Compliance} = 19,436 + 0.785 \text{ Zakat} + 0.585 \text{ Self-Awareness}$$

- a. From the regression equation above, it can be seen that the regression coefficient of Zakat as a Deduction of Income, and Self-Awareness is positive which means that if Zakat and self-awareness increase (High), then Taxpayer Compliance also increases.

- b. The constant value of 19.426 means that if there is no Zakat as a deduction of income, and there is no Dir Awareness, then the decision making is 19.43%.

The results of the discussion are as follows:

- 1. Positive Effects of Individual Taxpayers' Perceptions of Zakat as a deduction of income on Taxpayer Compliance

The variable of Zakat as a deduction of income has a significance below 0.05, which is equal to 0.000, which has a positive effect on taxpayer compliance. This is in line with Ayu (2019). The results show that tax knowledge, knowledge of zakat and attitudes affect taxpayer compliance. And also knowledge of taxes has an effect on the attitude of taxpayers, while knowledge of zakat has no influence on the attitude of taxpayers.

- 2. Positive Effects of Individual Taxpayers' Perceptions of Self-Awareness of Taxpayer Compliance

Self-Awareness variable has a significance below 0.05, which is 0.002 which has a positive effect on taxpayer compliance. This goes hand in hand Ayu (2019) The results show that tax knowledge, knowledge of zakat and attitudes have an effect on taxpayer compliance. And also knowledge of taxes has an effect on the attitude of taxpayers, while knowledge of zakat has no influence on the attitude of taxpayers

5. Conclusion

The conclusions of the results of this study are summarized as follows:

- a. Individual taxpayers' perceptions about Zakat as a deduction for income have a positive effect on taxpayer compliance.
- b. Perceptions of Individual Taxpayers about Self-awareness have a positive effect on Taxpayer Compliance

Because of the limitations mentioned above, the suggestions that can be given for further research are:

- 1) In future research, it is suggested to use deeper interview or experimental methods so that the internal and external validity of the data is more reliable. It is also suggested that subsequent studies use secondary data to support primary data so that the research variables are more varied, such as motivation and trust factors.
- 2) In the research questionnaire, as much as possible use language that is straightforward and easy for the respondent to understand and understand, of course, by using language appropriate to the research theme.

The need to improve WPOP compliance in tithing and fulfill its tax obligations by working directly with BAZIS in the nearest area so that each taxpayer's income can directly pay his zakat maal to the institution and proof of zakat payment can be used by taxpayers as a deduction for taxable income at the end of the submission year WPOP Annual Notification Letter (SPT)

References

- [1] F. Setiawan, "Pengaruh Religiusitas, Kepercayaan, dan Reputasi terhadap Minat Muzzaki Dalam Membayar Zakat Profesi (Studi Kasus di Kabupaten Ponorogo)," *JEP KMEP Univ. Muhamadiyah Surakarta*, 2017.
- [2] ayu mey Rimawati, "Pengaruh Pengetahuan Pajak Dan Pengetahuan Zakat Terhadap Kepatuhan Wajib Pajak Dengan Sikap Sebagai Variabel Moderasi," *تَشْبِيب*, 2019.
- [3] J. H. Mustakini, "Metodologi Penelitian Bisnis Salah Kaprah dan Pengalaman-Pengalaman. Edisi 6," in *Yogyakarta: BPFE*, 2013.
- [4] W. Utami and F. Indriawati, "Muatan Etika dalam Pengajaran Akuntansi Keuangan dan Dampaknya Terhadap Persepsi Etika Mahasiswa: Studi Eksperimen Semu," 2006.
- [5] D. J. Pajak, "Wajib Pajak Orang Pribadi," 2009. .
- [6] Direktorat Jendral Pemerintahan Umum, "Undang-Undang No. 38 Tahun 1999 Pengelolaan Zakat Sebagai Pengurang Penghasilan Kena pajak," 2010. .
- [7] Direktorat Jendral Pemerintahan Umum, "Undang-Undang No. 36 Tahun 2008 Perubahan Ke Empat Atas Undang-Undang No.7 Tahun 1983 Tentang Pajak Penghasilan," 2009. .
- [8] "Pengaruh Teori Motivasi Terhadap Kepatuhan Wajib Pajak," 2008. .
- [9] safri Nurmantu, "Pengantar perpajakan," *Pengantar Perpajak.*, 2010.
- [10] N. Chaizi, *Reformasi Administrasi Publik: Teori dan Praktik*. 2014.
- [11] A. Dr. Waluyo, M.Sc., *Perpajakan Indonesia Edisi 11*. 2014.
- [12] D. Priyatno, *Mandiri Belajar Analisis Data Dengan SPSS*. 2013.

Development Communication in monitoring and Media Cooperation (Study on Development Coverage of Bangka Regency Government in Local Print Media)

Suryani¹, Septiar Andrilaransyah²
{suryani@stisipolp12.ac.id¹, septiarandrilaransyah@gmail.com²}

STISIPOL Pahlawan12 Sungailiat Bangka, Indonesia¹, STISIPOL Pahlawan12
Sungailiat Bangka, Indonesia²

Abstract. To understand the government in development communication through mass media and its implications for media cooperation policy, it is necessary to describe in mixed methode. In this study, it was found that based on the intensity of the news, Rakyat Pos (45%) were the most intensive in covering development issues compared to Bangka Pos (30%) and Babel Pos (25%). In the third column, the newspapers ranked news based on closeness (90%) compared to the main page (10%). Meanwhile, from the technical aspect of writing, straight news is the main choice (100%). Issues of development administration (57%) more attractive than issues of governance (43%). Based on resource persons, bureaucrats are most frequently quoted (96%). Furthermore, neutral (58%) and positive (35%) news tones are more dominant. The implication of reporting on cooperation policies is not a reference in media selection, and their hope is that the media can carry out their idealism.

Keywords: Development Communication, Newspapers, Monitoring, Cooperation

1 Introduction

The government of Bangka Regency in carrying out development must involve the participation of the community as its stakeholders. Because the development carried out must provide benefits for the welfare of the community and build a people's economy that supports regional development. The involvement of community participation must of course be supported by providing access to information on all development program activities and local government administration, either directly or indirectly, facilitated by various existing communication media.

Establishing cooperation with the media is carried out with the hope that all information on the administration of government administration and development is conveyed clearly and ultimately will lead to public understanding of every step taken by the local government.

Collaboration with the media (media relations) [1]. is a public relations communication activity to establish understanding and good relations with the mass media in order to achieve maximum and balanced organizational publications. As former University of Wisconsin-River Fall Public Relations Officer Barbara Averill (1997) put it, "media relations is only one part of public relations, but it can be a very important and efficient tool. Once we can formulate

messages that are not only accepted but also considered important by the local media, then we have already made big strides towards the success of the program [2].”

In establishing a relationship with the media, the Public Relations of the Bangka Regency Government is required to be skilled in shaping the perceptions of the media crew towards the institution and giving value to these relationships in getting as much publicity as possible from the media. Launching new programs as well as important information relating to policies urgently requires the role of the mass media.

The mass media has the power to form public opinion or what is commonly called public opinion. According to Leonard W. Doob, public opinion is the attitude of people about something, where they are members of the same society. This definition states that public opinion is closely related to human attitudes, namely attitudes personally and as group members. Doob further revealed that what shapes public opinion is a person's personal attitude or the attitude of his group, because attitudes are determined by experiences, namely experiences from and within the group as well [3].

The collaboration with 29 media which is carried out in the form of publications on government administration and the development program of the Bangka Regency Government and advertisements is certainly expected to form the brand image of the Bangka Regency Government which then creates a good reputation in the eyes of the community and its stakeholders. The reputation created through this publicity needs to be evaluated.

Where media relations can be said to be successful when the mass media provides feedback in the form of news. To determine this success, it is necessary to do media monitoring with the aim of dissecting the news carried out by the mass media. In addition, media monitoring is also useful to help determine policy making and is an important activity for a public relations officer.

Meanwhile, the edition chosen as research material was December 2019. The selection of the periodization was based on the assumption that even one more year of the elected Bangka Baru District Head was elected for the 2018-2023 period, the pair Mulkan and Syahbudin (26/09/2018) , and in the December issue, there are important events which are flashbacks from the previous news. In addition, limited time and energy do not allow analysis of all district government news. Bangka in one year. During the period December 2019, there were 167 news items released by the three newspapers, namely Bangka Pos with 50 news, Babel Pos with 42 news and Rakyat Pos with 75 news, for details, see the chart below

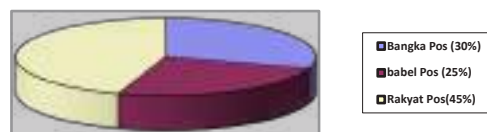


Figure 1. Development Communication news on December 2019

The focus of this research is: (i) how the news of three Bangka Pos, Babel Pos and Rakyat Pos newspapers on the development communication of bangka regency government in December 2019 priode. (ii) how the implications of the news on media cooperation policy in Bangka Regency

The purpose of this research is to describe media monitoring of development communications of Bangka Regency Government through content analysis and implications

of the news to the policy of cooperation conducted with all three local newspapers in Bangka Belitung Province.

It is hoped that this research will be useful all interested parties by providing : (i) academic benefits, by expanding the development of knowledge and providing references for future research; (ii) Practical benefits, newspaper editors can further increase the resources of journalists so that in framing news in accordance with journalistic rules and for local governments to be able to prepare complete data for junalis so that they can frame news more comprehensively, and (iii) social benefits, through this research helps the Indonesian people to understand the management of media and media cooperation systems conducted by local governments so that the public can be more media literate in the face of information attacks.

2. Literature Review

2.1. Development Communication

Development communication comes from two words, namely communication and development. simple communication means the process of exchanging messages between the communicator (sender) and the communicator (recipient). While development according to Rogers and Soemaker is a type of social change where new ideas are introduced in a social system to generate per capitla income and higher levels of life through more modern production and better social organization.[4]. According to Peterson (2000) [5] development communication is an organized effort to use communication processes and media in improving social and economic standards, which generally take place in developing countries. Similarly, Quebral (1973) says development communication is a communication done to carry out the development of a country. Where as according to Widjaja A. W. defines them quite differently, that is, he interprets that development communication as a communication containing the messages of development.

From the above description, it can be concluded that development communication is a discipline and communication practice in the context of developing countries and is done for planned social change. Development communication is intended to consciously improve humane development and be carried out both directly and in media[6].

2.2. Development Journalism

Development communication requires mass media in the delivery of messages. The media used should be fast cheap and mass. Therefore, a model is needed to formulate how to deliver the message of development quickly cheaply and mass, then came the term development journalism.[7]. In essence, development journalism discusses how the media plays a role in disseminating development information. Development information does not only cover physical development. But such non-physical development like a morals, behavior ect. must also be conveyed by the mass media.

Definition of development journalism is the coverage of development as a process rather than as the development event. The emphasis of development news is not on the events of a particular moment, but rather on what happens to that particular priode, received and responded to by the public, impact of resulting in a long-term process of sustainable social and economic change [4].

The character of development news consists of three things namely (i), paying attention to the relevance of a development project with national needs and especially local needs; (ii)

paying attention to the difference between the program plan and implementation; (iii) paying attention to the difference between the perceived impacts of society. The function of mass media in development according to Schramm [8], i.e.: (i), informs about national development, focuses their attention on the need to change, opportunities to cause change, methods and ways of causing change and if possible increasing aspirations; (ii), public helped participate in the decision-making process, expand dialogue and keep information flowing both upwards and downwards; and (iii), educating people to have skills.

and (iv), creating a constructive atmosphere, through newspapers and other mass media can be disseminated information to the public. Newspapers can broaden the horizon of thought and build sympathy, focusing development goals so as to create a compatible and effective development atmosphere.

Mass media according to Rachmadi (1989) [9], having a duty as one of the agents of change in development, is to: (i), expand the horizon of view, through the newspaper people know the events that occurred in other countries. (ii), focusing the public's attention on the messages it writes. In modern society, images of neighborhoods far from them are obtained from newspapers and other mass media. (iii) foster aspirations. With the mastery of media, a society can change their lives by imitating what the media conveys; and (iv), creating a constructive atmosphere, through newspapers and other mass media can be disseminated information to the public. Newspapers can broaden the horizon of thought and build sympathy, focusing development goals so that it will be effective..

2.3 Development News

According to Ishadi Sutopo KS,[10], there are 12 categories of development news, i.e.: (i), government and administrative reformation, in this category are government activities. Inauguration of government officials, bureaucratic reform etc; (ii), food production, agricultural development and irrigation; (iii), development, mining and crude oil production; (iv)communication, transportation and tourism; (v), trade; (vi), labor and transmigration; (vii), regional and rural development; (viii), education and culture; (ix), public health; (x), mass media; (xi), law and law enforcement; and (xii), defense and national security.

2.4 Media Relations

Media relations is a public relations activity with the intention of conveying communication messages about institutional or companies activities, products, and all activities that need to be published through cooperation with the mass media to create publicity and positive image. With the mass media publicity, the company gets a positive image and at the same time the mass media gets the news [11].

The benefits of media relations are, i.e. : (i) building an understanding of the duties and responsibilities of corporations and mass media; (ii) build reciprocal trust with the principle of mutual respect and trust; (iii) accurate and trust information for the public [12].

2.5 Media Monitoring

Media monitoring is widely used in to conduct tracking or publicity searches conducted by public relations. The history of media monitoring began in the middle 1800s as a media clipping service. Media clipping services (called "cutting media" in Europe) employees who work as readers, are deployed to scan articles in print news publications in search of the keywords of some clients. Similarly, Kennedy [13] that it is important to note the use of media to relate to the target of the message, whether the message is addressed to the personal, the

group, or the masses. The term monitoring is defined as surveillance or monitoring, more complete explanation of media monitoring is the process of reading, watching or listening with the editorial content of media sources, and then, identifying, storing and analyzing content containing certain keywords or topics.

2.6 Policy

The policy according to Thomas R. Dye is as everything the government does, why they do, and the results that make a life together appear different. And government policy is a process of how joint decisions on various public issues are formulated, implemented, evaluated and responded to by the public. The process from formulation to public response is referred to as a policy cycle. The policy cycle according starts from the identification of issues, implementation and evaluation of the policy impacts followed by policy feedback and so on this feedback again becomes part of identifying these issues, [14]

2.7. Operational Definition

The content of the news about the Bangka Regency Government is the administration and the implementation of development carried out by the Bangka Regency Government. There is a pattern of the news with categorization of the presentation format in the newspaper divided by the rubrikasi space, the theme of the news or issue, the source of information and the tone of news.

3. Methods

This research methodology will be conducted using a mixed research method, with a quantitative descriptive content analysis approach as one of the scientific research techniques aimed at knowing the characteristics of the content and interesting inference of the content. Content analysis is intended to identify objectively, validly, reliably and can be replicated. Furthermore, using qualitative descriptive analysis research methods because this approach is best able to make observations in natural and social settings.

3.1 Analysis Unit and Research Focus

The quantitative content analysis unit used is: (i), the sample unit used is all news related to the Government. Bangka in three Bangka Pos, Babel Pos and Rakyat Pos in December 2019; (ii), the recording unit consists of thematic units, physical units and referential units; and (iii), the context unit uses all studies of theories related to this research object, so that the data generated by the recording unit has meaning. While the focus of this qualitative research is how the news implications of development communication to the media cooperation policy conducted by the Bangka Regency Government.

3.2 Research Locations

This research will be conducted in three local newspapers, namely Bangka Pos, Babel Pos and Rakyat Pos as well as the Department of Communication, Informatics and Statistics of Bangka Regency.

3.3 Determination of Research objects and Subjects (Informants)

To get accurate information, there are several criteria to consider, such as research objects determined by population and sample draw. The population is the news of three newspapers in December 2019 priode, a total of 167 news communication development government. Bangka, look at table below:

Table 1. Population

No	Time Range	Bangka Pos	Babel Pos	Rakyat Pos	Amount
1.	The first week	9	13	29	51
2.	The secon week	15	16	23	54
3.	The third wek	12	6	10	28
4.	The fourth week	14	7	13	34
		50	42	75	167

Furthermore the sampling in this study uses the slovin formula, with the following formula: $n = N / (1 + (N \times e^2))$, description: n = number of elements/sample members N = number of elements/population members e = error level.

The population contained in this study was 167 news and the specified precision or significance level of 0.05, then the size of the sample in this study was: $n = N / (1 + (N \times e^2))$ $n = 167 / (1 + 167 (0.05)^2)$ $n = 117, 83$, so the overall number of news stories in the study was **118 news**, and sampling was done through random sampling techniques, look at table below:

Table 2. Sampling

No	Time Range	Sample	Amount
1.	The first week	$51 \times 118 / 167$	36
2.	The secon week	$54 \times 118 / 167$	28
3.	The third wek	$28 \times 118 / 167$	30
4.	The fourth week	$34 \times 118 / 167$	24
			118

Furthermore qualitatively the subject of this study is the person who is considered to know the most about the information required of the research object, so it will be easier for the researchers to track the activity that is being studied. The subject of this research are the Head of The Office of Communication, Informatics and Statistics of Bangka And Public Relations of the Bangka Government conducts media monitoring activities and media cooperation.

3.4 Data Collection Techniques

The data collection techniques used in this study are; (i) direct observation of newspaper clippings through coding sheet and public relations management process. The reason researchers make observations is to present a realistic picture of behavior or events, to answer questions, to help understand human behavior, and to evaluate what to include in conclusions. (ii) interviews conducted in this study use semi-structured interviews, asking questions from data sources. (iii) Documentation, researchers will search for data in the form of documents from interested parties.

3.5 Types of Data Sources

Types of data sources obtained are from two sources: namely primary and secondary data sources. Primary data are obtained through coding sheet and interviews with researchers, Secondary data are obtained by researchers through supporting documents related to the research.

3.7 Data Analysis Techniques

In the data analysis stage, the data that has been collected through the coding process are then organized into several categories displayed in the form of tables and graphs. And then analyzed with statistical formula, $P = f/n \times 100\%$. Then will be done qualitative data analysis that is through the process of collecting data in the field, then the data is selected, grouped and compiled and conclusions drawn.

3.8 Data Validity and Reability

The validity of the data in this study uses the validity of quantitative and qualitative data, i.e.: (i), quantitative validity data in this study using the validity of the content which is the extent to which the measuring instrument fully shows all the categories that want to be viewed [15]. The validity of content is a validity estimated through testing of the feasibility or relevance of the test contents through rational analysis by expert judgement and measured by aiken formula : $V = \sum s / [n(c-1)]$, $S = r - lo$ (Lo= lowest validity assessment number, C = highest validity assessment number and R = number). Then it will be measured the reability of the data using the Formula Ole R. Holsty, i.e. $2M/N1+N2$ (M= same number of coding, N= number of coding created by coder), [16]

4. Result and Discussion

In this study, it was found that based on the intensity of the news, Rakyat Pos (45%) were the most intensive in covering development issues compared to Bangka Pos (30%) and Babel Pos (25%). In the third column, the newspapers place news based on closeness (90%) compared to the main page (10%), meaning that almost the average development news of the district government. Bangka placed in a special area, for details see table below:

Table 3. Rublication

No	Rublication	Bangka Pos	Babel Pos	Rakyat Pos	Amount	Percent
1.	Main page	0	0	3	3	2, 5
2.	Tribun Babel	1	0	0	1	0,1
3.	Sungailiat <i>Region</i> (Hal. 16/20)	22/7	0	0	29	25
4.	Tribun <i>Buffer</i>	5	0	0	5	4
5.	Jagur	0	2	0	2	1
6.	Bangka	0	36	0	36	30
7.	Berita Bangka	0	0	40	40	33
8.	Lintas Babel	0	0	1	1	0,1

9.	Sambungan	0	0	1	1	0,1
	Total	35	38	45	118	100

The use of small column sizes <30cm / column in the layout dimension tends to be an option (100%). Meanwhile, from the technical aspect of writing, straight news is the main choice (100%). News written in the straight news / hard news model uses a small column size, and this usually has short, concise material (Santana in Eko, 2006: 66). Such news is clearly not enough to raise awareness and mobilize the public to understand policy and development issues, for details see tabel below:

Table 4. Column Size

No	Column	Bangka Pos	Babel Pos	Rakyat Pos	Amount	Percent
1.	5-10 cm	15	14	26	55	46
2.	11-20 cm	11	16	14	41	35
3.	21-30 cm	9	8	5	22	19
		35	38	45	118	100

Issues of development administration (57%) are more attractive than issues of governance (43%). Based on informants, bureaucrats are most frequently quoted (96%), followed by mass organizations (3%), and politicians (2%). Reports that touch the interests of many people are still interesting and sources who are considered capable of talking about development are bureaucrats, especially regents and their staff, for details see tabel below:

Table 5. Issues of News

No	Issues	Bangka Pos	Babel Pos	Rakyat Pos	Amount	Percent
1.	Development administrations	17	15	19	51	43
2.	Governance	18	23	26	67	57
		35	38	45	118	

Table 6. Sources

N o	Sources	Bangk a Pos	Babe l Pos	Rakya t Pos	Amoun t	percen t
1.	Bureaucrats	34	38	41	113	96
2.	Intellectual	0	0	0	0	0
3.	politicians	0	0	2	2	2
	Public figure	0	0	0	0	0
	Army/Police/Prosecut or	0	0	0	0	0
	mass organizations	1	0	2	3	2
	Private	0	0	0	0	0
	Community	0	0	0	0	0
	Ect.	0	0	0	0	0

Furthermore, the trend of neutral (58%) and positive (35%) news tones is more than negative (7%). It can be seen that even though the regional government has collaborated, the media are not shackled to carry out their role as social control that has idealism for things that are not in accordance with the rules and norms. Although on the other hand, press institutions have commercial needs as profit institutions, for details see tabel below:

Table 7. Tones of News

No	Tones	Bangka Pos	Babel Pos	Rakyat Pos	Amount	Percent
1.	Positive	17	8	17	42	35
2.	Negative	2	2	4	8	7
3.	Neutral	16	28	24	68	58

The implication of reporting on cooperation policies is not a reference in media selection, and they hope that the media can carry out their idealism optimally. This was revealed by the Head of the Communication, Informatics and Statistics Office of Kab. Bangka, Mr. Zulkarnaen Idrus and Bangka Regency Public Relations. Mr. Doddy Rinaldy

According to them, the need to communicate with the community cannot only be done directly, but also using the media. His party realizes that partnering with the media is very important so that the media can understand the dynamics in local government, so that the publication of development communications will have the expected effect, namely at the level of changes in knowledge, attitudes and behavior.

5. Conclusion

From the results of content analysis and interviews with sources, it can be concluded that the three local newspapers are considered sufficiently successful in creating a good reputation of local government, although the news written is not in-depth and comprehensive. But all activities carried out by the local government of Bangka Regency are conveyed to the public. As for cooperation policy with the media, do not look at how the media framed the communication development of Bangka Regency. but more to foster good relations and the results are expected to get positive publication.

References

- [1] D. Wardhani, "Media Relations: Sarana Membangun Reputasi Organisasi," *Yogyakarta Graha Ilmu*, 2008.
- [2] I. Yosai, "Media Relations Konsep, Pendekatan, dan Praktik," *Bandung: Simbiosis Rekatama Media*, 2008.
- [3] S. Soemirat and E. Ardianto, *Dasar-dasar public relations*. Remaja Rosdakarya, 2002.
- [4] S. Dilla, "Komunikasi Pembangunan pendekatan terpadu," *Bandung: Simbiosis Rekatama Media*, 2007.

- [5] D. Mulyana, *Ilmu komunikasi: suatu pengantar*. Remaja Rosdakarya, 2000.
- [6] R. Harun and E. Ardianto, *Komunikasi pembangunan & perubahan sosial: perspektif dominan, kaji ulang, dan teori kritis*. Rajawali Pers, 2011.
- [7] H. Kusumaningrat and P. Kusumaningrat, "Jurnalistik Teori & Praktik," *Bandung PT Remaja Rosdakarya*, 2009.
- [8] J. Amri, "Komunikasi Massa dan Pembangunan Pedesaan," *Jakarta: Gramedia Pustaka Utama*, 1993.
- [9] E. Kurniawan, "Studi analisis isi pemberitaan media massa tentang lingkungan hidup dan implikasinya terhadap kebijakan pengelolaan lingkungan di Kabupaten Bangka [Tesis]," 2006.
- [10] D. M. Flournoy, *Content analysis of Indonesian newspapers*. Gadjah Mada University Press, 1992.
- [11] R. Ruslan, "Public Relations Management & Media Communications, Conception and Applications," *Jakarta Rajawali Pers*, 2008.
- [12] F. Nova, *Crisis public relations: bagaimana PR menangani krisis perusahaan*. Grasindo, 2009.
- [13] J. E. Kennedy and R. D. Soemanagara, "Marketing Communication: Taktik dan Strategi," *Jakarta PT Bhuana Ilmu Pop.*, 2006.
- [14] R. Martini, "Sosiologi Pemerintahan," 2011.
- [15] Eriyanto, *Analisis isi: Pengantar metodologi untuk penelitian ilmu komunikasi dan ilmu-ilmu sosial lainnya*. Kencana Prenada Media Group, 2011.
- [16] H. Retnawati, *Heri Retnawati 9 786021 547984*. Yogyakarta: Parama Publishing, 2016.

The Influence of Online Customer Behavior and Brand Trust on Online Purchase Interest

Khilyatin Ikhsani¹, Agung Hudaya²
{khilyatin.dyah@undira.ac.id¹, agung24@mercubuana.ac.id²}

Management Departement, Faculty of Bisnis and Social Science, Universitas Dian Nusantara, Jakarta, Indonesia¹, Management Departement Faculty of Economics and Business, Universitas Mercu Buana, Jakarta, Indonesia²

Abstract. This research aims to examine the effect of online consumer behavior on online purchase interest and brand trust on online purchase interest. The objects are physical stores which also have online shops. This study used linear regression analysis with Smart PLS 3.0. The data collection method is using nonprobability sampling. The population studied was individuals who had shopped at physical stores as well as shopping online. The samples were 100 respondents. The results of the study show that online consumer behavior has a positive and significant effect on purchase intention and brand trust has a positive and significant.

Keywords: Online Purchase Interest, Online Consumer Behavior, Brand Trust, Hypermart

1 Introduction

The rise of direct online shopping activities has resulted many terms, for example COD (cash on delivery) for cash payments on the spot according to the seller's agreement with the buyer, testimonials are intended as comments on other products and services provided by online sellers to customers who have transacted to give a review in the column comments as promotional material for other potential buyers, recommended sellers or trusted sellers, the term is used to indicate that the online seller is a seller who is trusted by many online buyers, both because the quality of the goods sold and the services provided are considered satisfactory to the buyer, starting from reply to chat Regarding the product and the speed at which the goods are delivered to buyer and neatness of the delivery package [1].

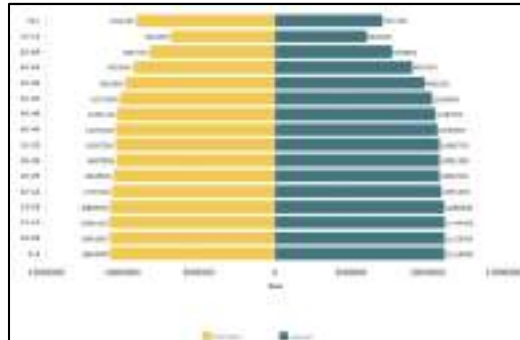


Figure 1.Graph of Indonesia's Population by Age Group (2045)
Source: katadata (2018)

Based on figure 1. in 2045 or 100 years since Indonesia's independence, it is predicted that the vulnerable age group 15-19 and 20-24 have a large population. Demographic capital is an asset for the development of the Indonesian economy, especially for the retail industry. With a large demographic for vulnerable productive age, it is a guarantee for the continued growth of public consumption [2].

Consumption growth is a prerequisite for the development of the retail industry in order to get the expected results, namely increasing profits. However, demographic assets and the widespread use of the internet to convey product information to massive sales promotions are not really utilized by the retail industry in general in increasing the number of sales. Instead of making a profit due to the established fundamentals of retail companies in selling consumer products, they get the opposite result, namely continuous losses or declining growth [3].

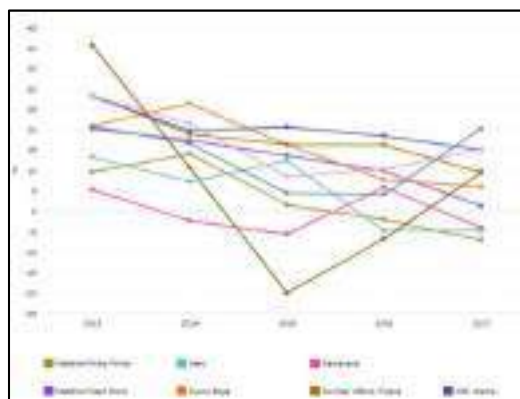


Figure 2. Chart of Sales Growth of 10 Retail Issuers
Source: katadata (2018)

Based on the financial reports of issuers that have been published by Katadata, it shows that 10 companies in the sector of retail in 2017 experienced a slowdown in sales/revenue growth that compared with 2013. The highest decline in sales was recorded by ECII, reached more than 3,100 or only 9.55% in 2017 compared with 40.69% in 2013. Meanwhile, ACES experienced the lowest decline in sales, namely only 53 or only 20.31% compared with 20.85% in 2013. In fact three retail companies, such as RALS, PT Hero Supermarket Tbk and LPPF experienced a decline in sales last year from previous years. The total sales of the 10 retail companies below in 2017 only raised 6.41% from the previous years, in 2013 it was able to record the growth more than 21% compared with the previous years.

Meanwhile, the phenomenon of online shopping is more due to changes in people's behavior with the influence of changes in information technology and telecommunications which are increasingly developing rapidly, plus internet access with wide area coverage at lower costs. Changes in online shopping behavior should be able to be predicted by large retail industries in order to increase sales and profits by adopting developments in information technology and telecommunications [4]

Table 1. Sales Growth of PT. Matahari Putra Prima Tbk Year 2013 - 2017

Year	Percentage of Growth
2013	9.61%
2014	14.08%
2015	1.56%
2016	-1.99%
2017	-7.13%

Source: Internal (2018)

Hypermart is a retail store owned by PT. Matahari Putra Prima Tbk was founded in 2004, had experienced significant growth in 2014, namely 14.08%, but after that it continued to decline. Apart from DKI Jakarta, Tangerang City is a city that has the highest number of Hypermart stores in a city, based on table 1 showed that after 2014 Hypermart sales growth tended to decline. This trend can be seen through the sale of Hypermart stores in Tangerang City.

The potential for online buyers that continues to grow as a result of individual behavior in using the internet is balanced with customer satisfaction with the physical store that Hypermart has since 2004 is a good capital in creating business diversification opportunities, namely online stores in addition to existing physical stores.

BRAND	TBI 2019	
Transmart Carrefour	33.4%	TOP
Hypermart	19.6%	TOP
Giant	19.2%	TOP
Lotte Mart	2.3%	

Figure 3. Top Brand 2018 Retail Category

Source: https://www.topbrand-award.com/top-brand-index/?tbi_find=hypermart, accessed 2020

As second rank on a survey conducted by Top Brand Award and the Frontier Consulting Group with category of retail in 2018. With this Top Brand Award, this gives an indication of consumer confidence in Hypermart brand.

2 Literature Review

2.1 Online Purchase Interest

Purchase interest according to Kotler and Keller is a stage of selection by consumers on a collection of brands or products that they like and also build interest in buying the product they really want [5]. In purchase interest stage, consumers will be involved in 5 sub-decision making, namely the choice of brand, seller, amount, time and method of payment that the consumer wants.

Ahn and Back categorized purchase interest as part of behavioral intention [6]. It can be seen that consumer purchase interest in general consists of:

- 1) *Favorable behavioral intention*, the attitude shown by consumers as if they feel quite close to the producer / company. Described the condition of consumers who are close to producers showing consumer behavior that appreciates producers, expresses siding with producers, high purchasing, and deals with the price offered.
- 2) *Unfavorable behavioral intentions*, changes in behavior aimed at consumers because the performance produced by producers / companies is considered not meeting the expectations of consumers. Dissatisfied consumer behavior is in the form of taking action not to buy / use at all to reduce the purchase of products from producers that consumers mean.

2.2 Online Consumer Behavior

Mamang and Sopiah define consumer behavior as actions that are directly involved in obtaining, consuming, and ending products or services, including the processes that precede and follow these actions [7]. Consumer behavior according to Kottler and Keller is the science that studies how individuals, groups, and organizations to make a choice, to buy, to use, and to spend goods, services, ideas, results of thoughts, or experiences to satisfy their need and desire [8].

According to Hayden Noel, behavior of consumer is behavior of individual regarding to the activities (purchase and the use of goods and services) and how the activities can affect individual life. The activity in question focuses on consumption activities that are carried out to spend goods and services in meeting the needs of consumers [9].

One of the external factors that drives changes in consumer behavior in decision making is technology. Currently technology plays an important role in consumer decision making in purchasing. Online nowadays has become terms for activities and individual behavior who active in cyberspace by using smartphones, computers, and other tools which are connected to internet. Lee and Kim online behavior of consumer shows consumer engagement behavior in purchasing products online [10].

Based on research by Cazan et al. stated that the tendency of online consumer behavior is influenced by several aspects, including [11]:

- 1) *Computer anxiety*, the aspect of individual assessment of difficulties in using the internet.
- 2) *Attitude to the internet*, an aspect of assessing individual behavior towards internet use in influencing daily life.
- 3) *Computer self efficacy*, the individual's ability to use computer equipment and technology in everyday life.

Based on the research conducted by Cazan et al computer anxiety, computer self-efficacy, as a whole forms an attitude to the internet. Attitude to the internet or online behavior encourages consumer using internet to support the activities based on the experience that consumers have in the digital world and the internet [11].

2.3. Brand Trust

According to The American Marketing Association (AMA) a brand is a name, sign, symbol, term, or design or combination of all that aims to identify good and service of a seller or a collection of sellers to differentiate between one another in market competition.

A brand is more than a product, because it has dimensions that are able to distinguish the same similar product designs from other competitors. In other words, a brand functions as an identity that differentiates between products, be it similar or different products [12].

Brand has important role for consumers avoiding risks which are considered important for consumer buying or consuming the product, risks from brands include:

- 1) *Functional risk*, the risk in the form of product performance not as expected.
- 2) *Physical risk* that is, the risk that the physical product will endanger the health or life of the user.
- 3) *Financial risk*, that is, the product price does not exceed the fair price.
- 4) *Social risk*, namely the product does not embarrass users.
- 5) *Psychological risk*, namely the product is able to affect the mental / mental condition of the user
- 6) *Time risk*, namely product defects in the form of inconsistencies in the duration of use based on the product's recommended age.

Brands that have been selected by consumers for consumption have the advantage of brand trust in both the product and the producer. Brand trust according to Keller brand trust is something that is believed and stored as a consumer's memory because it has an important meaning.

Priansa says there are several dimensions that can be used to measure consumer trust, namely [13]:

- 1) System Orientation, the amount of consumer confidence in the company or product can be measured by the amount of their trust in the system used by the company.
- 2) Reputation, When consumers make a transaction with a company, they will consider the company's reputation where when consumers feel a company has a bad reputation they are reluctant to use products or services from that company.
- 3) Perceived Risk The amount of consumer perception about risk can affect the amount of their trust in the company so that when they want to use the company's products or services, consumers often assume that there is a high risk.

Based on the research formulation, research objectives, literature review, previous research and research road map, the framework for this research for internal research is as shown in Figure 2 below.

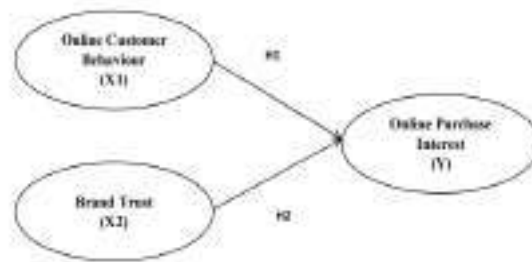


Figure 4. Framework for thinking

Hypothesis

Based on the research objectives, the research hypothesis is as follows:

- 1) H1: Online consumer behavior has positive and significant effect on Online Purchase Interest in Hypermart Supermarket Tangerang City.
- 2) H2: Brand trust has positive and significant effect on Online Purchase Interest in Hypermart Supermarket Tangerang City.

3 Methods

3.1. Research Objects and Instruments

The population in this study is consumers who have shopped online and have also shopped physically at the Hypermart in the Tangerang City area. The sample of this study was 100 respondents, with the number of online visitors to Matahari Mall as many as 2,784,900, using the Slovin formula obtained a sample of 100 people. The research was conducted for 6 months, from January to June 2020. The instrument used was a questionnaire using a Likert scale with a score of 1-5 which was expressed from the most negative, neutral to the most positive.

3.2. Methods and Analysis Tools

The method of analysis of this research is quantitative method. Quantitative research is based on data in form of numbers. The data in the form of numbers in quantitative research concerning the object of research that examines certain variables and analysis tools with multiple linear regression followed by analysis of determination (RSquare), partial hypothesis testing (t test) and simultaneous (F test) with alpha 10 percent (0,1). Before being analyzed, first the instrument test (questionnaire) was tested with validity and reliability as well as classical assumptions, used with SMART PLS 3.0.

The regression model is a statistical model that purposes to analyze the effect of various independent variables on one dependent variable [14]. Online consumer behavior and brand trust as the independent variable, purchasing decisions as the dependent variable. The multiple linear regression analysis method can be described as in Figure 3.1 above with the equation formula:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e. \quad (1)$$

4 Result and Discussion

4.1 Result

The result of Validity and Reliability test as follow:

Table 2. Results of Validity and Reliability Test

<i>Construct</i>	<i>Items</i>	<i>Loadings</i>	<i>Average Variance Extracted (AVE)</i>	<i>Composite Reliability</i>
Online Customer Behavior	X1.1	0.803	0.786	0.917
	X1.2	0.933		
	X1.3	0.918		
Brand Trust	X2.1	0.899	0.724	0.724
	X2.2	0.916		
	X2.3	0.725		
Online Purchase Intention	Y1.1	0.946	0.879	0.879
	Y1.2	0.929		

Source: Primary data, processed 2020

From the table 2 above showed that all the constructs have composite reliability value more than 0.70. So it can be explained that construct has good reliability.

Table 3. Result of AVE

<i>VARIABLE</i>	<i>Average Variance Extracted (AVE)</i>
Online Customer Behavior	0.786
Brand Trust	0.724
Online Purchase Intention	0.879

Source: Primary data, processed 2020

The validity test is also test method comparing the root value of the square root of average variance extracted (AVE) on each construct with the correlation among other constructs contained in the model. From the results of the validity test, the result shows that that the construct has good validity.

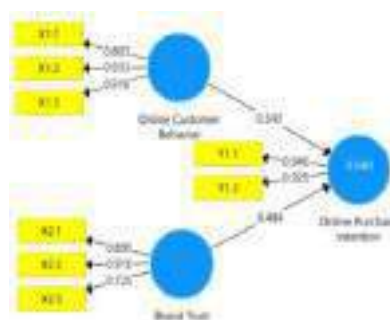
In addition to the construct of validity test, a construct of reliability test was also measured by compositing the reliability and Alpha Cronbach's from the indicator block measuring the construct. The results of testing composite the reliability and alpha cronbach's with Smart PLS:

Table 4. The Composite Reliability and Cronbach's Alpha

<i>Variable</i>	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
Online Customer Behavior	0.862	0.917
Brand Trust	0.811	0.886
Online Purchase Intention	0.863	0.936

Source: Primary data, processed 2020

The construct is reliable, if the value of composite reliability is more than 0.70 and Cronbach's alpha is more than 0.60. From the SmartPLS output results above, all constructs have the value of composite reliability above 0.70. So it can be concluded that construct has the good reliability. The model of measurement for the test of validity and reliability, the model determination coefficient and path coefficient for equation model, as follows:

**Figure 5.** PLS Algorithm Results

Source: Primary data, processed in 2020

The model of structural from PLS was evaluated by using R2 for dependent variable and path coefficient value for independent variable, that is assessed for its significance which is based on the value of t-statistic for each of path. The model of structural can be seen in as follwos:

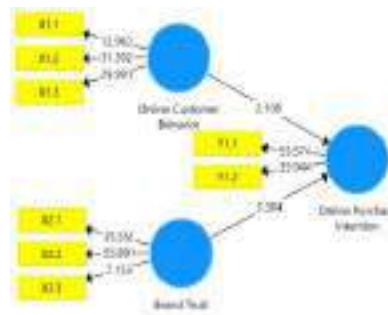


Figure 6. PLS Bootstrapping Result
Source: Primary data, processed in 2020

The R2 value of each endogenous variable in this research as follwos:

Table 5. R-square

Variabel	R Square	R Square Adjusted
Online Purchase Intention	0.540	0.531

Source: Primary data, processed 2020

The value of R Square Online Purchase Intention of 0.540 shows multiple correlations (Online Customer Behavior and Brand Trust). In the next stage, a model of evaluation will be conducted through goodness of fit. The goodness of fit is known from Q-Square value. The value of Q-Square has the same meaning with coefficient of determination (R-Square) in the analysis of regression, which the higher the Q-Square, so model can be concluded more fit with data. The result of calculating the value of Q-Square value is as follows:

$$\begin{aligned}
 \text{Q-Square} &= 1 - (1 - 0.540) \\
 &= 1 - 0.460 \\
 &= 0.540
 \end{aligned}$$

The results above, the value of Q-Square value is 0.540. It shows large diversity from the data which can be explained is 54% from this research, while 46% is explained by others factors which are out of the model of the research. The model in this study can be explained that it has very good goodness of fit.

Table 6. Path Coefficients (Mean, STDEV, t-Value)

Variables	Original Sample (O)	T Statistics	P Values	Significance Level
Online Customer Behavior -> Online Purchase Intention	0.343	2.108	0.035	<0.05
Brand Trust -> Online Purchase Intention	0.484	3.304	0.001	<0.05

Source: Primary data, processed 2020

From the table above, it can be concluded that the model of measurement formed is the Equation Model:

$$Y = 0.343X_1 + 0.484X_2$$

X₁ = Online Customer Behavior

X₂ = Brand Trust

Y = Online Purchase Intention

It can be explained:

- 1) Online Customer Behavior has a positive and significant effect on Online Purchase Intention.
- 2) Brand Trust has a positive and significant effect on Online Purchase Intention

Based on data processing conducted by researchers, it can be used to answer the research hypothesis. The test of Hypothesis was conducted from t-value and also p-value. The hypothesis can be explained that it will be accepted, if p-value <0.05 and t-value are positive. The following are the results which is obtained in hypothesis test through the inner model:

Table 7. Hypothesis test

Hypothesis	Effect	t-count	P-Value	Result
H1	Online consumer behavior has positive and significant effect on Online Purchase Interest	2.108	0.035	Accepted
H2	Brand trust has positive and significant effect on Online Purchase Interest	3.304	0.001	Accepted

Source: Primary data, processed 2020

1) H1: Online consumer behavior has positive and significant effect on Hypermart Supermarket Online Purchase Interest in Tangerang City.

H_0 = Online consumer behavior does not has positive and significant effect on Online Purchase Interest

H_a = Online consumer behavior has a positive and significant effect on Online Purchase Interest

If probability > 0.05 , then H_0 is accepted

If probability < 0.05 , then H_0 is rejected

The basis for seeing the t table is determined by the formula $df = nk$ which n = number of respondents and k = number of variables in this case $100-4 = 96$ the results obtained for t table are 1.98. It can be seen that online consumer behavior variable has the t-value count is $2.108 > t\text{-table}$ 1.98 and a significance level is $0.035 < 0.05$ or H_0 is rejected and H_a is accepted, it can be stated that the online consumer behavior variable has a positif and significant effect on Online Purchase Interest. It means that hypothesis 1 is accepted or proven.

2) H2: Brand trust has a positive and significant effect on the buying interest of Hypermart Supermarket Online in Tangerang City

H_0 = Brand trust does not has positive and significant effect on Online Purchase Interest

H_a = Brand trust has positive and significant effect on Online Purchase Interest

If probability > 0.05 , then H_0 is accepted

If probability < 0.05 , then H_0 is rejected

Based on Table 7 above, it can be seen that brand trust has t-value count is $2,604 > t\text{-table}$ 1.98 and a significance level is $0.01 < 0.05$ or H_0 is rejected and H_a is accepted, it can be explained that brand trust variable has a positif and significant effect on Online Purchase Interest. This means that hypothesis 2 is accepted.

4.2. Discussions

1) The Influence of Online Consumer Behavior on Online Purchase Intention

The dimension of Attitude to the internet on Online Consumer Behavior (X1) variable has the strongest relationship with Favorable behavioral intention on Online Purchase Interest (Y) variable. This is in accordance with the theory by Hayden Noel [8] that Consumer behavior is the behavior of individual regarding activities (purchasing and using of good and service) and how the activities can affect the individual life. The activity in question focuses on consumption activities that are carried out to spend goods and services in meeting the needs of consumers. Lee and Kim [9] stated that online consumer behavior shows consumer engagement behavior in purchasing products online.

While the dimension that has a very weak relationship is the dimension of Attitude to the internet against the Unfavorable behavioral dimension intentions. This shows that consumer behavior with the internet should be maximized to attract online purchases, but there is a reluctance to try to shop online. The dimensions of the Online Consumer Behavior variable, there are; Attitude to the internet, Computer anxiety, and Computer self efficacy. While the dimensions of Buying Interest there are; Favorable behavioral intentions and Unfavorable behavioral intentions.

The results are in accordance with previous researchs conducted by [10], [15], [16], [17], [18], [19], [20], [21], that online consumer behavior variable has a positif and significant effect on Online Purchase Intention.

2) The influence of Brand Trust on Online Purchase Intention

The dimension of The system used on Brand Trust (X2) is the strongest relationship variable with Unfavorable behavioral intentions dimension on the Online Purchase Intention variable (Y). The theory from Keller that a brand is more than product because it has dimension which are able to distinguish the design of similar products from other competitors [11]. In other words, a brand functions as an identity that differentiates between products, be it similar or different products. Brand trust is something that is trusted and stored as a consumer's memory because it has an important meaning.

Meanwhile, the dimension that has a very weak relationship is perceived risk dimension in brand trust (X2) variable on favorable behavioral intention on the online purchase intention (Y) variable. This shows that Hypermart is still lack of convincing consumers of the risks that will be received when making online purchase transactions. The dimensions of Brand Trust, there are; the system used, reputation, and perceived risk. While dimensions of Buying Interest Online, there are; *Favorable behavioral intention* and Unfavorable behavioral intentions. The results of this study are in accordance with previous researchs conducted by [22], [23], [24], [25], [26], [27], and [28] that Brand Trust variable has a positif and significant effect on Online Purchase Intention.

5 Conclusions and Suggestions

5.1. Conclusions

The conclusions based on the results are as follows:

- 1) This research proves that the behaviour of online consumer has positif and significant effect on Online Purchase Interest. The Consumer tends to look for shop online and information on familiar brands, both online shops and products. Online consumer behavior shows consumer engagement behavior in purchasing products online.
- 2) Brand Trust has a significant positive effect on Online Purchase Interest. Brand trust is something that is trusted and remained in the memory of consumers because it has an important meaning. The brand is more than just product because it has dimension that can distinguish the same similar product designs from other competitors. In other words, a brand functions as an identity that differentiates between products, be it similar or different products.

5.2. Suggestions

The suggestions which can given for interested parties are:

- 1) For academic

For the future research is suggested to examine the other variables related in examining Online Purchase Interest in physical store which also have online stores. It is very rare for an existing physical store to participate in the online shopping business with such success as physical

store as a main business. Because the behaviour of consumer will not be the same, physical store where consumers are accustomed to visiting the store directly with an online store, which in fact consumers simply use a smartphone when shopping. This side is what determines and differentiates physical stores which also have online stores.

2) Practical

Having both physical store and the store of online should be real advantage for physical stores. Existing physical stores are important assets by building Online Purchase Interest to distribute to the new product and service such as consumer of online shopping. Of course, the introduction of online shopping owned by a physical store must be intense or sustainable so that consumers are more familiar with these new products or services.

References

- [1] A. Leeraphong and B. Papasratorn, "S-Commerce Transactions and Business Models in Southeast Asia: A Case Study in Thailand," *KnE Soc. Sci.*, vol. 3, no. 1, p. 65, 2018.
- [2] Allen, "Analysis of Trends and Challenges in the Indonesian Labor Market," *Asian Dev. Bank Pap. Indones.*, no. 16, pp. 1–38, 2016.
- [3] L. L. (Luke) Chiang and C. S. Yang, "Does country-of-origin brand personality generate retail customer lifetime value? A Big Data analytics approach," *Technol. Forecast. Soc. Change*, vol. 130, no. January, pp. 177–187, 2018.
- [4] J. Ding, W. Song, and D. Zhang, "Modeling and Analysis of Mobile Push Notification," vol. 2, no. 4, pp. 52–64, 2014.
- [5] Kotler and Keller, *Manajemen Pemasaran*, Second. Erlangga, 2013.
- [6] J. Ahn and K. J. Back, "Antecedents and consequences of customer brand engagement in integrated resorts," *Int. J. Hosp. Manag.*, vol. 75, no. May, pp. 144–152, 2018.
- [7] and S. Mamang, *Perilaku Konsumen*. Yogyakarta: Andi, 2013.
- [8] and K. Keller, *Marketing Management*, 14th ed. Jakarta: PT. Indeks Kelompok Gramedia, 2012.
- [9] H. Noel, *Consumer Behaviour*. Switzerland: Ava Publishing SA, 2009.
- [10] Y. Lee and H. Y. Kim, "Consumer need for mobile app atmospherics and its relationships to shopper responses," *J. Retail. Consum. Serv.*, vol. 51, no. October 2017, pp. 437–442, 2019.
- [11] A. M. Cazan, E. Cocoradă, and C. I. Maican, "Computer anxiety and attitudes towards the computer and the internet with Romanian high-school and university students," *Comput. Human Behav.*, vol. 55, pp. 258–267, 2016.
- [12] Keller, *Strategic Brand Management*, 4th ed. Harlow: Pearson, 2013.
- [13] D. Priansa, *Perilaku Konsumen dalam Persaingan Bisnis Kontemporer*. Bandung: ALFABETA, 2017.
- [14] F. Augusty, *Metode Penelitian Manajemen: Pedoman Penelitian untuk skripsi, Tesis dan Disertai Ilmu Manajemen*. Semarang: Universitas Diponegoro, 2006.
- [15] A. Rahman, "Brand Image, eWOM, Trust and Online Purchase Intention of Digital Products among Malaysian Consumers," *J. Xi'an Univ. Archit. Technol.*, vol. XII, no. III, pp. 4935–4946, 2020.
- [16] B. Han, M. Kim, and J. Lee, "Exploring consumer attitudes and purchasing intentions of cross-border online shopping in Korea," *J. Korea Trade*, vol. 22, no. 2, pp. 86–104, 2018.
- [17] B. J. G. Shivani, Shweta., "Mapping of Online Shopping behaviour: A Dark Triad Approach," *Indian J. Commer. Manag. Stud.*, vol. IX, no. 2, p. 78, 2018.
- [18] A. P. Muhammad, "Analisis Perilaku Konsumen Generasi Milenial dalam Keputusan Pembelian Online dengan Online Trust sebagai Variabel Intervening (Survey pada Toko Online Lazada di Kota Padang) (Doctoral dissertation, Universitas Andalas).," pp. 2015–2017, 2018.
- [19] A. Bhatti and S. Ur Rehman, "Perceived Benefits and Perceived Risks Effect on Online Shopping

- Behavior With the Mediating Role of Consumer Purchase Intention in Pakistan,” *Int. J. Manag. Stud.*, vol. 26, no. 1, pp. 33–54, 2020.
- [20] J. Silva, J. C. Pinho, A. Soares, and E. Sá, “Antecedents of online purchase intention and behaviour: Uncovering unobserved heterogeneity,” *J. Bus. Econ. Manag.*, vol. 20, no. 1, pp. 131–148, 2019.
- [21] Y. Liu, X. Luo, and Y. Cao, “Investigating the influence of online interpersonal interaction on purchase intention based on stimulus-organism-reaction model,” *Human-centric Comput. Inf. Sci.*, vol. 8, no. 1, 2018.
- [22] M. Tedeschi, G. Galli, and M. C. Martini, “On and off-line purchase intention : the role of brand trust as moderator of risk perception,” *J. Emerg. Trends Mark. Manag.*, vol. 1, no. 1, pp. 194–203, 2017.
- [23] M. Wijaya, E., Samuel, H., & Adiwijaya, “Pengaruh Celebrity Endorsement Di Media Sosial terhadap Purchase Intention dengan Brand Image dan Brand Trust sebagai Variabel Intervening pada Produk Fashion,” *Petra Bus. Manag. Rev.*, vol. 5, no. 1, 2019.
- [24] N. S. A. Rani and Z. Suradi, “International brand vs. local brand: An evaluation of brand trust, brand reputation, customer satisfaction and purchase intention of Malaysian customers,” *J. Bus. Retail Manag. Res.*, vol. 11, no. 3, pp. 179–185, 2017.
- [25] M. Bhandari and S. Rodgers, “What does the brand say? Effects of brand feedback to negative eWOM on brand trust and purchase intentions,” *Int. J. Advert.*, vol. 37, no. 1, pp. 125–141, 2018.
- [26] Y. J. Jung and J. Kim, “Facebook marketing for fashion apparel brands: Effect of other consumers’ postings and type of brand comment on brand trust and purchase intention,” *J. Glob. Fash. Mark.*, vol. 7, no. 3, pp. 196–210, 2016.
- [27] M. A. Khan, R. Panditharathna, and D. Bamber, “Online store brand experience impacting on online brand trust and online repurchase intention: The moderating role of online brand attachment,” *Eur. J. Manag. Mark. Stud.*, vol. 5, no. 1, pp. 128–162, 2020.
- [28] M. Hendra, “Model Kepercayaan Merek : Analisa Perilaku Konsumsen Secara Online, Kepuasan Konsumen Terhadap Minat Beli Ulang (Studi Kasus Supermarket Hypermart di Kota Tangerang),” *Thesis*, 2019.

The Influences of Capital Structure, Company Growth, Profitability, and Company Sizes on Profit Management

Fathihani¹
{fathihani@undira.ac.id¹}

Management Departement, Dian Nusantara University, West Jakarta, DKI Jakarta, Indonesia¹

Abstract. This research is supposed to test and analyze the influence of capital structure, growth, profitability, and company size on profit management in mining companies which listed on the Indonesian Stock Exchange in 2016-2018 period both partially and simultaneously. The design of this research is using causal type research with quantitative methode. The sampling of this research is using the purposive sampling which is included in the mining sector which listed on the Indonesian Stock Exchange in 2016-2018 period. The analytical method of this research is using multiple linear regressions. The result of this research are The Capital Structure variable has no significant effect on the Profit Management variable, The Growth variable has significant effect on the Profit Management variable, The Profitability variable has no significant effect on the Profit Management variable, The Company Size variable has no significant effect on the Profit Management variable. The variables of Capital Structure, Growth, Profitability, and Company Size simultaneously have significant on the Profit Management variable.

Keywords: Capital Structure, Growth, Profitability, Company Size and Profit Management.

1. Introduction

Financial Statements have the components information of a company which should have be published to some parties who need all forms of accountability for the management performance of the company. Financial Statements have many benefit for its users, however what gets more attention from financial statements is the profit information. Even though sometimes the financial statements information doesn't describe the actual condition of those companies performances, this is due to their profit management practices that carried out by those companies management. The profit information that have been submitted is the actual results, not just a manipulation. The profit information is expected to be the guidelines for the shareholders and the other users. The importance of profit information of some companies made some management's side have to manipulating the actual profit information. This is intended to attract investors to invest their shares in the company. Earnings information is a component of the report corporate finance that aims to assess management performance, helps estimating the ability of representative earnings in the long run, and estimating risk investment [1].

Company's financial performance which is currently unstable will encourage their management to practice profit management. Profit management is the condition where the management intervenes in the process of preparing financial statements for external parties so that they can flatten, increase, and decrease those profits [2]. Profit management is a special topic in accounting theory and the main impact of profit management practices can lead to

bias in financial statements. Besides that, except influencing accounting profits, it can also influence stakeholders in their decision making [3].

Profit management actions have led to several widely known cases of accounting statement scandals. Many cases of those have a detrimental impact on many parties, including creditors and investors [4]. The cases regarding alleged earnings management practices at a mining company, namely Indonesia Corruption Watch (ICW), which reported the alleged manipulation of reporting sales of three coal mining companies owned by the Bakrie Group to the Directorate of General Tax. ICW suspects the reporting engineering carried out by PT BumiResources Tbk. and subsidiaries which caused the state losses of US \$ 620.49 million. ICW calculation results using various primary data including financial statements audit shows that their sales report for 2003-2008 was US \$ 1.06 billion lower than the actual amount. As a result, during this time the state losses were estimated lack of revenue.

A similar case was also carried out by PT. (TimahPersero), back when 2015 manipulated its financial statements in semester 1-2015. PT Timah made a statement that the company experienced a positive performance. It's Chairman, Ali Samsuri, revealed that PT Timah's financial condition has been unhealthy for the past three years. The inability of the Board of Directors of it to come out of the trap of loss has resulted in surrender of 80% of it's mining area to business partners. When referring to the real conditions that occur on it, Ali believes that the financial statements of the first semester of 2015 PT Timah Tbk are fictitious. According to him, in the first half of 2015 PT Timah's operating profit had lost IDR 59 billion. In addition to experiencing a decline in profits, PT Timah also recorded an increase in debt of almost 100 percent compared to 2013. In 2013, the company's debt only reached Rp263 billion. However, this amount of debt increased to IDR 2.3 trillion in 2015.

Based on research background. The formulation of the problem in this study is: How Capital Structure, Growth, Profitability, Company Size affect management in mining companies listed on the IDX for the 2016-2018 period. How does the effect of capital structure on earnings management. How does growth affect earnings management? How does profitability affect earnings management? How does company size affect earnings management?

2. Literature Review

2.1 Agency Theory

The concept of Agency Theory is a relationship or contract between the principal and agent, where the principal is the party who employs the agent to perform tasks for the interests of the principal, while the agent is the party who carries out the interests of the principal. Thus, agency problems can arise when one parts (the 'principals') contracts with another part (the 'agents') to make decisions on behalf of the principals [5].

2.2 Earning Management

The concept of earnings management is management's choice of accounting policies or tangible actions that affect earnings in order to achieve several earnings goals to be reported. Earnings management is often used by the management and insiders, as well as the controlling shareholders, to expropriate the costs of the other stakeholders [6].

2.3 Capital Structure

Capital Structure is a combination of debt, preferred stock and common equity which will be the basis for capital raising by the company [7]. Capital Structure (DER) is a proportion in determining the fulfillment of a company expenditure needs where the funds obtained are using some combinations or some sources from long term funds which from inside and outside of the company.[8]

2.4 Growth

Growth is the change (decrease or increase) in total assets owned by the company.[9] Asset growth is calculated as the percentage change in assets at a certain time against the previous year. Growth is the change in total assets, either in the form of increase or decrease, experienced by a company during one period (one year). Growth can be defined as an increase in a company. [10]The higher the company's growth, which also means that the higher the company's growth opportunities, the greater the need for funds needed. Companies that have a fast growth rate tend to use a source of funds in the form of debt rather than issuing equity [11].

2.5 Profitability

Profitability is the company's ability to make profits and measure the level of operational efficiency and using its assets efficiency [12]. Profitability is an indicator to assess the company's financial performance or ability to generate profits. Profitability ratios measure the income or operating success of a company for a given period of time [13].

2.6 Company Size

Size of the company determined from the total assets owned by the company. Company size is the amount of assets owned by a company. [14] Company size is a scale where the size of the company can be classified according to various ways, including total assets, log size, stock market value, and others. [15]

3. Methods

The approach of this research is using a quantitative approach and based on its purpose, this type of research is causal, namely research that explains the effect of an independent variable on the dependent variable. The independent variables in this research include capital structure, growth, profitability and company size and for the dependent variable in this study is profit management. The framework in this research can be clearly illustrated in the image below.

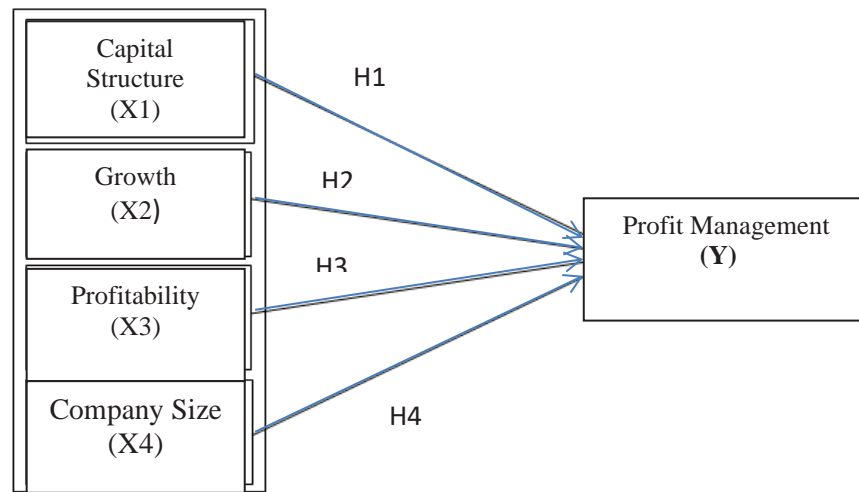


Figure 1. Image of the Framework

The population of this research is all companies included in the Mining Sector which are listed on the Indonesia Stock Exchange until 2018 which are 40 companies. The sampling of this research will use the purposive sampling which is part of the non-probability sampling method. This sampling chooses a specific target group to obtain information. The sample is set for certain types of groups that can provide the information needed, because the group is the only party that has the information or because the group is in accordance with the criteria set by researchers. Considerations or criteria for determining the sample in this study, which are :

1. Public companies in the Indonesia Stock Exchange registered mining sector for the period of 2016-2018.
2. Companies that publish annual reports for the period 31 December 2016-2018.
3. Companies whose shares are active in the 2016-2018 period.

Table 1. The Definition Operational Variable

Variable	Indicators	Scales
Profit Management (Y)	<p>The dependent variable used is profit management, discretionary accrual (Dechow, et al., 1995) Discretionary Accrual Model Jones has modified with the formula which have :</p> <ol style="list-style-type: none"> 1. Determine the total value of accruals with the formulation: $TA_{it} = NI_{it} - CFO_{it}$ <ol style="list-style-type: none"> 2. Determine the total value of accruals with the formulation: $TA_{it} = NI_{it} - CFO_{it}$ <ol style="list-style-type: none"> 3. Determine the parameter values α_1, α_2, and α_3 using the Jones Model with the 	Ratio

Variable	Indicators	Scales
	<p>formulation:</p> $TA_{it} = \alpha_1 + \alpha_2 ARev_{it} + \alpha_3 PPE_{it} + \epsilon_{it}$ <p>Then to scale the data, all of these variables are divided by the assets of the previous year (A_{it-1})</p> $TA_{it}/A_{it-1} = \alpha_1 (1/A_{it-1}) + \alpha_2 (Rev_{it}/A_{it-1}) + \alpha_3 (PPE_{it}/A_{it-1}) + \epsilon_{it}$ <p>4. Calculate the NDA value with the formulation:</p> $NDA_{it} = \alpha_1 (1/A_{it-1}) + \alpha_2 (Rev_{it}/A_{it-1} - Rec_{it}/A_{it-1}) + \alpha_3 (PPE_{it}/A_{it-1})$ <p>5. Determine the value of discretionary accruals by using the formulation:</p> $DA_{it} = TA_{it}/A_{it-1} - NDA_{it}$	
Debt to Equity (DER) (X ₁)	$DER = \frac{\text{Total Liquidity}}{\text{Total Equity}}$	Ratio
Growth (X ₂)	$Growth = \frac{Asset_{ti} - Asset_{ti-1}}{Asset_{ti-1}}$	Ratio
Profitability (X ₃)	$ROA = \text{Net Profit} / \text{Total Asset}$	Ratio
Company Size (X ₄)	Natural logarithm of total asset	Ratio

4. Result and Discussion

4.1 The Selection of Regression Model

There are 3 regression models in this study, namely CEM, FEM, and REM. The first step that must be done is to choose which model is the best among the three models, namely by means of the Chow test, the Hausman test, and the Lagrange Multiplier test. After processing the data, it was decided that the best regression model was to use the Random Effect Model. With the following equation model are:

$$\text{Profit Management} = -3.13E+08 + 8686334 \text{Capital Structure} - 8.87E+08 \text{Growth} - 4114846 \text{Profitability} - 13964984 \text{Company Size} + e$$

The explanation in the regression model formed above is:

- The constants of $-3.13E+08$, shows that if there is no effect from the variable x_1 (Capital Structure, Growth, Profitability, Company Size) then the Profit Management is $-3.13E+08$.
- Regression coefficient x_1 (Capital Structure) is amounted 8686334, shows that when x_1 increasing as much as 8686334 then it will add the value of Profit Management as much as 8686334. So, the coefficient obtained is positive, which means that if there is a decrease in X_1 , there will be a decrease in Y and vice versa, or in the same direction.

- c. Regression coefficient X2 (Growth) is amounted - 8.87E+08, shows that when X2 decreasing as much as 8.87E+08 then it will add the value of Profit Management as much as 8.87E+08. So, the coefficient obtained is negative, which means that if there is a decrease in X2, there will be an increase in Y and vice versa, or in the same direction.
- d. Regression coefficient X3 (Profitability) is amounted -4114846, shows that when X3 decreasing as much as 4114846 then it will add the value of Profit Management as much as 4114846. So, the coefficient obtained is negative, which means that if there is a decrease in X3, there will be an increase in Y and vice versa, or in the same direction.
- e. Regression coefficient X4 (Company Size) is amounted -13964984, shows that when X4 decreasing as much as 13964984 then it will add the value of ROA as much as -13964984. So, the coefficient obtained is negative, which means that if there is a decrease in X4, there will be an increase in Y and vice versa, or in the same direction.

Table 2. Multicollinearity Test

	DER	GROWTH	ROA	SIZE
Capital_Structure	1.000000	0.124440	-0.037472	0.029545
Growth	0.124440	1.000000	0.006886	-0.099643
Profitability	-0.037472	0.006886	1.000000	0.193192
Size	0.029545	-0.099643	0.193192	1.000000

Based on above, it can be seen that there is no relation coefficient (R2) whose value is more than 0.80. The coefficient values are 0.124440, -0.037472, 0.029545, 0.006886, -0.099643, 0.193192. Then it can be concluded that the data does not occur multicollinearity.

Table 3. Heteroscedastic Test

Variable	Prob.
Capital_Structure	0.7770
Growth	0.0600
Profitability	0.4978
Size	0.1071

Based on above, it can be seen that the prob value of the Capital Structure, Growth, Profitability and Size variables are respectively 0.7770, 0.0600, 0.4978, 0.1071. All the prob values there are no value below 0.05 which means it can be concluded that there is not occur heteroscedastic.

Table 4. Regression Coefficient

Adjusted R-squared	0.199694
--------------------	----------

Based on the table 4, it can be seen that the coefficient of determination is 0.199694 or equal to 19.9694% meaning that the variable Capital Structure, Growth, Profitability, and Size simultaneously affect the Profit Management of 19.9694% and the rest is influenced by other variables or factors beyond this research.

Table 5. The F Test

F-statistic	4.680451
Prob(F-statistic)	0.002531

Based on the table 5, the Prob (F-Statistic) value is 0.002531 where the number is less than or smaller than the significance level of 0.05, it can be concluded that the variable Capital Structure, Growth, Profitability and Firm Size simultaneously have significant effect on the variable Profit Management.

Table 6. The t Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.13E+08	2.85E+08	-1.095276	0.2782
Capital_Structure	8686334.	9255707.	0.938484	0.3521
Growth	-8.87E+08	2.09E+08	-4.236274	0.0001
Profitability	4114846.	6524338.	0.630692	0.5309
Size	13964984	14448041	0.966566	0.3380

Based on the table 6, the prob values for the Capital Structure, Growth, Profitability, and Size variables are 0.3521, 0.0001, 0.5309, 0.3380 then it can be explained that :

- a. The Capital Structure variable has a Prob value of 0.3521 which the value is bigger than the significance value of 0.05 so it can be concluded that the Capital Structure variable has no significant effect on the Profit Management variable. This is in accordance with the theory which states that capital structure has an influence on Profit Management, but there are differences where in their research it has a significant effect while in this study it has an insignificant effect. (14) The greater the leverage ratio, the greater the level of dependence of the company on external parties (creditors) and the greater the burden of debt costs (interest costs) that must be paid by the company. Based on this research, it states that there is the same direction between capital structure and earnings management, this means that the higher the leverage ratio, the greater the manager's ability to manage earnings because the company is threatened with not being able to pay interest costs that must be paid or default.
- b. Growth variable has a Prob value of 0.0001 where the value is smaller than the significance value of 0.05 so it can be concluded that the Growth variable has a significant effect on the Profit Management variable. This is in accordance with the results of research which state that growth has a significant effect on earnings management. If you look at the negative direction of the growth variable on the earnings management variable, it means that every decrease in the growth variable will increase the earnings management variable. (15) Low growth will reflect poor company performance, so by carrying out earnings management it is hoped that the company will

continue to receive funds from investors and will continue to grow. When viewed from the research results that show the opposite direction between growth and earnings management, it can be concluded that the smaller the growth, the greater the likelihood of managers doing earnings management and the greater the value of growth, the smaller the managers to do earnings management.

- c. Profitability variable has a Prob value of 0.5309 where the value is greater than the significance value of 0.05 so it can be concluded that the Profitability variable has no significant effect on the Profit Management variable. This is in accordance with what was stated that profitability has an effect on earnings management, although there are differences in research that has a significant effect while in this study it is not significant. [16] If you look at the direction of the results of this study, it can be seen that the direction is negative or opposite between the profitability variable and the earnings management variable. It can be concluded that the smaller the profitability value, the higher the chances of managers doing earnings management, this is done to improve the performance of a manager so that looks good in managing and producing the company. meanwhile, the higher the profitability value, the less likely the manager is to carry out earnings management.
- d. Company Size variable has a Prob value of 0.3380 where the value is greater than the significance value of 0.05 so it can be concluded that the Size variable has no significant effect on the Profit Management variable. This is in accordance with the results of research which in their research stated that the firm size variable has an influence on the earnings management variable, although there are differences in research have a significant effect while in this study states that the effect is not significant. When viewed from the opposite direction, the greater the Company Size, the less likely it is for managers to practice earnings management. [17] This is done because in large companies it will get more attention from shareholders, investors and the public so that there is less incentive to do earnings management. And vice versa, the smaller the size of the company, the greater the likelihood of managers doing earnings management.
- e. The variables of capital structure, growth, profitability, company size simultaneously have a significant effect on earnings management variables

5. Conclusions

Based on the results above, the conclusions that can be drawn from this research are as follows: Capital Structure variable have no significant effect on Profit Management variable, Growth variable have a significant influence on Profit Management variable, Profitability variable has no significant effect on the Profit Management variable, the variable size of the company has no significant effect on the Profit Management variable, thus both capital structure, growth, profitability, company size simultaneously have a significant effect on the Profit Management variable.

Some suggestions that researchers can convey based on the results are: for investors who want to invest their funds in the company both be more careful and cautious whether the company plays a high profit management practice or not, in order to obtain profits in accordance with expectations. For further researchers, the research indicators can be replaced with other proxies or by adding other variables in order to obtain better results. This research can also be developed by trying on other sectors or subsectors and or adding more complete research periods, methods and test equipment.

References

- [1] M. A. Tahir, E. Puspitosarie, and P. Book, "The Analysis of Earning management and Earning Response Coefficient: Empirical Evidence from Manufacturing Companies Listed in Indonesian Stock Exchange," vol. 3, no. 8, pp. 41–54, 2014.
- [2] M. Ahmadiand, I. S. Arasi, and M. Garajafary, "Studying the relationship between working capital management and profitability at tehran stock exchange: A case study of food industry," *Res. J. Appl. Sci. Eng. Technol.*, vol. 4, no. 13, pp. 1868–1874, 2012.
- [3] E. Indracahya and D. A. Faisol, "The Effect of Good Corporate Governance Elements, Leverage, Firm Age, Company Size and Profitability On Earning Management (Empirical Study Of Manufacturing Companies in BEI 2014-2016)," *Profita*, vol. 10, no. 2, pp. 203–227, 2017.
- [4] E. A. Patrick, E. C. Paulinus, and A. N. Nympha, "The Influence of Corporate Governance on Earnings Management Practices: A Study of Some Selected Quoted Companies in Nigeria," vol. 1, no. 5, pp. 482–493, 2015.
- [5] K. Minnick, "The role of corporate governance in the write-off decision," *Rev. Financ. Econ.*, vol. 20, no. 4, pp. 130–145, 2011.
- [6] Yuanita, Missy, Budiyo, and S. Riyadi, "Influence of Capital Structure, Size and Growth on Profitability and Corporate Value," *Int. J. Bus. Financ. Manag. Res.*, vol. 4, pp. 80–101, 2016.
- [7] K. Ntoiti, "Effect of Capital Structure on Financial Performance of Listed Commercial Banks in Kenya. a Case Study of Kenya Commercial Bank Limited," *Jomo Kenyatta Univ. Agric. Technol.*, vol. 2, no. 72, pp. 750–781, 2015.
- [8] A. Chowdhury and S. P. Chowdhury, "10_V3_BEH_BANGLADESH_AnupChowdhury_et_al_d_ac.pdf," *Bus. Econ. Horizons*, vol. 3, no. 3, pp. 111–122, 2010.
- [9] U. Ali, M. Noor, M. K. Khurshid, and A. Mahmood, "Impact of Firm Size on Earnings Management: A Study of Textile Sector of Pakistan," *SSRN Electron. J.*, vol. 7, no. 28, pp. 47–56, 2015.
- [10] Z. An, D. Li, and J. Yu, "Earnings management, capital structure, and the role of institutional environments," *J. Bank. Financ.*, vol. 68, pp. 131–152, 2016.
- [11] F. Rezaei and M. Roshani, "Efficient or opportunistic earnings management with regards to the role of firm size and corporate governance practices," *Interdiscip. J. Contemp. Res. Bus.*, vol. 3, no. 9, pp. 1312–1322, 2012.
- [12] D. L. T. S. Dwi Lusi Tyasing Swastika, "Corporate Governance, Firm Size, and Earning Management: Evidence in Indonesia Stock Exchange," *IOSR J. Bus. Manag.*, vol. 10, no. 4, pp. 77–82, 2013.
- [13] N. Tabassum, A. Kaleem, and M. S. Nazir, "Real Earnings Management and Future Performance," *Glob. Bus. Rev.*, vol. 16, no. 1, pp. 21–34, 2015.
- [14] M. Scharfstein and Gaurf, "濟無No Title No Title," *J. Chem. Inf. Model.*, vol. 53, no. 9, pp. 1689–1699, 2013.
- [15] M. W. Birru, "The Impact of Capital Structure on Financial Performance of Commercial Banks in Ethiopia," *Glob. J. Manag. Bus. Res. C Financ.*, vol. 16, no. 8, pp. 42–52, 2016.
- [16] L. G. Eldenburg, H. A. Krishnan, and R. Krishnan, *Management Accounting and Control in the Hospital Industry: A Review*, vol. 6, no. 1, 2017.
- [17] S. Oktavani and Devie, "Pengaruh Earnings Management terhadap Firm Value melalui Financial Performance sebagai variabel intervening pada perusahaan yang terdaftar di LQ 45 value through financial performance as an intervening variable . Earnings management measured by using disc," *Bus. Account. Rev.*, vol. 5, no. 2, pp. 25–34, 2017.

Effect of Recruitment and Selection Process on Employee Performance at PT Neckermann Utama Jakarta

Didin Hikmah Perkasa¹, Ryani Dhyani Parashakti², Yohana Prexi³
{didin.hikmah.perkasa@undira.ac.id¹, ryani.dhyani.parashakti@undira.ac.id²,
yprexi@yahoo.com³}

Management Department, Faculty of Economy and Business, Universitas Dian Nusantara, West Jakarta, Jakarta, Indonesia¹, Management Department, Faculty of Economy and Business, Universitas Dian Nusantara, West Jakarta, Jakarta, Indonesia², Management Department, Faculty of Economy and Business, Universitas Dian Nusantara, West Jakarta, Jakarta, Indonesia³,

Abstract. The process of recruitment is one determinant of the success or failure of the company to accomplish its mission. With the process of recruitment and selection of appropriate and right can be obtained highly qualified human resources and produce a performance that will help the company towards its success. This study aims to determine the effect of recruitment, selection on the performance of the employee raises PT. Top Neckermann Jakarta. The population in this study were employees of PT. Top Neckermann Jakarta totaling 272 people. Samples used were as many as 162 people. Technics Slovin sampling method. To answer the problem formulation, purpose and hypothesis of this study, the analysis which used is the analysis of Statistical Product and Service Solutions (SPSS). Based on the analysis of Statistical Product and Service Solutions (SPSS), it was concluded that recruitment does not affect performance, and selection of an effect on the performance of employees at PT. Top Neckermann Jakarta.

Keyword: recruitment, selection, employee performance

I. Introduction

On in essence, human resources in the form of people employed in an organization as a driving force to achieve the goals of the organization. That is why it is often said that human resources are a very important factor[1], it cannot even be separated from an organization, both institutions and companies. Even today organizations do not view employees as mere resources, but rather as capital or major assets that are valuable, multiplied, and developed according to the company's business needs and orientation.

The human resource management activities consist of: human resource planning, procurement, direction, development, maintenance and dismissal. This is intended so that companies can manage their human resources effectively and efficiently.

One of the activities in human resource management is the recruitment and selection of employees. Recruitment is a process of gathering a number of applicants who have qualifications that match what the company needs to be employed in the company[2]. As for the benefits of recruitment, it has a function as "the Right Man on The Right Place", where this is a guide for managers in placing workers who match the job qualifications in their company.

Recruitment is a series of activities to find and attract job applicants with the motivation, abilities, skills and knowledge needed to cover the deficiencies identified in staffing planning. The recruitment process is a process of recruiting prospective workers to meet the workforce needs (job vacancies) in a work unit within an organization or company.[3]

Meanwhile, the selection process is the process of selecting candidate workers who most meet the requirements to fill job vacancies. Thus, the recruitment process is the initial process carried out in the search for labor. Meanwhile, the selection process occurs after a number of employees have registered or registered through the recruitment process.

PT. Neckermann Utama is a company engaged in the footwear manufacturing industry. Starting from the Home Industry in the 1970s and standing under PD Twenty One Shoes. And since August 26, 1991 PD.Twenty One Shoes, changed its name to PT. Neckermann Utama, located in North Jakarta. Along with business competition and in an effort to improve the quality of human resources in the development of development in the State of Indonesia, on March 11, 2003, PT. Neckermann Utama was established in accordance with the provisions of the Law applicable to the Republic of Indonesia on the basis of the Notary Deed of Establishment Frans Elsius Muliawan, SH, No. 30, March 11, 2003 in Jakarta.

PT. Neckermann Utama produces a international quality foot weld with natural rubber material filled with anti-slip bubbles and covered by soft genuine Suede, so it is comfortable to wear. Careful workmanship with high technology alloys, Neckermann's products have become famous footwear from time to time until today with many fans among parents, young people and children.

Due to the increasing popularity of the footwear industry in the country, making Neckermann products finally had to be eliminated. However, since the last 3 (three) years, the management of PT. Neckermann Utama must think strategically in making important decisions, namely no longer producing other types of footwear and only focusing on adult male sandals with its main distribution to the Ramayana Department Store. This strategic business decision made PT. Neckermann Utama continues to survive by continuing to produce and sell adult men's sandals and always trying to improve the quality of human resources in a planned, consistent and sustainable manner.

Human resource management is indispensable for the effectiveness of human resources in organizations. The purpose of this is to provide work unit organizations that are effective and capable of achieving and knowing how the company should be able to develop, use and maintain employees in constant and gradual quality and quantity. Therefore, company management must be able to understand how best to manage employees who come from different backgrounds, skills and abilities so that employee performance can match the skills and types of work handled.

Depreciation that occurs is usually due to old age, death, termination of employment due to violations and negligence of work rules that have been set by PT. Neckermann Utama, or resigned due to several family problems, such as having to take care of children, following a husband who changed jobs and eventually requiring them to change residence, taking care of their sick parents, and other family problems that required them not to work anymore. Some cases are because there are job offers at other places with better income. Therefore, the new employees who will replace them have different tenure. To fill vacancies as a result of depreciation, the company is recruited through the authorized department, usually the Human Resources Department (HRD). Recruitment or recruitment is a process that aims to obtain a number of prospective employees who meet the requirements[4]. In the recruitment process, an effective selection process is needed, this is done to equalize employees so that the strength of human resources is more balanced.

If the recruitment and selection of employees are not carried out properly, that is, they are not in accordance with correct and unfair company regulations or policies and procedures, then the recruited and selected workers may not have the ability to work in accordance with their job qualifications so that it can become a significant obstacle. which interferes with the process of achieving the company's vision and business goals. In fact, as one of the best footwear manufacturers with international quality, PT. Neckermann Utama must be able to continue to compete positively and excel with its competitors in producing quality footwear.

That is why, proper and fair implementation of recruitment and selection in accordance with the regulations or company policies and procedures of PT. Neckermann Utama is very important to pay attention to and implemented effectively and efficiently in order to obtain workers or employees who have adequate knowledge, skills and work attitudes or competencies in their fields so that they meet the principle of "Right Man on the Right Place", namely "assigning the right person to the type the right job ". Thus, individual employee performance will increase and have a direct impact on increasing the production value and company profits according to its business targets so that the company PT. Neckermann Utama will continue to develop even better in the future.

2. Literature Review

2.1 Employee Performance

Performance is a complete display of the state of the company for a certain period of time and is a result or achievement that is influenced by the company's operational activities in utilizing its resources. [5]. Performance is a term that is generally used for part or all of the actions or activities of an organization in a period with reference to a number of standards such as past or projected costs, on the basis of efficiency, responsibility, management and the like. Meanwhile, according to Mulyadi, performance is the periodic determination of the operational effectiveness of the organization, its parts of the organization and its employees based on predetermined goals, standards and criteria.

The main purpose of performance appraisal is to motivate individual employees to achieve organizational goals and to meet predetermined standards of behavior so as to produce the desired actions and results by the organization.[6]

Performance is also one of the total collections of work that is in the worker [7], [8]. Meanwhile, in other studies it is explained that performance is the result of the multiplication of motivation and ability[9]

2.2 Recruitment

Recruitment is a series of activities to find and attract job applicants with the necessary motivation, abilities, skills and knowledge to cover the deficiencies identified and required in staffing planning.[10]

Recruitment is the activity of finding and attracting job applicants with the motivation, skills, and knowledge of human resources needed by the organization to fill job vacancies that have been previously identified in the staffing plan.[11]. The purpose of recruitment is to get as much supply of potential applicants as possible so that the organization / company has the opportunity to choose prospective workers who meet the specified qualification standards.

Recruitment is the process of producing a number of qualified applicants for jobs in an organization or company[12]. Recruitment is basically a process to attract and determine applicants who are able to work in a company.

2.3 Selection

Selection is a follow-up process after recruitment, where in the recruitment or withdrawal stage of employees, prospective employees will get information about job opportunities and positions at an agency or company. In the recruitment or job vacancy information, it is generally accompanied by the requirements needed. At this stage, management is not yet sure how many prospective employees and prospective employees will be accepted according to the needs of the institution or company. The number of prospective employees who meet the requirements will only be ascertained after going through an objective selection process by an authorized officer in the institution or company concerned. Some agencies / companies usually use the services of certain selection agencies or agents from outside the company. The process of selecting from a group of applicants, persons or persons who best meet the selection criteria for an available position based on existing conditions carried out by the company [13].

3. Methods

The research was conducted at the company PT. Neckermann Utama Jakarta. The object of research is that most of the employees of PT. Neckermann Utama who worked at the front line management level and field employees. The population in this study were employees of PT. Neckermann Utama Jakarta, amounting to 272 people, while the sample was obtained using the Slovin formula as many as 162 respondents. The data collection technique in this study was to use a questionnaire measuring tool, namely by giving a set of written statements to respondents to answer. The questionnaire collection technique uses a survey method that aims to collect information obtained from respondents. The form of the questionnaire used is a closed questionnaire with a Likert scale. The analytical tool used in this research is SPSS.

4. Results and Discussion

The analysis requirements test used is the classical assumption test consisting of normality test, multicollinearity test and heteroscedasticity test. The normality test is carried out with PP Plot with the result that the points spread around the line and follow the diagonal line. Neither of the independent variables has a VIF value of more than 10.00, so there is no multicollinearity between the independent variables in the regression model. The results of the Heteroscedasticity Test with a scatterplot show that the points are above and below the number 0 on the Y axis and do not have a pattern, so there is no heteroscedasticity. The feasibility of the model can be seen from the coefficient of determination of 0.345 and the adjusted R square of 0.337, as shown in table 1

Table 1 Results of the Analysis of the Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588a	.345	.337	5.52698

The F test is carried out to show whether all the independent variables included in the model have a joint influence on the dependent variable.

Table 2. F-Test Result

	Model	F	Sig.
1	Regression	41,340	.000b
	Residual		
	Total		

From the results of the SPSS output above, the sig value is $0.000 \leq 0.05$, it means that there is a significant effect, or it can be said that selection and recruitment simultaneously affect performance.

Table 3. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Toleranc e	VIF
(Constant)	34,115	3,695		9,232	.000		
1 recruitment	-.155	.127	-.116	1,222	.224	.460	2,174
selection	1,043	.148	.667	7,055	.000	.460	2,174

The multiple linear regression equation in this study is formulated in a multiple regression model in this study formulated in a regression model as follows $Y = a + b_1X_1 + b_2X_2 + e$

The constant value (a) is the regression line intercept with Y if $X = 0$, which indicates that the size of the independent variable used in the research model is equal to that constant. The value of the constant (a) is 34,155 indicating that if the independent variable consisting of recruitment and selection = 0, then the employee performance at PT. Neckermann Utama amounted to 34,155.

Recruitment regression coefficient = -0.155, indicating the direction of a negative and insignificant relationship between the recruitment variables and employee performance, this indicates that the recruitment system has not been running well and still needs a lot of improvement at PT. Neckermann Utama Jakarta. In other words, if the recruitment variable increases by 1 unit, the employee's performance at PT. Main Neckermann will also increase by -0.155, assuming the other variables are constant.

Selection regression coefficient = 0.143, indicating the direction of the positive relationship (unidirectional) between the Selection variable and Employee Performance, this shows that the better the selection will further improve performance at PT. Neckermann Main.

In other words, if the recruitment variable increases by 1 unit, the employee's performance at PT. Main Neckermann will also increase by 0.143, assuming the other variables are constant.

From the results of the multiple linear regression test, it can be concluded that the recruitment variable has a negative and insignificant relationship with the performance variable, which means that if the recruitment variable increases, the performance will also increase. Furthermore, from the results of the T test, it is known that the recruitment variable has a sig value of $0.224 > 0.05$, which means that it is not significant, or in other words. So it can be said that the recruitment partially has no effect on performance.

From the results of the multiple linear regression test, it is concluded that the selection variable has a positive relationship with the performance variable, which means that if the selection variable increases, the performance will also increase. Furthermore, from the results of the T test it is known that the price variable has a sig value of $0.000 < 0.05$, which means that it is significant or in other words. So it can be said that selection partially affects performance.

5. Conclusion

Based on the results of research and discussion in the previous chapter, it can be concluded about the Effect of Recruitment and Selection Processes on Employee Performance at PT. Neckermann Utama Jakarta, namely:

1. Recruitment has no effect on performance, because at the time of recruitment PT. Neckermann Utama Jakarta has not been able to see the potential of prospective employees
2. Selection has an effect on performance, because at the time of selection, PT. Neckermann Utama Jakarta can see the potential of prospective employees

References

- [1] M. T. E. Hariandja, *Manajemen sumber daya manusia*. Grasindo, 2002.
- [2] H. J. Jackson and L. R. Malthis, "Manajemen sumber daya manusia Gramedia Jakarta," 2001.
- [3] A. S. Munandar, *Psikologi industri dan organisasi*. Universitas Indonesia (UI-Press), 2001.
- [4] M. S. Panggabean, "Manajemen sumber daya manusia," *Bogor Ghalia Indones.*, vol. 85, 2004.
- [5] E. A. Helfert and E. A. Helfert, *Financial analysis: tools and techniques: a guide for managers*. McGraw-Hill New York, 2001.
- [6] J. S. Mulyadi, "Sistem perencanaan dan pengendalian manajemen," *Yogyakarta: Aditya Media*, 2001.
- [7] M. J. Wells and M. J. Griffin, "A review and investigation of aiming and tracking performance with head-mounted sights," *IEEE Trans. Syst. Man. Cybern.*, vol. 17, no. 2, pp. 210–221, 1987.
- [8] V. Rivai and A. F. M. Basri, *Performance Appraisal: Sistem yang tepat untuk menilai kinerja karyawan dan meningkatkan daya saing perusahaan*. PT RajaGrafindo Persada, 2005.
- [9] V. H. Vroom, "Work and motivation.," 1964.
- [10] V. Rivai and E. J. Sagala, "Manajemen sumber Daya Manusia untuk Perusahaan, edisi kedua," *Penerbit: Rajawali Pers, Jakarta*, 2009.
- [11] A. Sihotang, "Manajemen sumber daya manusia," *Jakarta: Pradnya Paramita*, 2007.
- [12] L. Mathis Robert and H. Jackson John, "Manajemen Sumber Daya Manusia Buku 1," *Ed. Pertama, Penerbit Salemba Empat, Jakarta*, 2001.
- [13] S. Henry, "Manajemen Sumber daya manusia," *Yogyakarta STIE YKPN*, 2004.

Talent Management and Employee Retention: The Partial Mediating Role of Organizational Commitment

Muhamad Ekhsan¹, Ryani Dhyani Parashakti², Achmad Sudiro³
{muhamad.ekhsan@pelitabangsa.ac.id¹, ryani.dhyani.parashakti@undira.ac.id²,
achmadsudiro@yahoo.com³}

Management Department, Faculty of Economy and Business, University
Pelita Bangsa, Bekasi, West Java, Indonesia¹, Management Department, Faculty of
Economy and Business, University Dian Nusantara, West Jakarta, Jakarta,
Indonesia², Management Department, Faculty of Economy and Business, University
Brawijaya, Malang, East Java, Indonesia³

Abstract. Employee retention is the biggest challenge faced by human capital management in the modern and digital economy. Due to a growing shortage of talented employees, organizations are looking for comprehensive strategies to attract and retain potential employees. Talent management as employee management has a strategic role in retaining employees, as well as building organizational commitment. This study aims to determine the effect of talent management on employee retention through organizational commitment as a mediating variable. This research was conducted at a company based on agricultural technology in Cikarang. This study uses the census method in determining a sample of 83 respondents. This research uses partial least square method structure equation modeling (PLS-SEM). The result of this research shows the partial mediating model hypothesised was supported by the SEM model, indicating that retention management require both good talent management and a good organizational commitment.

Keywords: Talent Management, Organizational Commitment, Employee Retention

1. Introduction

Human resources are the most important asset in gaining competitive and sustainable advantage and efficiency[1]. In line with this, organizations need to be wise in paying attention to their human resources, especially human resources who are considered talented and have the potential to provide progress towards the existence of the company or known as talented employees[2]. In addition, human resource managers must have good retention management. High employee retention will affect organizational performance in achieving organizational goals and missions[3]. High employee retention is needed in terms of improving employee performance[4]. If employee retention is weak, it will increase turnover which may negatively have an effect on company performance and effectiveness. Maintaining high employee retention will be able to increase the effectiveness and performance of the company because with high retention, of course, turnover will be low[5]. Low turnover saves selection and recruitment costs. Knowledge of employee retention can be a source of competitive advantage for companies. One

of the greatest benefits of talent management is the effect it has on the hiring and retention of valuable employees [6].

The success of any company's retention management depends on a human capital management strategy in place to ensure they retain talented employees. The challenge faced by human capital management today is getting employees to continue to be involved in company activities and also ensuring the interest of talented employees to join the company and retain talented employees in the company[7]. If employee retention is weak, then employee turnover will increase and have a negative effect on the performance and effectiveness of the company. Maintaining employee retention levels is believed to have an influence on the effectiveness and performance of a company, because with high employee retention, thus employee turnover in a company is low[5]. From all of the above opinions, it can be concluded that employee retention is the biggest challenge faced by human capital management in the modern and digital economy.

In Indonesia, regarding the trend of employee turnover in the next 12 months, almost a quarter of respondents (72%) provided information that employees might think about changing their jobs in the next 12 months [8]. This information can be seen in the image below:

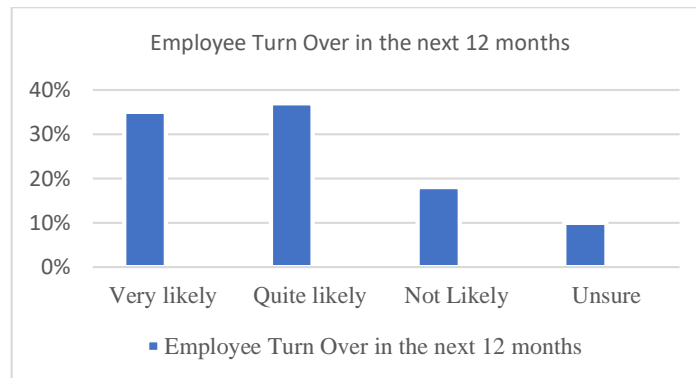


Figure 1 Trend of employee turnover in Indonesia in the next 12 months (2015)

Source: Michael Page Indonesia Employee Intentions Report 2015

From the research data[8] regarding the turnover trend in Indonesia, it was found that every employee began to think about leaving a company to move to another company after 12 months of work.

Today's organizations are challenged by social developments such as globalization, improved technology and increasing global competition. Companies must be able to anticipate technological innovations and compete with other companies around the world. Apart from economic evolution, demographic changes have also put pressure on companies. Today's society has to deal with the rapid aging of the active population while, meanwhile, fewer young people enter the labor market, even the workers of the so called baby boomers are gradually retiring[9]. This evolution has not only led to a shortage of workers, but also the risk of losing knowledge and experience, which companies must answer. This loss of knowledge and experience increases the importance of retaining talent. Talent as a vehicle to move the organization where it wants to be[9]

Talent management is now very important. Other interesting data related to talent management can be seen from the research results[10] which reveals some interesting things that talented employees and leadership are increasingly scarce. Fewer qualified employees and leaders are entering the workforce to replace aging, retiring leaders[10]. Given the growing

shortage of talent, organizations are looking for a comprehensive strategy to attract and retain current potential employees[11] [12].

Organizational commitment is one of the keys to maintaining employee performance[13]. The organization will run well when it is supported by talent management and organizational commitment. Organizational commitment is defined by some researchers as a measure of the strength of an employee's identity and involvement in the goals and values of the organization[14]. Organizational commitment as an attitude that reflects employee loyalty to the organization and is an ongoing process, where organizational members express their concern for the organization, for organizational success and continuous progress.[15]. A committed employee shows loyalty, a psychological attachment to work and identifies with organizational goals[16]. Research shows that employees with strong organizational commitment are valuable assets of an organization. As a committed workforce, they can ensure the improvement and performance of the organization's productivity and competitiveness[17]. The empirical findings show organizational commitment affects the rate of retention in organizations[18]

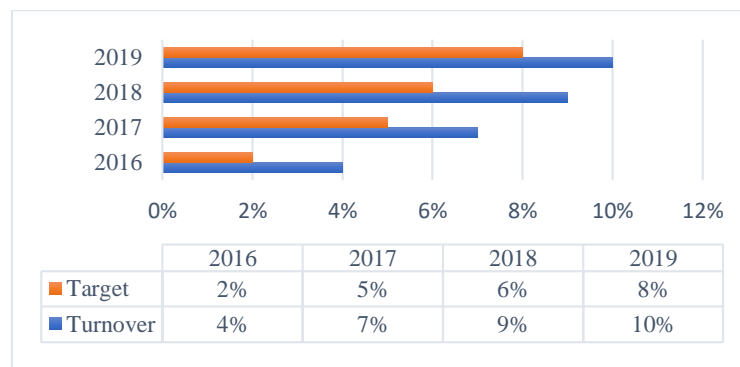


Figure 2. Employee Turnover Chart

Figure 2 employee turnover chart provides an explanation that there is an increase in employee turnover, this is in accordance with the initial explanation that the majority of company employees are engaged in agricultural technology in Cikarang. Currently is the millennial generation, in previous studies the millennial generation has a low retention rate and it is easy to make decisions to move companies because the compensation factor is the main thing, as research on employee retention in Indonesia [8].

2. Literature Review

2.1 Employee Retention

Employee Retention is a situation where employees within the organization want to stay in the organization where they work [19]. This makes the company have to maximize retention by maximizing the number of employees in the company who really want to stay in the company, not because of coercion from the company. Employee retention has become a major topic of discussion in the academic literature of Human Resource Management today and has become increasingly important as knowledge has developed into a major corporate asset[20]. Employee retention is generally defined as the ability to maintain a stable human resource. This is often associated with organizational passion and trust.

2.2 Talent management

Talent management is one of the most important factors in ensuring the continued success of an organization[21]. Talent management is a term that covers more than a series of activities, such as succession planning, employee loyalty, employee trust, human resource planning, employee performance management [22]. Talent management is defined as a systematic and dynamic and the process of finding, developing, and retaining talent. A very important part of a talent management strategy is retaining and developing talented individuals [23].

2.3 Organizational Commitment

Organizational commitment is defined as a feeling of an employee's obligation to remain with the organization, a feeling that results from internalizing the normative pressure exerted on individuals before entering or participating in an organizational activity[24]. Organizational commitment can take three different forms. Affective commitment refers to identification with, involvement in, and emotional attachment to the organization, in the sense that employees with strong affective commitment stay with the organization because they want to do so [25]. Ongoing commitment refers to a commitment based on the employee's recognition of the costs associated with leaving the organization. Commitment as a form of loyalty to the organization which in a long time will produce organizational citizenship, namely behavior that is useful in the organization without having to be demanded by job descriptions or orders from superiors [26].

3. Methods

This quantitative descriptive study was followed by an inductive research approach and a survey-based research strategy. The methodology chosen for this research is quantitative. The survey is collected through the required quantitative information and the data is collected through a structured questionnaire. A literature review was conducted to identify the variable talent management, employee retention and organizational commitment. The questionnaire was developed based on variable identification. The sampling technique in this study used saturated samples, about a total of 83 employees from the technical department of agricultural technology-based companies in Cikarang. The sampling technique using google form was in filling out online surveys, further strengthening the research results with descriptive analysis, direct interviews in the form of a Forum Group Discussion. The method used is a quantitative method with SEM Smart PLS software as an analysis tool. To analyze the effect of talent management on employee retention, the influence of talent management on organizational commitment, the influence of organizational commitment on employee retention, the influence of talent management on employee retention mediated by organization commitment. Thus, the hypothesis is the influence of talent management on employee retention mediated by organization a commitment. Thus, the hypothesis is the influence of talent management on employee retention mediated by organization a commitment. Thus, the hypothesis is :

H1: Talent Management affects employee retention

H2: Talent Management affects organizational commitment

H3: Organizational commitment affects employee retention

H4: Talent Management affects employee retention mediated by Organizational Commitment

4. Result and Discussion

4.1 Testing the Structural Model (Inner Model)

This test is a test of a structural model by looking at the value of the R-square which is the result of the goodness of fit model test. The talent management model for employee retention provides an R-square value of 0.430 which can be interpreted that the variability of the Employee Retention construct can be explained by the talent management construct variable of 43.0% while 37.0% is explained by other variables outside of this study. Another influence model is the Organizational Commitment variable with the indicated value of 0.670 so it can be interpreted that 67.0% of organizational commitment constructs with the dependent variable, namely talent management and employee retention. Meanwhile, 33.0% is explained by other variables that are not included in this study. Can be seen in the table below:

Table 1. R-Square

Variable	R Square
Employee Retention	0.430
Organizational Commitment	0.670

After the determination test, a path analysis is carried out to determine the causal relationship between exogenous and endogenous variables by bootstrapping smart PLS 3.0 to get predictions from the path analysis results in this model.

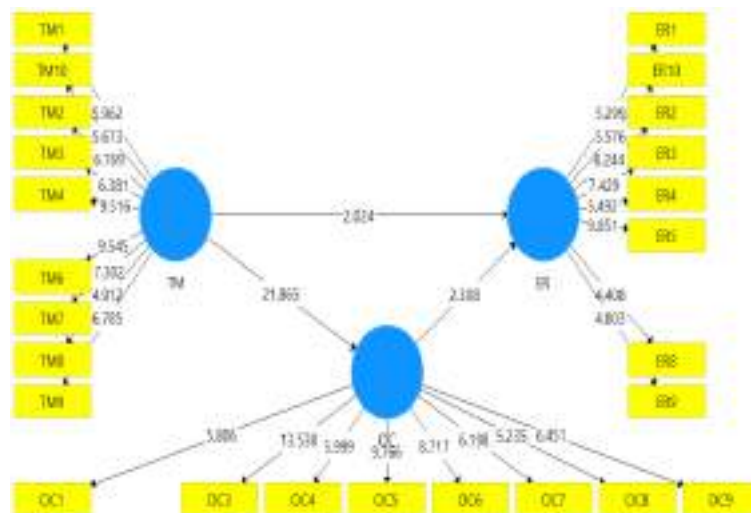


Figure 2 Bootstrapping Output
Source: Researcher (2020)

For more details, detailed in table 2 the path coefficient, which explains the coefficient value of the T value and P value to be a reference for the caseal relationship in this model.

Table 2. Path Coefficient

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O / STDEV)	P Values
Talent Management - > Employee Retention	0.353	0.358	0.174	2,024	0.043
Talent Management -> Organizational Commitment	0.819	0.826	0.037	21,865	0.000
Organizational Commitment -> Employee Retention	0.335	0.350	0.145	2,308	0.021

Based on table 2. path coefficient which explains the direct effect, then table 3 specific indirect explains the indirect effect.

Table 3. Specific Indirect Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O / STDEV)	P Values
Talent Management -> Employee Retention -> Organizational Commitment	0.274	0.292	0.128	2,139	0.033

Talent management variable has a positive and significant influence on employee retention variables. So this means that the higher the talent management variable, the higher the value of employee retention. This research is also in line with research[27] who said that there was a significant influence between talent management variables on employee retention. Talent Management is a strategic approach to ensure an organization is able to achieve its goals, one of which is by reducing the turnover rate.

Talent management variable has a positive and significant influence on the organizational commitment variable. So this means that the higher the talent management variable, the higher the organizational commitment. This research is also in line with research[28] the mission and responsibility of the organization is to create a policy strategy for developing a vision. Meanwhile, talent management is not only intended to maximize organizational performance, but also talent management has a positive influence on organizational commitment.

The organizational commitment variable has a positive and significant effect on the employee retention variable. So this means that the higher the organizational commitment variable, the

higher the employee retention will be. This research is also in line with research[17] who said that there was a significant influence between the variable organizational commitment on employee retention. A committed employee shows loyalty, thereby increasing employee retention

The talent management variable has a positive and significant influence on the employee retention variable through mediating organizational commitment. So this means that the higher the variable talent management and organizational commitment, the higher the employee retention variable. This research is also in line with research[29] who said that there was a significant influence between talent management variables on employee retention mediated by organizational commitment. Increased talent management affects employee retention through high organizational commitment in the organization.

5. Conclusion

Based on the results of research that discusses the effect of talent management on employee retention mediated by organizational commitment to agricultural technology companies in Cikarang, it can be concluded:

- a. Talent management affects employee retention. the more talent management the employees have, the higher the employee retention.
- b. Talent management affects organizational commitment. The more talent management on employees, the better the organizational commitment to the organization.
- c. Organizational commitment affects employee retention. The higher the employee's organizational commitment to the company, the higher the employee retention.
- d. Talent management affects employee retention which is mediated by organizational commitment. Increasing talent management and organizational commitment to employees, the employee retention will increase

References

- [1] M. Pasban and S. H. Nojehdeh, "A Review of the Role of Human Capital in the Organization," *Procedia-social Behav. Sci.*, vol. 230, pp. 249–253, 2016.
- [2] E. Gallardo-Gallardo, N. Dries, and T. F. González-Cruz, "What is the meaning of 'talent' in the world of work?," *Hum. Resour. Manag. Rev.*, vol. 23, no. 4, pp. 290–300, 2013.
- [3] F. Malik, L. McKie, R. Beattie, and G. Hogg, "A toolkit to support human resource practice," *Pers. Rev.*, vol. 39, no. 3, pp. 287–307, 2010.
- [4] M. Sumarni, "Pengaruh employee retention terhadap turnover intention dan kinerja karyawan," *Akmenika UPY*, vol. 8, pp. 20–47, 2011.
- [5] G. L. Yurika, "Analisis Manajemen Karir, Lingkungan Kerja dan Kepuasan Kerja Terhadap Retensi Karyawan Serta Dampaknya terhadap Kinerja Perusahaan Pada PT. Origa Mulia FRP," Universitas Bina Nusantara, 2011.
- [6] K. Hasani and S. Sheikhesmaeli, "Knowledge management and employee empowerment," *Kybernetes*, 2016.
- [7] S. K. Kigo and G. Hazel, "Effect of Talent Management Strategies on Employee Retention in the Insurance Industry," *Strateg. J. Bus. Chang. Manag.*, 2016.
- [8] Michael Page, "2015 Employee Intentions Report Indonesia," 2015.
- [9] N. Govaerts, E. Kyndt, F. Dochy, and H. Baert, "Influence of learning and working climate on the retention of talented employees," *J. Work. Learn.*, 2011.
- [10] McKinsey & Company, "The State of Human Capital 2012. False Summit," 2012.
- [11] M. Guthridge, A. B. Komm, and E. Lawson, "Making talent a strategic priority," *McKinsey Q.*, 2008.

- [12] P. R. Newswire, "Baxter International Inc. and ManpowerGroup Recognized for Exemplary Corporate Diversity and Inclusion Practices," *Chicago-United-Awards*. 2014.
- [13] R. V Dhanalakshmi and K. B. Gurunathan, "A study on talent management as a strategy to influence employee engagement and its affect on the organizational outcome," *Int. J. Bus. Adm. Res. Rev.*, vol. 2, no. 4, pp. 183–186, 2014.
- [14] M. A. Khan, "Organizational cynicism and employee turnover intention: Evidence from banking sector in Pakistan," *Pakistan J. Commer. Soc. Sci.*, vol. 8, no. 1, pp. 30–41, 2014.
- [15] A. U. Hasanah and S. Suharnomo, "Pengaruh Time Demands Of Work Terhadap Kepuasan Kerja, Stress Kerja, Dan Turnover Intention Karyawan (Studi Pada Karyawan Pt. Bank Tabungan Negara (Persero) Tbk. Cabang Harapan Indah, Bekasi)," *Diponegoro J. Manag.*, vol. 5, no. 3, pp. 80–91, 2016.
- [16] C. Bulut and O. Culha, "The effects of organizational training on organizational commitment," *Int. J. Train. Dev.*, vol. 14, no. 4, pp. 309–322, 2010.
- [17] P. K. Mahal, "HR practices as determinants of organizational commitment and employee retention," *IUP J. Manag. Res.*, vol. 11, no. 4, p. 37, 2012.
- [18] P. C. Morrow, "Managing organizational commitment: Insights from longitudinal research," *J. Vocat. Behav.*, vol. 79, no. 1, pp. 18–35, 2011.
- [19] R. P. Finnegan, *The Power of Stay Interviews for Engagement and Retention*. Society for Human Resource Management, 2012.
- [20] P. Horn and R. Griffeth, "Employee Turnover, Cincinnati," *OH South-Western Publ.*, 1995.
- [21] A. McDonnell, "Still fighting the 'war for talent'? Bridging the science versus practice gap," *J. Bus. Psychol.*, vol. 26, no. 2, pp. 169–173, 2011.
- [22] D. Hartley, "Tools for talent," *T D*, vol. 58, no. 4, pp. 20–22, 2004.
- [23] J. Chaisson and A. Schweyer, "Global talent management: Fostering global workforce practices that are scalable, sustainable and ethical," *A Hum. Cap. Inst. Position Pap. Spons. by Taleo. June*. Available www.Res.com/documents/Global%20Talent%20Management.pdf, 2004.
- [24] N. J. Allen and J. P. Meyer, "The measurement and antecedents of affective, continuance and normative commitment to the organization," *J. Occup. Psychol.*, vol. 63, no. 1, pp. 1–18, 1990.
- [25] J. P. Meyer and N. J. Allen, "A three-component conceptualization of organizational commitment," *Hum. Resour. Manag. Rev.*, vol. 1, no. 1, pp. 61–89, 1991.
- [26] M. Armstrong and S. Taylor, *Armstrong's handbook of human resource management practice*. Kogan Page Publishers, 2020.
- [27] V. Oladapo, "The impact of talent management on retention," *J. Bus. Stud. Q.*, vol. 5, no. 3, p. 19, 2014.
- [28] F. Vural, A. A. Dura, Ş. Fil, S. Çiftçi, S. D. Torun, and R. Patan, "The Factors Effecting Healthcare Employees Satisfaction, Retention And Organizational Commitment," *Balikesir Helath Sci. J.*, vol. 1, no. 3, pp. 137–144, 2012.
- [29] C. N. Arasanmi and A. Krishna, "Employer branding: perceived organisational support and employee retention—the mediating role of organisational commitment," *Ind. Commer. Train.*, 2019.

The Role of Management of The Jakarta Arts Center Planetarium And Observatory In Innovation And Delivering Information To The Community

Ida Royani Damayanti¹, Kornelia Johana Dacosta²
{ida.damayanti@undira.ac.id¹, kornelia.johana@undira.ac.id²}

Universitas Dian Nusantara Jakarta, Indonesia¹, Universitas Dian Nusantara Jakarta, Indonesia²

Abstract. Human interest in the movement of celestial bodies and their beauty has been recognized as inseparable from society since the Ancient Egyptian Civilization was at its zenith still victorious, similarly, the Indonesian. The Jakarta Special Capital Region (DKI) Government provides facilities for the general public and students to make tourist and educational visits, where visitors can learn about astronomy. as well as seek recreation. However, the current problem is the Covid-19 pandemic will certainly have an impact on the number of visitors both from and outside Jakarta. This makes it more difficult for public relations (PR) management to develop strategies to attract visitors, such as giving away free masks and providing hand sanitizers. The objective of this study is to determine PR innovations at the Planetarium and Observatory of the Jakarta Arts Center in conveying information to potential visitors from Jakarta and outside Jakarta during the Covid-19 pandemic. The role of PR includes how management will develop and implement the planned innovations. This study uses a postpositive paradigm (qualitative), with a descriptive method approach, which presents an overview of the performance of the Planetarium and Observatory PR management using field data obtained through focused in-depth interviews with visitors.

Keywords: Public Relations Management, Innovation, Planetarium

1. Introduction

The development of global tourism has experienced a sharp downturn since the outbreak of the Covid-19 pandemic which has severely affected the entire world, including Indonesia. Almost all tourist destinations, attractions and facilities in Indonesia have been impacted, accompanied by significant job losses of workers in the sector. Jakarta is the region with the highest number of Covid-19 cases in Indonesia, with a reported total of 9,971 cases (Source: BBC News Indonesia, June 21, 2020). Following the Large-Scale Social Restrictions (PSBB) policy introduced by the Jakarta Special Capital Region Government, people previously reluctant to visit popular tourist locations are now expected resume their outings. However, these visits will be accompanied by official requirements to comply with the Covid-19 protocol such as maintaining a safe distance

between people (social distancing), wearing masks and observing personal hygiene requirements by carrying hand sanitizers in order to maintain public safety.

Obviously, as one of the most visited local and national tourist destinations, the Planetarium has experienced the impact of the Covid-19 pandemic, as a result of being obliged to close namely by closing all facilities for visitors while the Large-Scale Social Restrictions were in force. However, now that the PSBB have been relaxed, it is hoped that visitors will again be able to enjoy the Jakarta Planetarium facilities. The planetarium is an exhibition hall or theatre with a closed semi-circular dome-shaped roof which functions as a screen, with a principal projector used to demonstrate the position and movement of stars and celestial bodies which are projected onto a screen in the dome, to the accompaniment of music. The planetarium is also an educational which uses a projector to display the location and circulation of the planets in the solar system, including the sun at the centre of the system [1]



The planetarium has two service functions intended for special and general purposes. The special planetarium is used for education and research, while the general planetarium is open to the general public to provide both education and recreation. The planetarium management has plans to improve the facilities by developing programs aimed at the general public which will provide shows on a predetermined schedule. Another set of programs targeted at schools for various groups of students, starting from kindergarten and progressing from elementary school to high school. Other programs are provided for tourist and religious groups and given in dedicated rooms.

At an interview, Mr. Eko, the PR manager of the Jakarta Arts Center Planetarium and Observatory stated: "visitors to the planetarium are divided into two categories, the first is for students at all levels, from kindergarten to college, the second is for the general public. Tuesday to Friday is for students and Saturday through Sunday for the general public. The average age for student visitors from is 6 to 12 years, whilst for the general public on Saturdays and Sundays, the average age of visitors is more than 15 years.



Mr Eko went on to explain that management is constantly introducing innovations to keep up with technological developments, One such innovation is to adjust robotic tools used robotic which can automatically modify a mapping location and the Planetarium is currently preparing a proposal for a digital processing tool. To provide information to the general public, the Planetarium uses both offline and online media such as its own website and Facebook for interactive communications between the Planetarium and outside parties. Through the website, Planetarium responds to comments, questions, criticisms and suggestions by email and telephone, both landline and mobile. According to Mr. Eko and Mr. Aziz, the operators of the Planetarium website are well prepared to respond to questions from the general public and the management is well aware that effective communications are a prerequisite to achieving overall objectives.

Research Focus, The focus of this research is to: (i) analyze how the role of public relations management can be developed to assist the Jakarta Arts Center Planetarium and Observatory to prepare and provide information to the general public, and (ii) evaluate the performance of management in dealing with preparing and providing this information.

Research Objectives The purpose of this study is to describe the role of the the Jakarta Arts Planetarium and Observatory Planetarium Public Relations management in innovating and to determine the categories of information concerning its activities in order to stimulate the interest of visitors following the relaxation of the Large-Scale Social Restrictions policy delivery. It is hoped that this research will be useful to all interested parties by providing: (i) academic benefits, by extending the development of knowledge and providing a reference for students; (ii) practical benefits, by improving management performance in promoting educational tourism in Indonesia and increasing the understanding of the importance of packaging future educational tours as a benchmark for the country, and (iii) social benefits, through this research assisting Indonesians people to increase their interest in educational tourism so that the country's human resources can compete in the international arena and also increase the level of education of astronomy in Indonesia.

2. Literature Review

Basic Management Concepts, The word “management” comes from the old French noun “management”, which means "the art of executing and organizing. The term “management” also

comes from the noun "management" which comes from the verb "to manage" which means to manage or administer. Scientific management always tries to manage systematically in order to understand how and why humans should work together in order to achieve goals and create a system of cooperation beneficial to mankind. Meanwhile, the definition of management according to [2] is that "management" comes from the verb "to manage" which means to regulate, what is regulated, the goal set, why should it be regulated, who regulates it, and how to organize it.

Basic Concepts of Public Relations, The concept of public relations develops by following every change that occurs in the environment, especially in today's open society. Public relations activities are the most important part in an organization in providing information to the general public and effective communication skills are required to convey this information. Public relations certainly cannot be separated from communication. According to The International Public Relations Association, Public Relations is a management function which is implemented in a continuous and planned manner. Because of the importance of communication in Public Relations, one can trace it through the various functions and activities of public relations, one of which is the function of communication to convey information. Information conveyed by PR must be informative, educative, and persuasive. Therefore, information provided by public relations must also be considered with the objective of attracting public interest. Public relations as "the management function which establishes and maintains mutually beneficial relationships between an organization and the public on whom its success or failure depend." What can be interpreted by Public Relations may be interpreted as a management function which can determine the success or failure of an organization to build and maintain mutually beneficial relationships between the organization and the general public.[3]

The development of communication in the world, especially in Indonesia, is very fast, especially in the field of Public Relations or Public Relations since 17 August 1945 when President Ir. Soekarno decided to postpone the PPKI session to provide press statements regarding the Presidential election before formulating the Constitution. So since then the development of Public Relations has been quite rapid.

Etymologically, "Hubungan Masyarakat" in Indonesian is translated from the English word which means Public Relations (PR). According to [4] Public Relations is a two-way communication between an organization and the general public in order to support the functions and objectives of management by fostering cooperation and fulfilling common interests. In public relations activities, there is a communication activity. In addition, the role of Public Relations is needed in an organization/company to provide information on its objectives and activities to the general public.

According to Rosady Ruslan (2005: 10) PR has four important roles: (i) as a communicator in charge of providing information between the organization or institution represented and the general public; (ii) Fostering a positive and mutually beneficial relationship between the organization and the general public; 3) a back-up to management, meaning support to the management function of an organization or company, and (iv) 4) developing a corporate image, whereby the role of Public Relations seeks to create a positive image for the organization.

Definition of Public Relations Management, Public Relations Management in general can be interpreted as a management function which specifically integrates the interests of an institution or organization with its public; in the case of this study by providing any and all information which should be made known to the community by developing using tourism education services related

to the activities of the Jakarta Arts Center Planetarium and Observatory so that the general public and educational institutions can be up-to-date with the latest activities and do not need to call or go directly to the Planetarium and Observatory to ask about tour programs. [5] define public relations activities as communication activities, "the management of communication between an organization and its public". [6] defines "public relations as planned, persuasive communications designed to significant influence the public".[7]

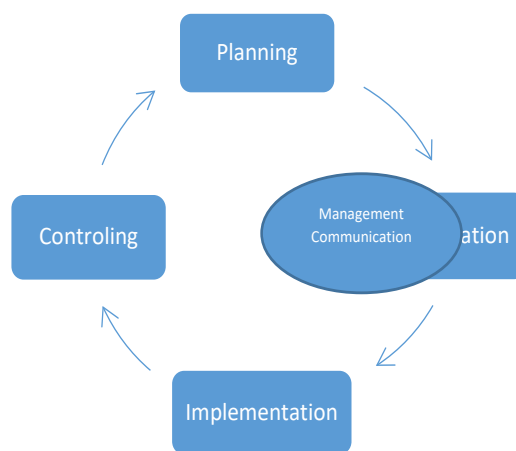
Ruslan also stated that public relations management is a two-way communication between an institution and the community to carry out various planning, organizational, implementing, and evaluation activities to achieve organizational goals. The role of PR is to support the functions of company management to achieve common goals and it depends on the ability to utilize the resources of the organization. Thus, as a public relations practitioner and PR manager, they must have the ability to coordinate all existing resources such as: (i) Technical Management Skills, and (ii) Managerial Skills. As expressed by [8] Communication and Culture Bachelor Association Journal a public relations practitioner must develop into a manager who has "managerial skills" or "technical skills" in communicating as competence skills.

[9]in his research entitled Basics of Public Relations states that the role of Public Relations can be divided into two parts, the managerial role (communications management role) and technical role (communications technical role). The two roles are divided into the following four sub-roles roles: (i) Expert Prescriber Communication, a Public Relations practitioner with substantial experience and ability to help find solutions in solving relationship problems with the general public; (ii) Problem Solving Process Facilitator, meaning the role of a facilitator in the problem-solving process, e.g. public relations is involved in all management (crises), meaning the person becomes a team member, or even a leader, in crisis management; and (iii) Communication Facilitator, acting as a communicator or mediator so that management is aware of what the public wants and expects, whilst the person is also required to be able to explain again the wishes, policies and expectations of the organization to the public so that with this reciprocal communication mutual understanding, trust, respect, support and tolerance can be created between both parties; and (iv) Public Relations Technical Communicator providing technical services, although the policy and decision for which technical communication are needed are not his decision, but the decision of management and public relations.

Role of Public Relations Management, the role of Public Relations is very much needed in an organization/company as a bridge between the company and the public or between management and the internal public in order to achieve a mutual understanding between the two parties. [10] Public Relations acts as a communicator when management deals with its employees. Management is a process that includes the following issues; i) planning which includes setting standard objectives, determining rules and procedures, making plans and predicting events. The Planetarium must know why a plan is necessary.

The purpose of a plan is to implement programs with an increased the likelihood of achieving its goals so that better decisions can be made in the future. Therefore, organizational planning must be active, dynamic, sustainable and creative, so that management not only reacts to its environment, but becomes an active participant in the business world, for example the Planetarium is not only intended for educational tourism but may also be used for other activities such as religious functions and rentals for weddings and other social functions. ii) Organization, meaning giving specific tasks to each party, forming teams, delegating and establishing a communication

system, and coordinating the work of each employee in a compact and organized team. iii) Actuating is a goal which may only be achieved if there is managerial direction. This direction is useful as a basic guide for workers in carrying out their duties in order to achieve goals. iv) Control (controlling), this final function of this management includes the preparation of a standard of quality and quantity of results, both in the form of products and services provided by the company/organization in order to achieve goals, productivity and create a positive image. v) Communicating (communicating) includes submitting planned programs to the public.



General Role of Public Relations Management

George R. Terry has defined these functions as "POAC" [11]

Public Relations Practitioners (Public Relations Officers) use management concepts to facilitate the implementation of their duties, such as making plans, making preparations, taking action and communication, and closing with a control measure called evaluation.

3. Research Method

Methodology This research will be conducted using qualitative research methods, with a descriptive approach because this approach is best able to make observations in a natural and social setting. The purpose of researchers using descriptive research is to produce an accurate picture of a phenomenon and the mechanism of a process, which will explain a set of stages of the research process. **Research Focus,** the focus of this research is how the role of Planetarium and Central Observatory Public Relations management may introduce innovation and convey to the public information which is related to planning, organization, job descriptions and communication method. **Preparation of a quality standard.** **Research Locations,** this research will be carried out at

the Jakarta Arts Center Planetarium and Observatory located in Taman Ismail Marjuki, Central Jakarta on Jalan Cikini Raya. Determination of Research Subjects (Informants). To obtain accurate information, there are several criteria to be considered, such as the research subject being determined based on the person who is considered to know the most about the information required in the study, so that it will be easier for researchers to trace the activity being studied. The subjects of this research are employees of the Public Relations department of the Jakarta Arts Center Planetarium and Observatory who prepare and provide information to the general public, as well as visitors to the facility. To determine the researched subjects of this study the following purposive sampling techniques are used; (i) The subject is long and intensive with an activity or activity which is the target or attention of the researcher. (ii) Subjects who are fully and actively concerned with the environment or activities which are the target or attention of researchers. (iii) Subjects having sufficient information, time and opportunity to be questioned. (iv) Subjects who are or live in the target area, with the possibility of the researcher using snowball sampling if the information obtained from the field is not completed, for example the researcher will interview visitors to the educational tourism object of the Planetarium and observatory.

Tabel 1.

No	Name	Information	Date of interview
1.	Eko	PR	
2.	Aziz	PR	
3.	Initial	Visitor	
4.	Initial	Visitor	
5.	Initial	Visitor	

List of Informant Tables

Data Collection Techniques, data collection techniques used in this study are; (i) Observation of participants because researchers will be directly involved to determine the level of understanding of the subject about management performance in the Jakarta Arts Center Planetarium and Observatory Public Relations Department. Through observation, researchers may see things that are not observed by the subject, especially people who are in research situations. Information obtained from observations includes place, person, activity, object, action, event or event, time, feeling. The reason the researcher makes observations is to present a realistic picture of behavior or events, to answer questions, to help understand human behavior, and to evaluate what will be included in the conclusion. (ii) Interviews conducted in this study use semi-structured interviews, by asking several questions of the data source. (iii) Documentation, the researcher will look for data in the form of documents from interested parties.

Types of Data Sources, types of data sources obtained are from two sources: namely primary and secondary data sources. Primary data are obtained through interviews with researchers, Secondary data are obtained by researchers through supporting documents related to the research. Data Analysis Techniques, Based on the picture below, researcher perform data collection techniques using; (i) Data reduction: the process of selecting the abstracting of data obtained from research locations. (ii) Data presentation, (data display) in qualitative research, data presentation in the form of brief descriptions, charts, relationships between categories. (iii) Conclusions / verifications are verified during the research.

In addition to using data reduction, researchers may also use triangulation techniques to check the validity of the data. According to [12] triangulation is a technique of checking the validity of data which uses something else in comparing the results of interviews with the object of research. Therefore, the researcher will later use data triangulation, which means to check the validity of the data through cross-check interviews using data from different research locations, such as information from visitors who have never visited the Planetarium and observatory so that researchers may draw a valid conclusion regarding program information. program carried out by the object under study.

4. Result and Discussion

In maintaining an agency, of course, the agency must continue to innovate and deliver interesting information to the public. Innovation and the delivery of information are one of the important roles for a public relations officer to maintain an agency, this can be seen through the effectiveness of public relations from the agency, in this research on the Planetarium and Observatory of the Jakarta Arts Center, in fact several main principles for achieving public relations effectiveness are indeed carried out. by the Jakarta Arts Center Planetarium and Observatory Manager. The Jakarta Arts Center Planetarium and Observatory overcomes the problem of the decline in visitors, namely by visiting schools in DKI Jakarta to introduce the world of astronomy to elementary school students, this is able to attract visits like the table above, that after the Plantarium was closed for one month in the following month, visitors both individually and in groups experienced a quite rapid increase. Regarding the innovations made by the Planetarium, Planetarium Jakarta not only focuses on the Planetarium but also has an Observatory, therefore the Planetarium opens a session for Observation of Celestial.

Delivery of Information, they do not stop at just making innovations, the Planetarium and Observatory of the Jakarta Arts Center also conducts an activity called Pick Up Ball to attract school children to visit. ubmission of information between the Planetarium and Observatory of the Jakarta Arts Center and external parties is carried out through the Website and Facebook. On the Jakarta Arts Center Planetarium and Observatory Website, external parties can provide questions, criticisms and suggestions to email and numbers that can be contacted to find out information related to the Planetarium. Meanwhile, through Facebook the Planetarium and Observatory of the Jakarta Arts Center provide more communicative information, such as schedule changes to information about celestial phenomena. The Communication Technician is tasked with providing services in the technical field, the PR of the Planetarium and Observatory of the Jakarta Arts Center always provides updates by providing information online on the Facebook Planetarium and offline direct submissions which are affixed to the entrance to the Planetarium. The Communication Technician also delivers the monitoring schedule via Facebook Planetarium and the Planetarium Website.

Based on data obtained from the results of in-depth interviews or In Depth Interviews conducted with 2 key informants and observing the Taman Ismail Marzuki Planetarium, in this section the researcher describes and analyzes the data obtained qualitatively. In this study, researchers analyzed data using data triangulation techniques by comparing observational data

with interview data. Based on the results of the above research, the researcher can explain that the Role of Public Relations at the Planetarium and Observatory of the Jakarta Arts Center in Innovation and Information Delivery is quite effective in carrying out its role as a PR by referring to the four roles of public relations according to Cutlip. [13]

5. Conclusion

1. The four roles of Public Relations according to Cutlip are as Expert Prescriber, Problem Solving Facilitator, Facilitator Communication, and Communication Technician. Broadly speaking, it has been carried out by the Jakarta Arts Center's Planetarium and Observatory Public Relations.
2. In carrying out the four roles, some are dominant but some are not. There are two dominant roles, namely; The role as a Communication Facilitator is a fairly dominant role carried out in conveying information to the public using the Website, Facebook and direct delivery, both attached to the entrance to the Planetarium. The second dominant role is Problem Solving Facilitator where the Planetarium solves the problems that occur in a fairly effective manner, such as;
 - a. Decreasing visitors, the Planetarium conducted a program to visit schools in order to attract the interest of the public to visit the Planetarium.
 - b. Planning for Innovation, Planetarium Public Relations has made a request to change the equipment into robotic.
 - c. In delivering information, the Planetarium has delivered information quite well, namely via Facebook which is quite communicative by replying to comments from the community and a website which is quite helpful with a fast response, which is a maximum of 2x24 hours.

References

- [1] E. Lantz, "Planetarium of the Future," *Curator Museum J.*, 2011, doi: 10.1111/j.2151-6952.2011.00093.x.
- [2] Stie Trisakti, "Manajemen humas (public relations) di lembaga pendidikan," *Medis Bisnis*, 2011.
- [3] L. Laketa and M. Laketa, "VERTICAL MANAGEMENT IN THE FUNCTION OF SALES," *Cas. ZA Ekon. I Trz. Komun.*, 2016, doi: 10.7251/EMC1602274L.
- [4] C. T. Thibodeau, "Effective communications," in *The Professional Protection Officer*, 2010.
- [5] J. Macnamara, "Emerging international standards for measurement and evaluation of public relations: A critical analysis," *Public Relations Inq.*, 2014, doi: 10.1177/2046147X14521199.

- [6] J. Grunig, "Research in Public Relations: current Status and New Directions," *Anàlisi Quad. Comun. i Cult.*, 2006.
- [7] S. Syamsurizal, "Strategi Komunikasi Persuasif dalam Aktivitas Pemasran," *J. Lentera Bisnis*, 2017, doi: 10.34127/jrlab.v5i2.39.
- [8] T. Yuniarsih, Suwatno, and Adman, "Manajemen Sumber Daya Manusia," 2018.
- [9] G. M. Broom and D. M. Dozier, "Advancement for public relations role models," *Public Relat. Rev.*, 1986, doi: 10.1016/S0363-8111(86)80039-X.
- [10] S. Gilaninia, M. Taleghani, and M. E. Mohammadi, "The Role of Public Relations in Organization," *Niger. Chapter Arab. J. Bus. Manag. Rev.*, 2013, doi: 10.12816/0003699.
- [11] 2011:3) George R Terry, dalam buku Principles of Management (Sukarna, "George R Terry, dalam buku Principles of Management (Sukarna, 2011:3)," *J. Chem. Inf. Model.*, 2019, doi: 10.1017/CBO9781107415324.004.
- [12] S. Syahrums, "Metodologi Penelitian Kuantitatif," *KOMUNIKASI PENELITIAN KUANTITATIF Program Studi Jurnalistik & Humas*. 2014.
- [13] G. M. Broom and B.-L. Sha, *Cutlip and Center's Effective Public Relations*. 2013.

The Effect of Organizational Structure, Work Motivation and Decision Making on Vendor's Employee performance at Automotive Distributor in Indonesia

Oloan Situmorang¹, Mukhneri Mukhtar², Mahmuddin Yasin³

{oloansitumorang_7647140261@mahasiswa.unj.ac.id¹, mukhneri@unj.ac.id², mahmuddinyasin@unj.ac.id³}

Student of Universitas Negeri Jakarta, Jakarta, Indonesia¹, Permanent Professor of Universitas Negeri Jakarta, Jakarta, Indonesia², Non-Permanent Professor of Universitas Negeri Jakarta, Jakarta, Indonesia³

Abstract: This study aim to determine and analyze the effect of organizational structure, work motivation, and decision making on vendor's employee performance at Automotive Distributor in Indonesia. This study uses quantitative research method. The respondents area 100 employees, with sampling random technique. The questionnaire of organizational structure, work motivation, decision making and employee performance were validated with the product moment correlation formula, while reliability was measured by the Alpha Cronbach formula. Tested of the hypothesis in this study use of the path analysis. The research result of the study found that : (1) The organizational structure affects employee performance positively while it has no direct effect on employee performance through decision making, (2) The work motivation affect employee performance positively while it has no direct effect on employee performance through decision making, (3) The decision making affect employee performance positively, (4)The organizational structure affect decision making positively, (5) The work motivation affect decision making positively, and (6) The organizational structure affect work motivation positively. The result of the study show that the effort to improve the employee performance can be done by implementing the effective organizational structure, enhancing work motivation and strengthening decision making.

Keyword: Organizational Structure, Work Motivation, Decision Making, Employee Performance.

1. Introduction

In an increasingly competitive industrial era, especially the automotive industry, every company that wants to win the competition in the business world will pay full attention to the quality of human resources. In this case, the employer company has full attention to ensure the logistics partners can support their business well. So the employer has a role to ensure logistics vendors can run their services efficiently.

Employees are important resources for the company, because they have the expertise, energy and creativity that are needed by the company to achieve its goals. In a dynamic business environment, by doing business with vendors, each vendor company requires an organizational structure that is able to provide the best performance and be able to build highly motivated employees and agile in running their business processes. Through an optimal organizational structure, high employee motivation, effective decision making process will provide value to the organization through performance.

PT Toyota – Astra Motor, the VLD (Vehicle Logistics Division), has the role of carrying out vehicle logistics operations, namely handling new vehicles, starting from factory receipts, installing accessories and distributing vehicles to all dealers in Indonesia while maintaining vehicle quality (fresh from the oven) and safe operation (safety operation) for all stakeholders. Various functions of the business units in the Logistics Division. In carrying out its roles and responsibilities, VLD partners with logistics vendors / suppliers to carry out some of its functions.

Internally, VLD operate the operation with the Toyota way philosophy. Toyota way is DNA in Toyota Business. The two pillars of the Toyota way are respect for people and kaizen (continuous improvement). Each pillar is translated into cultural values that are applied daily, especially in the innovation behavior of every employee who supports Toyota's business.

From the results of evaluating the performance of existing vendors, it is still found that achievement has not been achieved optimally, such as still not achieving the timely delivery of new vehicles from the factory to the dealer (on time delivery), and there are still defects in new vehicles (damage ratio) during the process delivery of new vehicles. Performance of vendor employees has an important role to achieve the performance of the Toyota-Astra Motor which will ultimately impact on VLD performance.

In an effort to improve employee performance, it needs to be supported by a solid and professional organizational structure, because in practice work specialization, specialization of work, departmentalization, command chain, span of control, centralization, decentralization, and formalization has direct and indirect effects on the amount of work, quality of work, knowledge breadth regarding work and skill, authenticity of the idea of willingness to cooperate with others (fellow members of the organization), awareness and trustworthiness, enthusiasm for carrying out new tasks, and personality.

2. Literature Review

2.1 Employee Performance

According to Colquitt states Job performance is formally as the value of the set of employee behaviour that contributes either positively or negatively to organizational goal achievement. It has three components: 1) task performance, or transformation of resources into goods and services; 2) citizenship behaviours, or voluntary employee actions that attribute to the organization; and 3) counterproductive behaviour[1]. Gibson et al. states "performance refers to the level of success in implementing the task and the ability to achieve the goal set. Otherwise good performance and successful if the desired goal can be achieved with good quality[2]. According to Cascio describes performance as a way to ensure that individual or team workers know what is expected of them and remain focused on effective performance by paying attention to objectives, measures and assessments[3].

According to Gomes that indicators of employee performance are (1) Quantity of work: the amount of work done in specified period; (2) Quality of work: The quality of work achieved is based on conditions of sustainability and readiness; (3) Job knowledge: The extent of knowledge about the jobs and its skills; (4) Creativeness: Authenticity of ideas arising from actions to solve problem that arise; (5) Cooperation: Willingness to cooperate with others (fellow members of the organization); (6) Dependability : Awareness and trustworthiness in terms of attendance and completion of work on time ; (7) Initiative: Enthusiasm to carry out new task in enlarging their responsibilities; (8) Personal qualities : Regarding personality, leadership, hospitality and personal integrity[4].

2. 2 Organization Structure

Various definitions of organizational structure have been put forward by management experts. According to Shane that there are three components to the organizational structure; namely (1) shows formal reporting channels, (2) identifies the grouping of individuals into departments into the organization as a whole; and (3) includes system designs to ensure smooth communication, coordination and integration of cross-departmental efforts[5]. Stephen also agree that the organizational structure describes how work tasks are formally grouped and coordinated. According to him there are also six key elements that need to be considered in designing the organizational structure, namely: "1) work specialization, 2) grouping departments, 3) chain of command, 4) scope of control, 5) centralization and decentralization, 6) formalization[6]. According to Daft Richard, there are 3 main requirements that must be considered when determining the organizational structure, namely 1) The organizational structure must show formal relations between employees, including the level of hierarchy, and the range of control of managers and supervisors; 2) Organizational structure establishes a work group for employees, merging groups within departments, and integrating departments into the company as a whole; and 3) Organizational structure includes system planning to ensure effective communication, good coordination and integration between departments[7].

According to Jerald, the organizational structure is "the formal configuration of individuals and groups with respect to the allocation of tasks, responsibilities, and authority within the organization," (formal configuration of individuals and groups within the allocation of duties, responsibilities and authority within organization)[8]. According to Shane, the organizational structure is defined as "the division of labor as well as the conditions of conditions, communication, workflow, and formal power that direct organizational activities," (division of work and coordination patterns, communication, formal employment and power lines related to organizational activities)[5].

To deepen the understanding of organizational structure, it is necessary to understand various organizational structure designs that can be done through several approaches. Approach

2. 3 Motivations

According to Luthans, "Motivation as a process that starts with the physiological of psychological deficiency or needs that activates behavior or a drive that is aimed at a goal or incentive". Furthermore Luthans that in a motivation system consists of three elements that interact and are interdependent, namely: needs (needs), drives (incentives), incentives (incentives)[9], while Lawrence, Nohria states, there are 4 impulses (four) drive) that applies to everyone, namely drive to acquire (drive to reach), drive to bond (drive to bond) and drive to learn (drive to learn)[10].

Shane, Steven L.Mc states motivation refers to forces within a person that affects the direction, intensity, and persistence of voluntary behavior[5]. Motivation according to Latham and Pinder, motivation is a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior, and to determine its form, direction, intensity and duration[11].

The theory that is often used by experts in conducting research on motivational problems is the theory that has to do with human needs. One theory related to motivation is the theory of needs developed by Maslow. Abraham Maslow developed a theory of motivation known as (hierarchy of needs). Maslow in Burton holds that the theory of the hierarchy of human needs can be used to describe and predict motivations. Motivation theory is based on two assumptions. First, what someone's needs have been fulfilled. Second, needs are a hierarchy of interests. In this theory a classification of needs is proposed which consists of five groups of human needs that form a

hierarchy of needs, namely the first physical needs (physiological needs), the physical needs of a person are in dire need of food, clothing and shelter. After the activity fulfillment needs are met and has decreased, then the need for security increases. When the physical needs for food, clothing, shelter have been met, then a person switches to the need to associate with the community, the need for affiliation with others, the need to find meaningful relationships[11].

Synthesis of motivation is the size of the work done by an employee in carrying out their duties with indicators of employee motivation, including: (1) employee's desire to get good performance, (2) employee's drive to get awards and recognition for the work performance achieved, (3) encouragement of employees to get a sense of security at work, (4) relationships between employees with fellow workers at work, and (5) needs of employees are met (6) secondary needs are met.

2.4 Decision Making

According to Scherhorn defines decision making as "the process of choosing a course of action to deal with a problem or opportunity". Definition of decision making is a series of process of selecting an action to face a problem or opportunity[12]. According to Glinow, Von , "decision making is a conscious process of making choices among alternatives with the intention of moving toward some desired state of affairs". Mcshane and Vin Glinow state that there are 6 steps in decision making. The first step is to identify the problem and acknowledge an opportunity. The second involves several parties how to choose the best a decision process. The third step is develop alternative solution. The fourth step is choose the best alternative. The fifth step is implement the selected alternatives. The six step is evaluate decision outcome[5].

Stages in decision making are: 1) identifying problems, 2) developing existing alternatives, preparing potential alternative solutions; 3) evaluation of alternatives that meet the criteria; 4) choose alternatives that have maximum value; 5) implement the appropriate solution.

From the description above, decision making synthesis is the process of determining the decision to take action to take into account opportunities and risks with the aim of improving organizational performance with decision making indicators including information gathering, information processing, alternative search, alternative assessment, decision making, implementation decision, evaluation of the decision.

3. Methods

The method used in this study is to use a survey method that is conducting research directly into the field. Data collection tool used was a questioner (questionnaire). With this data collection tool data can be obtained in accordance with the theme of the research. Research data is captured using a questionnaire developed by researcher and given to samples from the population. Respondent of this research are 100 employees. Samples were determined using cluster random sampling techniques. Instruments of organizational structure, work motivation and performance are validated by product moment correlation, while reliability is measured by Cronbach's Alpha. Data is analyzed using path analysis techniques.

4. Research Result and Discussion

Testing Hypothesis Pathway In Hypothetic Models py_1 , py_2 , py_3 , p_{31} , p_{32} , p_{21} . Path coefficients in the hypothetical model of the study are py_1 , py_2 , py_3 , p_{31} , p_{32} , p_{21} , in determining the magnitude of the path in a hypothetical model the study is obtained by

determining the magnitude of the path coefficient value, and then the path coefficient significance test is continued.

4.1 Model Testing

4.1.1 Structural Path Coefficient 1

Causal relationships between variables in sub-structural 1 consist of one endogenous variable, Y and three exogenous variables, namely X1, X2, and X3. From the results of processing the structural path coefficient 3 data as follows:

Table 1. Path coefficient and Structural Significance Test 1

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	77.086	5.969		12.914	.000
1 Organization structure	.188	.044	.395	4.284	.000
Work motivation	.123	.042	.269	2.917	.004
Decision making	.135	.045	.365	3.772	.002

a. Dependent Variable: employee performance

Table 2. Coefficient terminated R Square for structure 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564 ^a	.318	.297	2.911

a. Predictors: (Constant), Decision making, Organization structure, Work motivation

From the path coefficient table, the analysis results obtained by the value of the path coefficient py_1 of 0.395 and $\text{tcount} = 4.284$, with $\text{ttable} (0.05: 98) = 1.98$, so $\text{tcount} = 4.284$ is greater than $\text{ttable} (4.28 > 1.98)$, reject H_0 , it means that the variable X_1 has a direct effect on the variable Y. Thus it is evident that the organizational structure has a direct positive effect on employee performance.

The analysis results obtained by the value of the py_2 path coefficient of 0.269 and $\text{tcount} 2.917$, with $\text{ttable} (0.05: 98) = 1.81$, so that $\text{tcount} > \text{ttable}$, reject H_0 , meaning that the variable X_2 has a direct positive effect on the variable Y. Thus it is evident, that work motivation has a direct positive effect on employee performance.

The results of the analysis obtained the path coefficient value of py_3 of 0.365 and tcount , 3.772 with $\text{ttable} (0.05: 98) = 1.98$, so $\text{tcount} > \text{ttable}$, reject H_0 , meaning that the variable X_2 has a direct positive effect on the variable Y. Thus it is evident, that taking the decision has a direct positive effect on employee performance. From the results of the analysis, the coefficient of determination obtained by 0.318 so that it can be stated that the organizational structure, work motivation and decision making have a direct positive effect on employee performance.

4.1.2 Structural path coefficient 2

Causal relationships between variables in sub-structural 2 consist of one endogenous variable, X_3 and two exogenous variables, X_1 and X_2 . From the results of data processing the structural path coefficient 1 as follows:

Table 3. Path coefficient and Structural Significance Test 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	73.937	4.346		17.011	.000
	Organization structure	.189	.044	.396	4.308	.000
	Work motivation	.122	.042	.267	2.899	.005

a. Dependent Variable: Employee Performance

Table 4. Coefficient terminated R Square for structure 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.560 ^a	.314	.300	2.905

a. Predictors: (Constant), Work Motivation, Organization structure

a. Predictors: (Constant), Work Motivation, Organizational Structure

From the path coefficient table, the analysis results obtained the path coefficient p value of 0.396 and $\text{tcount} 4.308$, with $\text{ttable} (0.05: 98) = 1.98$, so $\text{tcount} > \text{ttable}$, reject H_0 , meaning that the variable X_1 has a positive effect on the X_3 variable. It is thus proven that the organizational structure has a direct positive effect on decision making.

The results of the analysis obtained the path coefficient p_{32} of 0.267 and t_{count} 2.898, with $t_{table} (0.05: 98) = 1.98$, so $t_{count} > t_{table}$, reject H_0 , meaning that the X_2 variable has a positive direct effect on the X_3 variable. Thus it is proven, that work motivation has a direct positive effect on decision making.

From the results of the analysis, the coefficient of determination obtained by 0.314 so that it can be stated that the organizational structure and work motivation have a direct positive effect on decision making.

4.1.3 Structural Path coefficient 3

Causal relationships between variables in sub-structural 3 consist of one endogenous variable, X_2 and one exogenous variable, X_1 . From the results of processing the structural path coefficient 3 data as follows:

Table 4. Path coefficient and Structural Significance Test 3

Coefficients^a					
Model		Unstandardized Coefficients		Standardized Coefficients	T
		B	Std. Error	Beta	
1	(Constant)	48.420	9.212		5.256
	Organization structure	.422	.096	.405	4.381
a. Dependent Variable: Work motivation					

Table 5. R Square terminated coefficient for structure 3

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.405a	.164	.155	6.971
a. Predictors: (Constant), Organization Structure				

From the path coefficient table, the analysis results obtained p_{21} path coefficient of 0.422 and $t_{count} = 4.381$, with $t_{table} (0.05: 98) = 1.98$, so $t_{count} > t_{table}$, reject H_0 , meaning that the variable X_1 has a positive effect on the X_2 variable. It is thus proven, that organizational structure has a direct positive effect on work motivation.

From the results of the analysis, the coefficient of determination obtained by 0.164 so that it can be stated that the organizational structure has a direct positive effect on work motivation .

Table 6. Summary of Test Results for Significance of Paths

No.	Influence Coefficient	df	T_{count}	t_{table}
------------	------------------------------	-----------	--------------------------	--------------------------

	Live	Pathway			$\alpha = 0,05$	$\alpha = 0,01$
1	X ₁ on Y	0,395	98	4,284	1.98	2,617
2	X ₂ on Y	0,269	98	2,917	1.98	2, 617
3	X ₃ on Y	0,365	98	3,772	1.98	2, 617
4	X ₁ on X ₃	0,396	98	4,308	1.98	2, 617
5	X ₂ on X ₃	0,267	98	2,899	1.98	2, 617
6	X ₁ on X ₂	0,422	98	4,381	1.98	2, 617

Based on the test analysis of the path above, it can be explained the following hypothesis testing:

- a. The organizational structure (X₁) has a positive direct effect on employee performance (Y) and indirectly through decision making (X₃).
 From the results of the path analysis of the influence of organizational structure (X₁) on employee performance (Y) obtained path coefficient ρ_{y1} of 0.395 with a tcount of 4.284, while the value of $t_{table} = 1.98$ ($\alpha = 0.05$; $df = 98$). Because $t_{count} > t_{table}$, then H₀ is rejected, H₁ is accepted. Thus it can be concluded that the organizational structure has a direct positive effect on employee performance. While the effect of organizational structure (X₁) on employee performance (Y) through decision making (X₃) is the result of the path coefficient $\rho_{y1} \times \rho_{y3}$ (0.395) x (0.396) = (0.145).
 Thus it can be concluded that the organizational structure has a direct positive effect on employee performance through work motivation.
- b. Work motivation (X₂) has a positive direct effect on employee performance (Y) and indirectly through work motivation (Y).
 From the results of the path analysis the effect of work motivation (X₂) on employee performance (Y) obtained the path coefficient ρ_{y2} of 0.269 with a tcount of 2.917 while the value of t_{table} while 1.98 ($\alpha = 0.05$; $df = 98$). Because $t_{count} > t_{table}$, then, H₀ is rejected, H₁ is accepted. While the influence of work motivation (X₂) on employee performance (Y) through decision making (X₃) is the result of the path coefficient $\rho_{y2} \times \rho_{y3}$ (0.365) x (0.267) = (0.097).
 Thus it can be concluded that work motivation has direct and indirect positive effects on employee performance through work motivation.
- c. Decision making (X₃) has a direct positive effect on employee performance (Y)
 From the results of the path analysis of the influence of decision making (X₃) on employee performance (Y), the path coefficient ρ_{y3} is 0.365, with a tcount of 3.772, while the value of $t_{table} = 1.98$ ($\alpha = 0.05$; $df = 98$). Because $t_{count} > t_{table}$, then H₀ is rejected, H₁ is accepted. Thus it can be concluded that decision making has a direct positive effect on employee performance, then H₀ is rejected, Thus it can be concluded that decision making has a direct negative effect on employee performance.
- d. The organizational structure (X₁) has a positive direct effect on decision making (X₃)

From the results of the path analysis of the effect of organizational structure (X_1) on work motivation (X_3) obtained path coefficient ρ_{31} of 0.396 with a tcount of 4.308, while the value of t table = 1.98 ($\alpha = 0.05$; $df = 98$). Because $t_{count} > t_{table}$, then H_0 is rejected, H_1 is accepted. Thus it can be concluded that the organizational structure has a direct positive effect on decision making.

- e. Work motivation (X_2) has a positive direct effect on decision making (X_3)
Based on the results of the path analysis the influence of work motivation (X_2) on decision making (X_3) obtained path coefficient ρ_{32} of 0.267 with a tcount of 2.899, while the value of ttable = 1.98 ($\alpha = 0.05$; $df = 98$). Because $t_{count} > t_{table}$, then H_0 is rejected, H_1 is accepted. Thus it can be concluded that work motivation has a direct positive effect on decision making.
- f. The organizational structure (X_1) has a positive direct effect on work motivation (X_2)
The statistical hypothesis tested was a positive direct effect on organizational structure (X_1) on work motivation (X_2). From the results of the path analysis of the influence of organizational structure (X_1) on work motivation (X_2) obtained path coefficient ρ_{21} of 0.422 with tcount = 4.381 while the value of ttable = 1.98 ($\alpha = 0.05$; $df = 98$). Because $t_{count} > t_{table}$, then H_0 is rejected, H_1 is accepted. Thus it can be concluded that the organizational structure has a direct positive effect on work motivation.

4.2 Discussion

From the results of hypothesis testing shows that there is an effect of organizational structure that has direct and indirect positive effects on employee performance. The more positive the organizational structure, the employee's performance tends to increase. As stated by M.C.Robbins states that a good organizational structure can produce good performance, therefore in an effort to improve performance can be done through strengthening the organizational structure[13]. In an effort to improve employee performance, it needs to be supported by the structure solid and professional organizations, because in practice work specialization, departmentalization, chain of command, range of control, centralization and decentralization, formalization has direct and indirect effects on the amount of work, quality of work, breadth of knowledge about work and skills, authenticity of the idea of willingness to work together with others (fellow members of the organization), awareness and trustworthiness, enthusiasm for carrying out new tasks, and personality

In managing company resources, work motivation has a direct effect on employee performance, because managing employees by increasing organizational authority, delegating tasks, supervising work division can directly influence work quantity, work quality, work effectiveness, work efficiency, and work methods. According to Kreitner that the drive to work effectively can be influenced by decision making, because decision making requires the identification and selection of alternative solutions that lead us to the desired conditions in accordance with organizational expectations[14]. Likewise, according to Glinow, that the process of choice in making a decision, starting from identifying a problem and recognizing an opportunity, involves several parties how to process a decision, identify and develop possible solutions in line with the interests of motivation in the organization[5].

Hypothesis testing results indicate there is an influence of decision making on employee performance. The better the decision making, the better the performance of employees. The proportion of variance in employee performance can be explained by decision making. According to Kreitner decision making requires the identification and selection of alternative solutions that lead us to the desired conditions[14]. According to Glinow, that the choice process in making a

decision, starts from identifying a problem and recognizing an opportunity, involving several parties how to process a decision, identifying and developing possible solutions[5].

In an effort to improve employee performance, it needs to be supported by decision making, because in practice the choice process in making a decision, starts from identifying a problem and recognizing an opportunity, involving several parties how to process a decision, identifying and developing possible solutions. influence directly and indirectly on the amount of work, quality of work, breadth of knowledge about work and skills, authenticity of the idea of willingness to cooperate with others (fellow members of the organization), awareness and trustworthiness, enthusiasm to carry out new tasks, and personality.

Organizational structure is one of the variables that constantly and stably contributes to decision making. Efforts to reduce decision making can be initiated by improving the organizational structure first. As stated Rahmandana states that the organizational structure in accordance with the company will be more efficient in making decisions in the company[16]. Furthermore, in research conducted by Ridha states that organizational structure affects employee performance improvement, especially supported by the existence of the accuracy of the division of tasks and responsibilities[17]. The results of this study are supported by Robbins which states that: Organizational structure is an organizational control tool that shows the level of delegation of authority from top leadership in decision making which is extreme grouped into two, namely centralization and decentralization[18]. While Lazaroiu also added that: organizational structure is a hierarchical structure that shows an arrangement of the division of responsibilities according to the hierarchical function shown for individual decision making in an organization[19].

The results of hypothesis testing indicate there is an influence of work motivation on decision making. The conclusion shows that the more positive the work motivation, the lower the decision making. The proportion of decision making variance can be explained by work motivation

5. Conclusion

Based on the research discussion ,some conclusions can be referred as follows

Organizational structure affects employee performance and indirectly through decision making as mediator. This shows the comparison of employee performance variables can be approved by the organizational structure. The more positive the organizational structure, the better the performance of employees.

Work motivation affects employee performance and indirectly through decision making as mediator. This can be interpreted as employee performance variables that can be approved by work motivation. The better work motivation, the better the employee's performance.

Looks Important. Make decisions making affects on employee performance. This can be interpreted as employee performance variables that can be approved by decision making. The quick the decision making, the better the employee's performance.

The affect the organizational structure on decision making. This shows that these variables make decisions based on organizational structure. The better organizational structure, the more employee decisions are made.

Looks Important. This shows that the employee outcome variable can be approved by decision making. The quick decision making, will impact to the better employee performance.

Relating to the organizational structure and work motivation. This shows the variety of work that can be seen by the organizational structure. Well organizational structure will affect to work motivation .

Recommendation

Based on the results of the study showed that motivation is the lowest variable that affect on employee performance. Therefore, in improving the performance of employees, it is necessary to increase and improve motivation by increasing employee motivation to get good performance, increasing employees to get awards and performance to improve their performance, encouraging employees to get a sense of security at work, relationships between employees and participants at work, and the needs of employees are met, secondary needs are met need to improve the organizational system.

In building achievement, it is necessary to strive through giving of insintive and rewarding employees who excel by giving a position on a sturdy chair or giving other awards that can support employee performance.

In increasing motivation, the company supports providing a sense of security at work providing work facilities that meet the needs and work standards that ensure employee safety.

In building employee motivation, the company also supports building harmonious relationships through vertical and horizontal communication, this is because community communication is a strategic factor in building good organizational structure.

Acknowledgements. The researcher would like to thank the leaders and all staff of the PT. Toyota Astra Motor Indonesia of who had helped in the completion of this research.

References

- [1] W. Colquitt, Lepine, *Organizational behavior, Improving performance and commitment in the workplace*, 6th ed. New York: McGraw-Hill Higher Education, 2019.
- [2] J. L. Gibson, J. M. Ivancevich, J. H. Donnelly Jr, and R. Konopaske, *Organizations, Behavior, Structure, Processes*, 14th ed. New York: McGraw-Hill, 2012.
- [3] wayne F. Cascio, *Managing human resources*. London: McGraw-Hill Higher Education, 2015.
- [4] F. C. Gomes, *Manajemen Sumber Daya Manusia*. Yogyakarta: Andi Offset, 2005.
- [5] M. A. V. G. Shane, Steven L. Mc, *Organizational Behaviour*, 4th ed. Australia: McGraw-Hill, 2008.
- [6] R. obbins P. Stephen, *Organizational Behavior*, 7th ed. Australia: Pearson, 2014.
- [7] Daft Richard L, *Organizational theory and design*, Twelfth. Boston: Nelson education, 2015.
- [8] G. Jerald, *Managing Behavior in Organization, 5th Edition*, 5th ed. New Jersey: Pearson educated, 2010.
- [9] F. Luthans, *Organizational behaviour*, 11th ed. 2008.
- [10] D. Lawrence, Nohria, *How Human Nature Shapes Our Choice*. San Fransisco: Harvard Bussiness School, 2002.
- [11] G. P. Latham and C. C. Pinder, "Work Motivation Theory and Research at the Dawn of the Twenty-First Century," *Annu. Rev. Psychol.*, vol. 56, no. 1, pp. 485–516, 2005, doi: 10.1146/annurev.psych.55.090902.142105.
- [12] et. al. Schemerhorn, *Organizational behavior, Improving performance and commitment in the workplace*. 2011.
- [13] M. C. Robbins, Sephen P, *Management*. New Jersey: Pearson educated, 2012.
- [14] A. kinicki Kreitner, Robert, *Organizational Behavior*. New York: McGraw-Hill, 2010.

- [15] M. Glinow, Von, *Organizational Behaviour*, 14th ed. New York: McGraw-Hill, 2008.
- [16] F. & W. B. Rahmandana, "Pengaruh Sistem Informasi Manajemen dan Struktur Organisasi Terhadap Efektivitas Pengambilan Keputusan Pada Kantor Pelayanan Bea Cukai Tipe A Belawan," *Manaj. dan Bisnis*, 2002.
- [17] S. Ridha, "Pengaruh lingkungan, Perilaku , Struktur Organisasi, dan Implementasi Sistem informasi berbasis komputer terhadap kinerja karyawan pemerintah kabupaten sorong," *Management*, vol. Volume 6, pp. 1–8, 2008.
- [18] T. A. J. Robbins, Sephen P, *Organizational Behaviour*. New Jersey: Pearson educated, 2007.
- [19] G. Lazaroiu, "Employee Motivation and Job Performance, Linguistic and philosophical Investigations," vol. 14, pp. 97–102, 2015.

Analysis of Factors Affecting Organizational Effectiveness

Wenny Desty Febrian¹
{wenny.sani27@gmail.com¹}

Management Department, Faculty of Business and Social Science, University Of Dian
Nusantara, Tanjung Duren, West Jakarta, Indonesia¹

Abstract: The research objective is that the Financing Company in Pekanbaru is a company engaged in financing that is distributed to the public in the form of credit or loan. This study examines how the influence of organizational characteristics, worker characteristics, environmental characteristics, management policies and practices, and leadership on organizational effectiveness in finance companies. The results of this study indicate that organizational characteristics have contributed to organizational effectiveness. The variables of environmental characteristics, worker characteristics and organizational and leadership characteristics have a significant contribution and effect on organizational effectiveness. Meanwhile, the variables of management policies and practices do not have a contribution to Y or have no significant effect on organizational effectiveness.

Keywords: Organizational characteristics, environmental characteristic , worker characteristic, practical policies and management, leadership and organizational effectiveness

1. Introduction

Within the organization there is management that cannot be separated from one another, constituting a unified system to realize the achievement of goals and objectives. The system in an organization is a totality set of parts for each other to achieve certain goals in the organizational environment. The more advanced an organization is, the more tasks it faces. Therefore, one way to deal with the many tasks associated with the growth and development of an organization is to communicate internally between leaders and subordinates in completing administrative tasks in order to achieve efficiency. A leader strives for harmony between the tasks/work carried out by one person / part with another person / part, so that it is hoped that confusion, inaccuracy and double work will not occur between one another. This means that work can be carried out efficiently and effectively. Financing companies are companies engaged in financing in the form of loans and loans, but do not collect savings from their customers, this is what distinguishes this finance company from banking. In this research, I tried to examine 10 existing finance companies. A finance company is a company engaged in financing, currently a finance company is a fast growing company. The finance is Adira Finance, FIF (Federal International Finance), BAF Bussan Auto Finance), SMS (Sinar Mitra Sepadan), BCA (Bank Central Asia) Finance, FIF (Federal International Finance), WOM (Wahana Ottomitra Multiartha) Tbk, BFI (BFI Finance Indonesia), BII (Bank International Indonesia) Finance, and BESS (Benteng Sinergis Multifinance). Next, I will describe the number of employees and the number of customers of the financing company above:

Table 1. Number of Employees and Number of Customers for Financing Companies

No	Name of Finance	Employees (People)	Customers (People)	Persentation (%)
1	Adira Finance	158	2033	20 %
2	FIF (federal international finance)	142	1598	18 %
3	WOM (Wahana Ottomitra Multiartha) Tbk	69	957	8 %
4	Summit Oto Finance	63	993	8 %
5	BAF (Bussan Auto finance)	76	1074	9 %
6	SMS (Sinar mitra sepadan)	38	559	5 %
7	BCA Finance	71	1772	9 %
8	BFI (BFI Finance Indonesia)	84	1737	10 %
9	BII (Bank International Indonesia) Finance	62	1108	8 %
10	BESS (Bentara Sinergis Multifinance)	46	613	5 %
	TOTAL	809	12.444	100 %

Source: Finance Company

From the explanation above, it can be seen that some of the work plans have been completed slowly or have not reached 95% -100% at the specified time. From the table above, we can see the realization of the work plan that was achieved from the predetermined target, namely in 2016 it reached 73%, and has increased every year until 2019 reaching 84%. From the description of the above problems, the authors are interested in conducting further research on the effectiveness of the organization in finance, entitled: "Analysis of Factors Affecting Organizational Effectiveness".

Previous research that discussed organizational effectiveness was research made by Andri Joko Purnomo, a Diponegoro University Master of Management student in 2006, where the focus of the problem in this study was the low implementation of organizational effectiveness of the Batang Regency Fisheries and Maritime Affairs Office. Initial identification is due to the inability to reach regional retribution from fisheries and marine sector, which is an average of 65.68% during 2001-2005. The low implementation of organizational effectiveness is presumably influenced by factors of employee motivation, leadership and employee discipline. The result of the research is that the hypothesis H_0 is rejected or H_a is accepted, which means that there is a harmonious relationship between the independent variables of employee motivation, leadership, and employee discipline with the dependent variable organizational effectiveness with a significance level of 95%. Thus, it can be concluded that theoretically and empirically the three independent variables, namely employee motivation, leadership, and employee discipline, are the determining factors for the organizational effectiveness of the Batang Regency Fisheries and Marine Affairs Office. The similarity with this research is that it has one of the same research variables, namely the leadership variable, while the difference in this study uses 5 (five) variables, namely added with variables of organizational characteristics, environmental characteristics, worker characteristics and management policies and practices as well as different research sites [1].

Furthermore, Emirina, student of UIN Sultan Syarif Kasim Riau majoring in management, with the title Factors Affecting Organizational Effectiveness at PT Adira which was studied in 2011. simultaneously the four independent variables (organizational characteristics, environmental characteristics, worker characteristics and management policies

and practices) jointly affect the effectiveness of the organization at PT. Adira as evidenced by the F count of 13.246 with a significant value of $0.000 < 0.05$. The value of R is 0.763, which means that the relationship between the dependent variable and the independent variable is strong because $R > 0.5$. The value of Adjusted R Square is 0.538, which means 53.8% of organizational characteristics, environmental characteristics, worker characteristics and management policies and practices affect organizational effectiveness at PT. Adira. The similarity with this research is that both have variable organizational characteristics, environmental characteristics, worker characteristics, and practice and management policies, as well as both researching at finance companies, while the difference is that this research adds leadership variables in the factors that affect effectiveness. organization, as well as the number of research sites this time are 10 (ten) finance companies, while in the previous study there was only one finance company [2].

Measuring the effectiveness requires: a) estimating the costs, the resources consumed the effort, in general, found in the literature as the input; b) estimating the results, or the outputs; c) comparing the two [3]. According to [4] The aim of this editorial in this issue of Journal of Physical Therapy (JPT) is to provide a detailed overview on the effects, efficacy, efficiency and effectiveness as four interrelated yet different terms in the field of Physical therapy (PT) and an analysis of the historical background with perspectives for the future. According to [5] One of the most important tasks in ensuring the effectiveness of controls in management systems is a thorough analysis of the processes and effectiveness of the entire management system, identifying the causes of deviations and discrepancies, establishing causal relationships in the system. Without knowledge and understanding of all these factors is impossible to solve the key management system tasks: assessment of processes and systems to identify the causes of such a state, and most importantly in this three-pronged problem, the formation of managerial decisions. According to [6] The growing development of organizations and their dominance over all aspects of human life is evident. People today need to do everything in the form of "organization" and organizations that are man-made and provide necessary facilities for the affairs of human life influence human behavior a lot. Therefore, it is necessary to investigate organizations and identify and solve the available problems so that the effectiveness can be improved. Meanwhile, [7] A proposed solution involves focusing beyond the mere number and extent of protected areas and suggests including their management effectiveness in the equation. The concept of managerial effectiveness has been a major concern for academicians and practitioners for several decades. This issue is, of course, important, for both public and private sectors in all economies but perhaps particularly so in developing economies where there is a desire to capitalize on strong economic growth opportunities [8]. An effective person is able to develop reasonable and stable basic strengths in life and has confidence in his ability to face and overcome life's challenges successfully. The definition of Thus, it appears that there are increasingly sophisticated practices in organizational management, focusing on relations between people which interact in the same organization, promoting team work, career development in an international context under the new economic challenges [9]. In general, performance problems and organizational management in banking are inevitable. Meanwhile, banking services play an important role in the economic development of a nation [10].

Organization is not a distant and impersonal phenomenon, it is intertwined in our daily lives, it is everywhere and affects us all. We are all members of organizational society (people who work in groups to achieve various goals). To be able to understand the definition of organizational effectiveness, we must first understand the meaning or definition of the organization. In providing the definition of organization, there are many who provide different opinions according to the views and interests of each, including [11] defines Organization, namely structuring and integrating (Integrating) activities, namely the activities of people

working together in interdependent relationships. Which means that the organization consists of:

- a. Goal-oriented setting (people with goals)
- b. Spikosocial system (people who interact in groups)
- c. Technological systems (people who use knowledge and techniques)
- d. Structured activity-activity interactions (people working together in patterned relationships).

Organizational Characteristics. Within the characteristics of the organization there are certain aspects that can affect effectiveness, including:

Organizational structure. According to [12] Organizational structure can be interpreted as the arrangement and relationships between parts and positions in the company. The organizational structure explains the division of work activities, and takes into account the relationship between these functions and activities to some extent. In addition to showing the level of specialization of these activities, the organizational structure also describes the hierarchy and structure of authority and reporting relationships. With the existence of an organizational structure, stability and organizational community remain.

Environmental Characteristics. According to [13] states that an organization must interact with its environment. The adaptation of the organization concerned through continuous interaction with its environment is very necessary. The continuity and ability to live of an organization is entirely dependent on its ability to adapt, make changes and react to its environment. The environment acts as a provider of energy resources, tools needed by the organization. The environment continues to cause changes and this results in the organization concerned must carry out a process of adjustment, the process must be dynamic and sensitive. The survival of any organization depends on the acceptance of the responsibilities demanded by the environment.

According to [14] defines that managers' interests in job satisfaction tend to center on the effects of employee performance. There are several satisfaction effects to assess this:

1. Satisfaction and productivity
2. Satisfaction and absenteeism
3. Satisfaction of the level of employee entry.

According to [15], the characteristics of workers are often referred to as individual characteristics (human nature), where human nature is different so that in an organization there is a need for cooperation in work. The characteristics of workers have different views of goals, needs and abilities in each individual. This individual has a direct influence on a sense of belonging to the organization and job performance. Without a sense of connectedness and achievement, effectiveness will be impossible.

Management Policies and Practices [16] argues that companies must be able to formulate policies that are able to accommodate differences, interests between individuals in the organization. The implication of the convergence of new human resource management is the existence of policy planning that focuses on the social responsibility of the organization and the conditions of internal employees. Management policies and practices are needed by an organization to achieve success through coordination planning so that activities can be directed towards the target.

The definition of a leader in a broad sense according to [17] which is published through the leadership web is a person who leads, by initiating social behavior by regulating, directing, organizing or controlling the efforts / efforts of others, or through prestige, power or position. In a limited sense, a leader is someone who guides, leads with the help of his persuasive qualities, and voluntary acceptance / acceptance by his followers. A leader is a person who has the authority to command others who are in their work to achieve organizational goals that need help from others. Apart from being a leader, he has an active role and always intervenes

in all matters concerning the needs of his group members. Whereas leadership is the ability to influence others so that the person is passionately trying to achieve goals.

Effectiveness Approach. According to [18] as stated in the effectiveness approach web, there are three approaches to measuring organizational effectiveness, namely:

1. The resource approach, which measures the effectiveness of the input. The approach prioritizes the success of the organization in obtaining resources, both physical and non-physical according to the needs of the organization.
2. The process approach is to see the extent to which the effectiveness of the program implementation of all internal process activities or organizational mechanisms.
3. The target approach (goals approach) where the focus is on the output, measuring the success of the organization to achieve the results (output) in accordance with the plan.

Organizational characteristics greatly affect organizational effectiveness because of how the structure within the organization and the technology that develops in the organization will support organizational effectiveness.

2. Methods

The author takes the research location on 10 (ten) finance in the city of Pekanbaru. Population is the whole of the object to be studied, while the sample is part of the population that we take to represent the population as a whole to be used as respondents in a study. The population in this study were all employees of finance companies in Pekanbaru, amounting to 809 people. And the sample result 100 people. The research used SPSS program.

3. Result and Discussion

Result research In this study, the sample amounted to 100, then $df = 100 - 2 = 98$ with a value of r table 0.165. Reliability testing is used to determine the extent to which measurements can provide results that are relatively the same or not different (relatively consistent), when repeated measurements are performed on the same object. In this study the measurement used the Croanbach alpha technique. The measuring instrument can be said to be reliable if it has an alpha of more than 0.600.

Explains that after the reliability test was carried out, the cronbach alpha value of each variable of organizational effectiveness, organizational characteristics, environmental characteristics, worker characteristics, management policies and practices, leadership and organizational effectiveness were 0.679, 0.626, 0.645, 0.633, 0.629, and 0.676 which means that all of these variables are reliable with good decisions, because they have an alpha coefficient value above 0.600.

This test aims to test whether the regression model found a correlation between independent variables (independent). A good regression model should not have a correlation between the independent variables. If the independent variables are correlated, these variables are not orthogonal. To detect multicollinearity, it can be seen from the Value Inflation Factor (VIF). If the VIF value > 10 , multicollinearity occurs. Conversely, if $VIF < 10$, multicollinearity does not occur.

Than, From the results of the data output, it is found that the value of all VIF values < 10 means that there is no multicolonierity. And concluded that the multicolonierity test was fulfilled.

To detect heteroscedasticity, you can see a scatterplot graph. The detection is by looking at the presence or absence of a certain pattern on the chart where the X-axis is Y spreading above and below the 0 on the axis. As shown in the picture below :

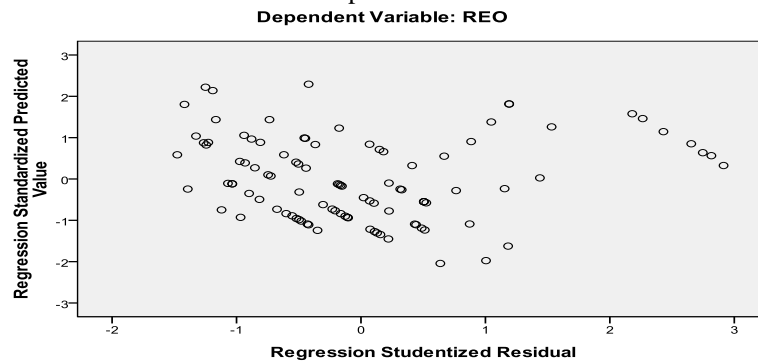


Figure 1. Diagram Scatterplot Heteroskedastisitas

In the figure, there is no clear pattern because the dots spread above and below the number 0 on the Y axis, so it can be said that in this regression model there is no symptom of heteroscedasticity. Normality detection is seen using the normal P-P Plot of Regression Standardized Residual graphs. In the picture, you can see the dots spread around the diagonal line and the spread follows the direction of the diagonal line. Then the regression model fulfills the normality assumption as shown in the figure.

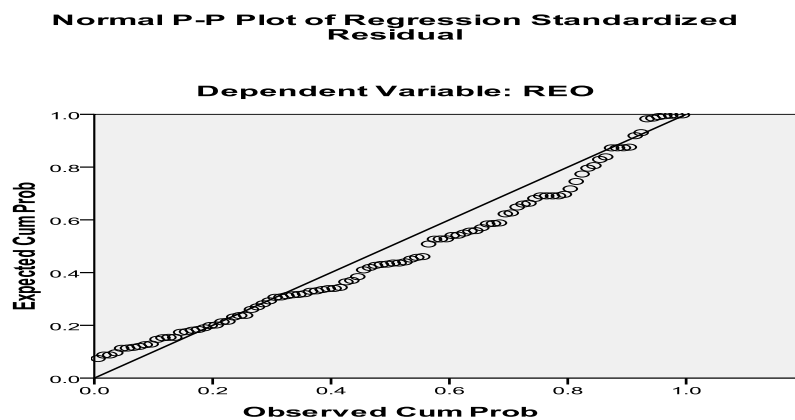


Figure 2. Diagram P-P Plot Normalitas

Table 2. Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	

1	(Constant)	3.417	.684		4.996	.000
	RKO	-.191	.073	-.242	-2.605	.011
	RKL	.289	.083	.308	3.484	.001
	RKP	.318	.118	.257	2.701	.008
	RKPM	-.106	.094	-.102	-1.125	.263
	RK	-.317	.093	-.326	-3.396	.001

The explanation of the test results above based on the regression equation is as follows:

1. Organizational characteristics (X1) Against organizational effectiveness (Y)
It can be seen that the sig value of the organizational characteristics is 0.011. The sig value is smaller than the probability value of 0.05, or the value of $0.011 < 0.05$. The variable X1 has a tcount of -2.605 with a t table of -1.985. So $t_{count} < t_{table}$ can be concluded that the variable X1 has a contribution to Y or organizational characteristics (X1) have a significant effect on organizational effectiveness (Y).
2. Environmental characteristics (X2) Against organizational effectiveness (Y)
It can be seen that the sig value of environmental characteristics is 0.001. The sig value is smaller than the probability value of 0.05, or the value of $0.001 < 0.05$, then H2 is accepted and Ho is rejected. The environmental characteristic variable (X2) has a tcount of 3.484 with a t table of -1.985. So it can be concluded that the environmental characteristics variable (X2) has a contribution to Y or has a significant effect on organizational effectiveness (Y).
3. Characteristics of workers (X3) Against organizational effectiveness (Y)
It can be seen that the sig value of the worker characteristics is 0.008. The sig value is smaller than the probability value of 0.05 or the value of $0.008 < 0.05$, then H3 is accepted and Ho is rejected, so it can be concluded that the worker characteristics variable (X3) has a contribution to Y or has no significant effect on organizational effectiveness (Y).
4. Management policies and practices (X4) on organizational effectiveness (Y)
It can be seen that the sig value of management policies and practices is 0.263. The sig value is smaller than the probability value 0.05, or the value $0.263 > 0.05$, so H4 is rejected and Ho is accepted. The variable X4 has a tcount of -1.125 with a ttable of -1.985. So $t_{count} > t_{table}$ can be concluded that the variable management policy and practice (X4) does not have a contribution to Y or has no significant effect on organizational effectiveness (Y).
5. Leadership (X5) Towards organizational effectiveness (Y)
It can be seen that the sig value for leadership is 0.001. The sig value is smaller than the probability value of 0.05, or the value of $0.001 < 0.05$, then H5 is accepted and Ho is rejected. The variable X5 has tcount, namely -3.396 with ttable -1.985. So $t_{count} < t_{table}$ it can be concluded that the leadership variable (X5) has a contribution to Y or has a significant effect on organizational effectiveness (Y).

The t test is used to determine whether the independent variables partially have a significant effect on the dependent variable or not. The degree of significance used is 0.05. If the significant value is less than the degree of confidence, then we accept the alternative hypothesis, which states that an independent variable partially affects the dependent variable.

The explanation of the T test results based on the regression equation is as follows:

1. Organizational characteristics (X1) Against organizational effectiveness (Y)
It can be seen that the sig value of the organizational characteristics is 0.011. The sig value is smaller than the probability value of 0.05, or the value of $0.011 < 0.05$. The variable X1 has a tcount of -2.605 with a t table of -1.985. So tcount < ttable can be concluded that the variable X1 has a contribution to Y or organizational characteristics (X1) have a significant effect on organizational effectiveness (Y).
2. Environmental characteristics (X2) Against organizational effectiveness (Y)
It can be seen that the sig value of environmental characteristics is 0.001. The sig value is smaller than the probability value of 0.05, or the value of $0.001 < 0.05$, then H2 is accepted and Ho is rejected. The environmental characteristic variable (X2) has a tcount of 3.484 with a t table of -1.985. So it can be concluded that the environmental characteristics variable (X2) has a contribution to Y or has a significant effect on organizational effectiveness (Y).
3. Characteristics of workers (X3) Against organizational effectiveness (Y)
It can be seen that the sig value of the worker characteristics is 0.008. The sig value is smaller than the probability value of 0.05 or the value of $0.008 < 0.05$, then H3 is accepted and Ho is rejected, so it can be concluded that the worker characteristics variable (X3) has a contribution to Y or has a significant effect on organizational effectiveness (Y).
4. Management policies and practices (X4) on organizational effectiveness (Y)
It can be seen that the sig value of management policies and practices is 0.263. The sig value is smaller than the probability value 0.05, or the value $0.263 > 0.05$, so H4 is rejected and Ho is accepted. The variable X4 has a tcount of -1.125 with a ttable of -1.985. So tcount > ttable can be concluded that the variable management policy and practice (X4) does not have a contribution to Y or has no significant effect on organizational effectiveness (Y).
5. Leadership (X5) Towards organizational effectiveness (Y)
It can be seen that the sig value for leadership is 0.001. The sig value is smaller than the probability value of 0.05, or the value of $0.001 < 0.05$, then H5 is accepted and Ho is rejected. The variable X5 has tcount, namely -3.396 with ttable -1.985.
So tcount < ttable it can be concluded that the leadership variable (X5) has a contribution to Y or has a significant effect on organizational effectiveness (Y).

Hypothesis Testing Results

So tcount < ttable it can be concluded that the leadership variable (X5) has a contribution to Y or has a significant effect on organizational effectiveness (Y).

Table 3. Hypothesis Testing Results

Hipotesis	variabele thitungdanttable	Vaue of Sig and Probability	Statement	Result
H1 (X1 to Y)	-2.605<-1.985	0.011 <0.050	Variable RKO significant to REO	H1 received H0 rejected
H2 (X2 to Y)	3.484> 1.985	0.001<0.050	Variable RKL Significant to REO	H2 received H0 rejected
H3 (X3 to Y)	2.701> 1.985	0.008<0.050	Variable RKP Significant to REO	H3 received H0 rejected
H4 (X4 to Y)	-1.125>-1.985	0.263>0.050	Variable RKPM Not Sifnificant to REO	H4 rejected H0 received
H5 (X5 to Y)	-3.396<-1.985	0.000<0.050	Variable RK Significant to REO	H5 received H0 rejected

The F test is used to determine whether the independent variables simultaneously have a significant effect on the dependent variable. This test is done by comparing the calculated F value with the F table value, and the degree of confidence used is 0.05. If the calculated F value is greater than the F value according to the table, then the alternative hypothesis, which states that all independent variables simultaneously have a significant effect on the dependent variable. F value.

Table 4. ANOVAb

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.118	5	.424	7.372	.000a
	Residual	5.400	94	.057		
	Total	7.518	99			

a. Predictors: (Constant), RK, RKL, RKPM, RKO, RKP

b. Dependent Variable: REO

Value of F hitung can see to the Tabel of ANOVA bellow :
is accepted, meaning the variable organizational characteristics (X1), environmental characteristics (X2), employee characteristics (X3), management policies and practices (X4) and leadership (X5) as a whole / simultaneously have a significant influence on the organizational effectiveness variable (Y).

5. Conclusion

Partially the results of this study can be explained as follows:

- Organizational characteristics (X1) Against organizational effectiveness (Y)
It can be seen that the sig value of the organizational characteristics is 0.011. The sig value is smaller than the probability value of 0.05, or the value of $0.011 < 0.05$. The variable X1 has a tcount of -2.605 with a t table of -1.985. So $t_{count} < t_{table}$ can be concluded that the variable X1 has a contribution to Y or organizational characteristics (X1) have a significant effect on organizational effectiveness (Y).
- Environmental characteristics (X2) Against organizational effectiveness (Y)
It can be seen that the sig value of environmental characteristics is 0.001. The sig value is smaller than the probability value of 0.05, or the value of $0.001 < 0.05$, then H2 is accepted and Ho is rejected. The environmental characteristic variable (X2) has a tcount of 3.484 with a t table of -1.985. So it can be concluded that the environmental characteristics variable (X2) has a contribution to Y or has a significant effect on organizational effectiveness (Y).
- Worker Characteristics (X3) Against Organizational effectiveness (Y)
It can be seen that the sig value of the worker characteristics is 0.008. The sig value is smaller than the probability value of 0.05 or the value of $0.008 < 0.05$, then H3 is accepted and Ho is rejected, so it can be concluded that the worker characteristics variable (X3) has a contribution to Y or has a significant effect on organizational effectiveness (Y).
- Management policies and practices (X4) on organizational effectiveness (Y) It can be seen that the sig value of management policies and practices is 0.263. The sig value is smaller

than the probability value 0.05, or the value $0.263 > 0.05$, so H4 is rejected and Ho is accepted. The variable X4 has a tcount of -1,125 with a ttable of -1,985. So tcount > ttable can be concluded that the variable management policy and practice (X4) has no contribution to Y or has no significant effect on organizational effectiveness (Y).

e. Leadership (X5) Towards organizational effectiveness (Y)

It can be seen that the sig value for leadership is 0.001. The sig value is smaller than the probability value of 0.05, or the value of $0.001 < 0.05$, then H5 is accepted and Ho is rejected. The variable X5 has tcount, namely -3.396 with ttable -1.985. So tcount < ttable it can be concluded that the leadership variable (X5) has a contribution to Y or has a significant effect on organizational effectiveness (Y).

References

- [1] Emirina, *Factors Affecting Organizational Effectiveness at PT Adira*. UIN Sultan Syarif Kasim Riau majoring in management, 2011.
- [2] A. J. Purnomo and S. Sulandari, "BATANG," 2004.
- [3] E. O. F. The, "E, e p p s," pp. 132–147, 2010.
- [4] S. P. Kumar, "Effects, Efficacy, Efficiency and Effectivene in Physical Therapy - How Far Are We?," *J. Phys. Ther.*, p. 98, 2018.
- [5] Y. Vasilkov and L. Gushina, "Ludmila Gushina ANALYSIS OF THE EFFECTIVENESS AND EFFICIENCY OF MANAGEMENT SYSTEMS BASED ON SYSTEM ANALYSIS 3 . Methodology systematic," vol. 8, no. 3, pp. 347–356, 2014.
- [6] V. KESHTKARAN, "Relationship between organizational effectiveness and the personnel managers' position of control in Shiraz University of Medical Sciences," *J. Adv. Educ. Prof.*, p. 180, 2014.
- [7] S. Stoll-Kleemann, "Evaluation of management effectiveness in protected areas:Methodologies and results," *J. Basic Appl. Ecol.*, vol. 18, 2020.
- [8] S. Zailani, "기사 (Article) 와 안내문 (Information) [," *Eletronic Libr.*, vol. 34, no. 1, pp. 1–5, 2015.
- [9] G. Bucăța, "THE CHALLENGES," vol. XXIII, no. 4, pp. 275–281, 2018.
- [10] Kurniawati, "Organizational management and employees performance in banking services," *Annu. Appl. Sci. Eng. Conf.*, p. 66, 2018.
- [11] & R. Kast, *Organisasi Dan Manajemen*. Jakarta: Bumi Aksara, 2015.
- [12] H. Umar, *Metode Penelitian Bisnis*. Bandung: Alfabeta, 2012.
- [13] Winardi, *Motivasi dan Pemotivasian dalam Manajemen*. Bandung: Pustaka Press, 2014.
- [14] Steers, *Antecedents and outcomes of organizational commitment*. Jakarta: Administrative, 1977.
- [15] M. Toha, *Kepemimpinan Dalam Manajemen*. Jakarta: Raja Grafindo, 2014.
- [16] M. Bride, *Belajar Sendiri Internet*. Jakarta: Megapoint, 2017.
- [17] H. P. Fairchild, *Dictionary of Sociology*. New Jersey: Littlefield, Adams & Co, 2017.
- [18] & M. Lubis, Huseini, *Teori Organisasi: Suatu Pendekatan Makro*. Jakarta: Pusat Antar Universitas Ilmu Sosial, 2007.

The Influence of Human Value at Organizational Culture and Work Environment on Workforce Performance in Limited Companies

Magito¹, C. Catur Widayati², Victoryza³
 {catur.widayati@mercubuana.ac.id¹, magito@mercubuana.ac.id², victoryza@gmail.com³}

Management Department, Faculty of Economy and Business, Universitas Mercu Buana, Jakarta, Indonesia¹, Management Department, Faculty of Economy and Business, Universitas Mercu Buana, Jakarta, Indonesia², Management Department, Faculty of Economy and Business, Universitas Mercu Buana, Jakarta, Indonesia³

Abstract. The goal of this study is to examine the effect of human value creation on limited companies in the corporate culture and work environment. The research location was conducted in a limited company that produces building materials in Indonesia, namely PT Ficampindo Sentosa Jaya Bogor, Central Java. The research design used in this research is quantitative. The sample used was 30 respondents. The data analysis technique used the Structural Equation Model analysis tool using Smart-PLS. The results showed that the development of human value in company culture and work environment positively and significantly affected workforce performance at the company. The expected implication is that this research can be a reference for limited companies in strategic steps to improve employee performance. Developing human values and the company environment makes a good contribution to workforce psychology development and is expected to improve workforce performance in the future significantly.

Keywords: Human Value, Organizational Culture, Work Environment, Workforce Performance.

1. Introduction

The basic aspect of an organization's life is human resources. They have given their energy, talents, creativity, and efforts to the organization [1]. Therefore, the development of a company can be determined from human resources who are able to give the best performance. Human resource management must maintain the several of human behavior. Human resource problems become a challenge for management, because the success of the company depends on the quality of human resources. [2] stated that humans always play active role in determining plans, systems, processes, and goals to be achieved by the company. It is difficult to achieve company's goals without the participation from employees even though the company has the supporting facilities and infrastructure as well as funds. This shows that human resources are the key that must be considered with all their needs.

The meaning of organizational culture has the same perception among all organizational members [1]. [3] Defining organizational culture as an invisible force in a system with a popular meaning shared by a group/member organization. Furthermore, [4] stated that a system that has a common meaning as well as differentiates it from other organizations

formed by its members. This is supported by the statement of [5], stated that company culture helps understanding the activities of the organization and employees in order to communicate more effectively and efficiently, improves cooperation with other employees because they teach each other the company's mentality directly.

Research conducted by Olu Oju notes that the relationship between organizational culture and company efficiency is positive. Human values are based on understanding the basic psychological needs, respecting others' contributions and peculiarities, and helping them reach their positive potential. This means that the human values that exist in organizational culture have an important role in the company [5]. While the work environment does not contribute directly to a company's manufacturing process, it has a significant effect on employee results [6]. The work environment can create a binding work relationship among the people within the environment. Therefore, management needs to make efforts to create good and conducive work environment that makes employees feel happy and excited in carrying out their respective duties.

According to [7], Work environment includes all of the things around the employee that can affect on doing work, for example, cleanliness, music, and others. Meanwhile, [8] stated that the type of work environment was divided into two, there are: (1) Climate for Physical Work and (2) Climate for non-physical jobs. Indicators of the work environment are: lighting, space for movement, and work relations.

A good work atmosphere and community of a company have an important role to play in enhancing the efficiency of the most efficient workers. Pursuant to Mohamad (2006) Performance is the level of accomplishment in achieving the organization's goals, priorities, purpose and vision found in a company's strategic planning for the execution of an operation or program or policy [9]. If it relates to performance as a noun, then the concept of performance is the job that a person or group of persons in an organization can do in compliance with their respective authorities and obligations in an attempt to legally achieve business objectives, does not break the law.

This research conducted in PT Ficampindo Sentosa Bogor. The role of the leader in maintaining the organizational culture on PT Ficampindo Sentosa Jaya classified as good. This is proven by the existence of good role models as leaders who have good work discipline. They are open to constructive criticism and suggestions. They always carry out regular scheduled and unscheduled evaluations of all activities in the company.

Based on physical environment prasurey at PT Ficampindo Sentosa Jaya, this company was in the good category. This could be seen from the design which focused on giving the best supporting for employees. The lighting was good enough because of the office space used white lights and used air conditioning so that employees and distributors feel comfortable. Room design has also been arranged in such a way as to support service activities for employees.

Based on the description above, human values in the company's culture and physical environment are good enough, but there is still a significant decline in workforce performance during the last month in the operations division; this directly affects the company's development. This is the focus of this research. The research will explore the influence of human values on the culture and work environment of limited companies, precisely at PT Ficampindo Senotosa Jaya, which produces building materials to meet the community's needs.

2. Literature Review

2.1 Organizational culture

The effectiveness of the company depends on several factors. One of them is the human aspect. The development and deflation of company are also inseparable from this human aspect, so that it becomes the main concern of the management control system. In line with this view, McGregor with his theory X explained that in fact humans have a tendency to be lazy, less enthusiastic in trying or to implement job [10].

[11] stated that organizational culture needs to be differentiated into strong and weak cultures. A strong culture is shown by organizational values which are reflected in employee behavior. The greater the organizational values that can be accepted by employees, the stronger the organizational culture will be formed, so that the effect is more visible on employee behavior. A strong culture is formed because of the values and a strong leadership style. In addition, a strong culture is determined by togetherness and identity. [12] Stated that a strong organizational culture will trigger employees to think, act, and behave in accordance with organizational values. The suitability between organizational culture and organizational members support will lead to job satisfaction.

Therefore, a strong organizational culture is needed by every organization so that job satisfaction and employee performance will be increased so that it will improve overall organizational performance. Furthermore, [10] It claimed that the members establish a system of common meaning and also a differentiator from other organizations. According to Turner in [11] organizational culture is the behavioral, social, and moral norms that underlie every action in an organization and are shaped by the beliefs, attitudes and priorities of its members. It can be inferred from some of the above meanings that organizational culture is a framework of reciprocal agreement between beliefs, norms, and actions in an organization that is binding and distinguishes between one organization and another.

Dimensions and Indicators of Organizational Culture

According to Robbins (2008) There are seven main characteristics which are the essence of developing human value in organizational culture, including [10]:

- a) Innovation and the taking of chances: (i) Opportunities for mutual cooperation; (ii) The opportunity to be creative; (iii) Willing to take responsibility for risks; (iv) The opportunities to innovate;
- b) Attention to detail: (i) Be thorough at work; (ii) Respond if there are problems related to the office;
- c) Result orientation: (i) The Freedom in determining how to work and express opinions;
- d) Orientation of people: (i) Providing motivation in applying smiles, greetings, and discipline; (ii) Giving rewards for encouraging existing cultures;
- e) Team orientation: (i) A closer relationship with other colleagues;
- f) Aggressiveness: (i) The urge to be competitive; and
- g) Stability: (i) Work according to work procedures.

2.2 Work environment

The work environment is a very important component when employees carry out work activities. By paying attention to a good work environment or creating working conditions that are able to provide motivation to work, it will have an effect on employee enthusiasm at work. Pursuant to Oyserman, Bybee, and Terry (2006), work environment can be defined as the forces that influence, either directly or indirectly, on the performance of an organization or company [13].

Work environment is all around the employees and can affect them in carrying out their jobs, for example cleaning, music, lighting, and others. According to, the definition of the work environment is the entire tool and material, the surrounding environment of works, work methods, and work arrangements both as individuals and as a group [14] .

Work environment is defined as a condition related to the characteristics of the workplace towards employee behavior and attitudes. Based on the above definition, the scope of the work environment is: (1) organizational environment is reflected in employees. The leadership style adopted by democratic leaders will also affect employees; (2) work environment that arises in the organization is a factor that determines employee behavior [15].

2.3 Work Environment Indicators

According to [14], work environment can be measured by the following indicators: (1) Temperature of the room; (2) Air circulation in the workplace; (3) Lighting in the workplace; (4) level noise sound at work; (5) work facilities; (6) Employee relations; (7) work regulations; and (8) sense of security.

2.4 Workforce performance

It is said that the real meaning of success is the achievement or performance of both individuals and groups, both quality and quantity obtained from the unity of time span that comes from human resources. Those who carry out their job duties are by their responsibilities by the company or organization [16].

Output is the job outcome for the obligation of the tasks, both quality and quantity accomplished by an employee. Performance is the outcome that an individual or community in an organization should accomplish in compliance with their respective duties in order to lawfully achieve organizational objectives, not break the law, and in accordance with ethics. Performance is sometimes defined as the accomplishment of a task based on the thinking of the tasks needed by employees, since employee performance is an action taken by employees to perform the company's work [17] .

Employee performance is everything that affects the contribution to the organization. In an organization, success is very necessary in order to achieve its objectives. Performance can run well if employees get a salary according to expectations, get training and development, good work environment, receive the same treatment, strengthen employees according to their expertise and get career planning assistance, and there is feedback from the company [18].

The dimensions and performance indicators of the workforce are as follows: (1) Quality of work of individuals; (2) Honest attitude of the workforce; (3) Initiatives undertaken in carrying out work; (4) Attendance of employees; (5) Attitudes with the company environment; (6) Cooperation; (7) Justice; (8) Knowledge of work; (9) Responsibility for the company and the work environment; (10) Utilization of working time [16].

The framework of thinking from independent variables Human Value in Organizational Culture (X_1) and Limited company Work Environment (X_2) and dependent variable employee performance (Y_1) as follow:

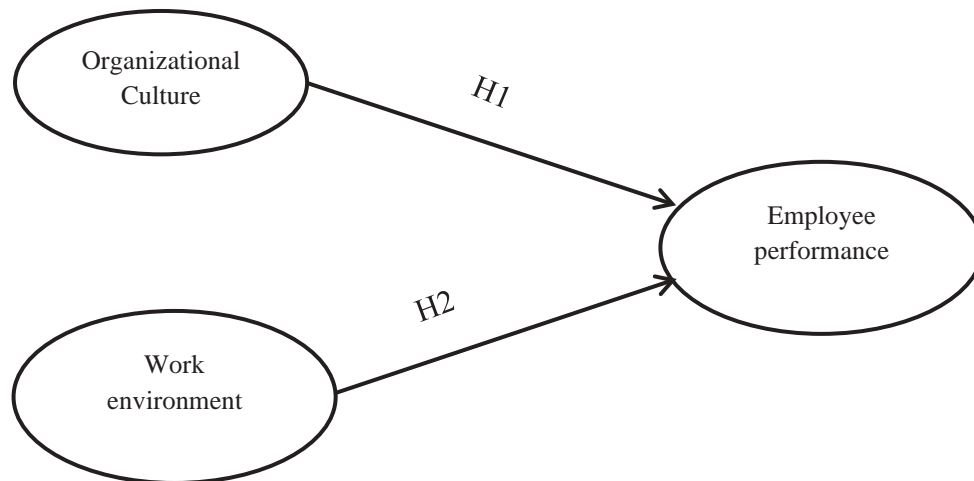


Figure 1. Research Conceptual Framework Model

Hypothesis

H1: Human Value in Organizational culture has a positif and significant effect on workforce performance

H2: The work environment has a positive and significant effect on workforce performance

3. Methods

Researchers determined that the population was 30 employees of PT Ficampindo Sentosa Jaya. Based on the total population at PT Ficampindo Sentosa Jaya, the sample used is 30 workforces. The sampling technique in this research used saturated sampling technique.

The system of data analysis used the Portion or Variance Based Structural Equation Model where the Partial Least Square (Smart-PLS) version 3.0 PLS program was used for data processing. An alternative model of covariance based SEM is PLS (Partial Least Square). PLS may be used to verify the hypothesis, as well as to clarify whether or not there is a correlation between latent variables. PLS (Partial Least Square) is a powerful method of analysis since it does not rely on several assumptions, it does not have to allocate data normally, and the sample does not have to be large [19].

4. Results and Discussion

4.1 The Results of Data Quality Test

The Convergent Validity Test Result The measurement model with reflexive indicators is evaluated on the basis of the correlation between the item score or part score and the PLS

measured build score. Individual measures, whether they have a correlation value above 0.70, are considered accurate. The loading factor of 0.50 to 0.60 is still appropriate in scale development study, however. It was found from the results of the convergent validity test that all indicators were said to be accurate since all indicators met the convergent validity value with a loading factor value above 0.60.

a. The Result of Discriminant Validity Test

A reflective indicator that can be seen in the cross loading between the indicator and the build is the product of the Discriminant Validity Test. If it has the highest loading factor for the intended construct compared to the loading factor for other constructs, an indicator may be considered true. Thus, latent constructs predict indicators in their block better than indicators in other blocks.

It can be shown that the correlation of organizational culture constructs with their indicators (BO1 is 0.881, BO2 is 0.667, BO5 is 0.759, BO6 is 0.859, BO7 is 0.886, BO8 is 0.868, and BO9 is 0.899) is higher than the correlation of organizational culture indicators in the results of discriminant validity research. Then, with other structures, the connection between the construction of the work environment and the indicators (LK2 is 0.690, LK3 is 0.811, LK4 is 0.766, LK5 is 0.832, LK6 is 0.864, and LK8 is 0.864). The correlation between employee performance constructs and indicators (KK1 is 0.806, KK2 is 0.789, KK3 is 0.782, KK5 is 0.788, KK6 is 0.852, KK7 is 0.836, and KK8 is 0.858) is greater than the correlation between employee performance indicators and other constructs.

Knowing discriminant validity is the value of each construct from the square root of average variance derived (AVE) with the correlation between constructs and other constructs in the model, so it can be assumed that it has strong discriminant validity.

Table 1. AVE Test Results

Variable	AVE
Human value on companies culture	0.697
Work environment	0.651
workforce performance	0.666

Source: PLS output

Table 2. Discriminant Validity Performance Test (Fornell Lacker Criterium)

	Organizational culture	workforce performance	Work environment
Human value on companies culture	0.835		
workforce performance	0.758	0.816	
Work environment	0.566	0.733	0.807

Source: PLS output

It can be inferred from Tables 1 and 2 that the square root of the average variance is derived from (\sqrt{AVE}) The association between one construct and the other constructs in the model is greater than for one construct. The AVE value is based on the above table and it can

be inferred that the constructs follow the requirements for discriminant validity in the estimated model.

b. Composite Reliability and Alpha Test Performance of Cronbach

In a research model, evaluating composite durability and Cronbach's alpha aims to assess the reliability of the methods. If all latent variables have a composite reliability value or Cronbach's alpha 0.7, it indicates that the construct has good reliability or has been reliable or compatible with the questionnaire used as a guide in this analysis.

Table 3. Composite Test Reliability Results

variables	<i>Composite Reliability-test</i>	reliable
Human value on companies culture	0,941	√
Work environment	0,933	√
workforce performance	0,918	√

Source: PLS output, 2020

Table 4. Cronbach's Alpha Test Results

variables	<i>Cronbach's Alpha-test</i>	reliable
Human value on companies culture	0,926	√
Work environment	0,916	√
workforce performance	0,892	√

Source: PLS output, 2020

The test results for composite reliability and Cronbach's alpha indicate a satisfactory value based on Tables 3 and 4, since all latent variables have a composite reliability value and Cronbach's alpha is 0.70. This implies that all latent factors are reliable.

4.2 Testing Structural Model or Testing Hypothesis

The development of a definition and theory-based model to examine the relationship between exogenous and endogenous variables defined in a conceptual context is the inner model test. The test steps for the structural model are as follows (inner model):

a. Results of Testing the R_{square} Value

The result of R_{square} value as follow:

Table 5. Value R^2 Endogenous Variables

Endogenous Variables	Rsquare
workforce performance	0,711

Source: PLS output, 2020

The structural model indicates that, since it has a value above 0.67, the model on the workforce performance variable is solid. The model of the effect on workforce efficiency of independent latent variables ($X_{1_}$ Human value in companies culture and $X_{2_}$ workforce performance) provides R-square value 0.711 which can be translated as 71.1 percent of the variability of the Employee Performance construct that can be explained by the variability of the constructs of the Organizational Culture and Work Environment while 28.9 percent is explained by o.

b. Goodness of test results for Suit Model

The outcome of the structural model of Goodness of Fit on the inner model using the importance of predictive relevance (Q^2). The Qsquare value is greater than 0 (zero), suggesting a predictive significance value for the model.

The results of the calculations above show that the value of predictive significance is 0.711, which is greater than 0 (zero). This suggests that the independent variable used describes 71.1 per cent of the variance in workforce output variables. The model thus has the required predictive value.

b. The result of Hypothesis test

The estimated values in the structural model for the path relationships must be important. The value of this hypothesis can be obtained by the bootstrapping process. You can see the importance of the hypothesis from the coefficient value of the parameter and the $T_{\text{statistical}}$ significance value of the bootstrapping study algorithm. It can be seen from the T_{table} at alpha 0.05 (5 percent) = 1.96 to determine whether or not it is important, then the T_{table} is compared with the T_{count} ($T_{\text{statistic}}$).

Table 6. Testing Outcomes Hypothesis

	<i>Original Sample</i>	<i>Standard Deviation</i>	<i>T-Statistics</i>	Information
Human value on companies culture -> workforce Performance	0.505	0.127	3,976	Positive - Significant
Work Environment -> workforce Performance	0.447	0.142	3,144	Positive- Significant

Source: PLS output, 2020

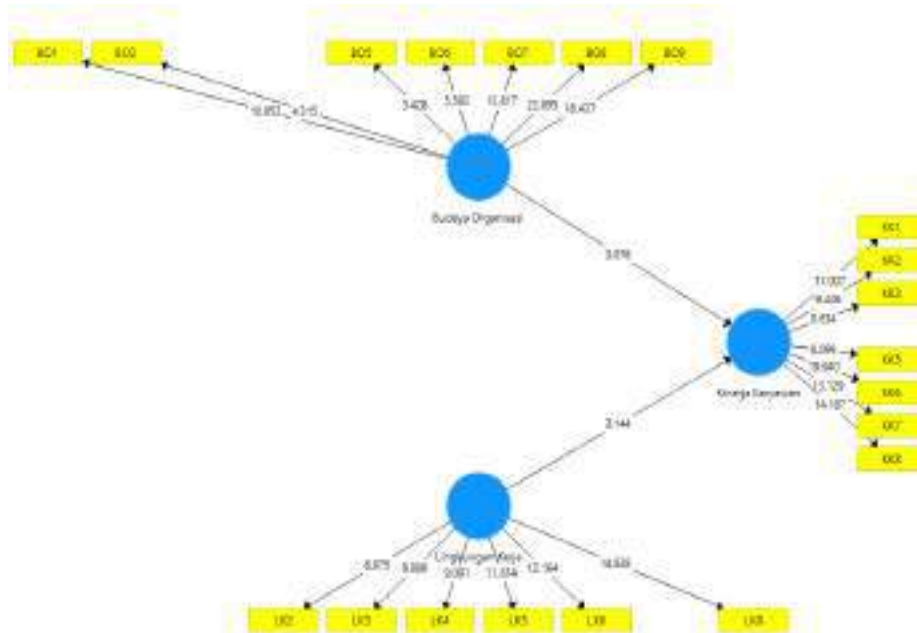


Figure 2. Bootstrapping Test Results

Source: PLS output, 2020

1) The Effect of Human value on Organizational Culture on workforce Performance

The $T_{\text{statistic}}$ value is 3,976 based on the results of the hypothesis test, and the initial sample value is 0,505. $T_{\text{statistic}}$ value is greater than the T_{table} value of 1,96 and positive value is demonstrated by the original sample value, these findings indicate that human value on organizational culture has a positive and important impact on the output of employees. Previous research has confirmed the findings of this hypothesis that organizational culture has a positive and important influence on the success of the workforce. [20], [21], [22], [23]. This is because the corporate culture generated in the business is enforced by the leaders and owners and can promote the behavior and transparency of the employees so that the goals of the company can be accomplished.

2) The Effect of Work Environment on workforce Performance

The $T_{\text{statistic}}$ value is 3,144 based on the results of the hypothesis test, and the initial sample value is 0.447. $T_{\text{statistic}}$ value is greater than T_{table} value 1.96 and positive value is demonstrated by the original sample value, which indicates that the work environment has a positive and important influence on the output of the workers. Previous research has reinforced the outcome of the hypothesis that the work environment has a positive and important impact on employee efficiency. [24], [22], [25]. This happens because the comfortable condition and facilities owned by the company support the work of workforce so that workforce are able to carry out their job responsibilities with enthusiasm and optimal.

5. Conclusion and Suggestion

Human values on organizational culture have a positive and significant effect in the workforce performance of PT Ficampindo Sentosa Jaya. This means that a high human value in corporate culture, especially what leaders do to their subordinates, will increase workforce performance. In contrast, the low human value in corporate culture will reduce workforce performance. Work environment has positive and significant effect on workforce performance of PT Ficampindo Sentosa Jaya. This means that good work environment will increase workforce performance; on the other hand, bad work environment will reduce workforce performance.

Suggestions for PT Ficampindo Sentosa Jaya so that management continues to create and increase the role of human values in the organizational culture and work environment built within the company so that workers can feel comfortable carrying out their work, this will make the company's goals achieved optimally. For further research, it is better to develop variables and indicators that have not been used in this study. Further researchers can use variables of job satisfaction, job stress, leadership style, organizational commitment, and so on.

References

- [1] S. PS, *Manajemen Sumber Daya Manusia*. Bumi Aksara, Jakarta, 2008.
- [2] T. C. C. Jackson, F. M., Rowley, D. L., & Owens, "Contextualize, women," *Women's Heal. Issues*, vol. 22, no. 3, pp. 329–336, 2012.
- [3] Gudono, *Analisis Data Multivariate*, 2nd ed. BPFE, Yogyakarta, 2012.
- [4] S. Notoatmodjo, *Pengembangan Sumber Daya Manusia*. Rineka Cipta, Jakarta, 2009.
- [5] O. Ojo, "Organisational Culture And Corporate Performance: Empirical Evidence From Nigeria," *J. Bus. Syst. Gov. Ethics*, vol. 5, no. 2, pp. 1–12, 2010.
- [6] B. Andreas, *Organisasi: Menuju Pencapaian Kinerja Optimum*. Prasetya Mulya Publishing, Jakarta, 2011.
- [7] A. Nurhasanah, "Kerja Karyawan Pada Bank Indonesia Cabang Samarinda," vol. 6, no. 1, pp. 1349–1356, 2010.
- [8] Sedarmayanti, *Manajemen Sumber Daya Manusia*. Refika Aditama, Bandung, 2011.
- [9] M. Mohamad, *No Title*. Yogyakarta: BPFE Yogyakarta, 2006.
- [10] dan J. Robbins SP, *Perilaku Organisasi*, Buku 2. Jakarta: Salemba Empat, 2008.
- [11] S. J. Luthans, F., Avey, J. B., Avolio, B. J., & Peterson, "No Title," *Hum. Resour. Dev. Q.*, vol. 21, no. 1, pp. 41–67, 2010.
- [12] D. Sulistiawan, S. S. Riadi, and S. Maria, "Pengaruh budaya organisasi dan lingkungan kerja terhadap kinerja pegawai," *Kinerja*, vol. 14, no. 2, p. 61, 2018, doi: 10.29264/jkin.v14i2.2480.
- [13] K. Oyserman, D., Bybee, D., & Terry, "Possible selves and academic outcomes: How and when possible selves impel action," *J. Pers. Soc. Psychol.*, vol. 91, no. 1, p. 188, 2006.
- [14] D. Sunyoto, *Penelitian Sumber Daya Manusia*. Cetakan Pertama CAPS: Jakarta, 2015.
- [15] M. Ravasi, D., & Schultz, "Responding to organizational identity threats: Exploring the role of organizational culture," *Acad. Manag. J.*, vol. 49, no. 3, pp. 433–458, 2006, doi: <https://doi.org/10.5465/amj.2006.21794663>.
- [16] A. A. A. P. Mangkunegara, *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: PT Ramaja Rosdakarya, 2011.
- [17] L. Demet, "Impact Of Workplace Quality On Employee's Productivity: Case Study Of a Bank in Turkey PhD Candidate, Okan University, Turkey," *J. Business, Econ. Financ.*, vol. 1, no. 1, pp. 38–49, 2012.

- [18] A. Goncharuk, "Measuring Enterprise Performance to Achieve Managerial Goals," *J. Appl. Manag. Investments*, vol. 3, no. 1, pp. 8–14, 2014, doi: January 2014.
- [19] Ghozali, Imam, *No Title*. 2015.
- [20] U. Memperoleh, G. Sarjana, and G. B. Kharisma, *Pengaruh budaya organisasi dan lingkungan kerja terhadap kinerja karyawan koperasi serba usaha setya usaha di kabupaten jepara*. 2013.
- [21] R. Kusumawati, "Analisis Pengaruh Budaya Organisasi Dan Gaya Kepemimpinan Terhadap Kepuasan Kerja Untuk Meningkatkan Kinerja Karyawan (Studi Kasus Pada RS Roemani Semarang) (Doctoral dissertation, Program Pasca Sarjana Universitas Diponegoro)," 2008.
- [22] H. T. Susetyo, W.E., Amiartuti Kusmaningtyas, "Pengaruh Budaya Organisasi Dan Lingkungan Kerja Terhadap Kepuasan Kerja Dan Kinerja Karyawan Pada PT. Bank Muamalat Indonesia Divisi Konsumer Area Cabang Surabaya," *JMM17 J. Ilmu Ekon. Manaj.*, vol. 1, no. 1, pp. 83–93, 2014.
- [23] N. Arianty, "Pengaruh budaya organisasi terhadap kinerja pegawai," *J. Ilm. Manaj. dan Bisnis*, vol. 14, no. 2, 2015.
- [24] N. . Rahmawanti, "Pengaruh Lingkungan Kerja Terhadap Kinerja Karyawan (Studi pada Karyawan Kantor Pelayanan Pajak Pratama Malang Utara).," *J. Adm. Bisnis*, vol. 8, no. 2, 2014.
- [25] Hidayat, Z., & Taufiq, M, "No Title," *J. Penelit. Ilmu Ekon.*, vol. 2, no. 1, pp. 36–64, 2012.

The Communication Strategy of The Tourism Office of Pangkalpinang City in Promoting The Potency of Lempah Kuning as Gastronomic Tourism in The New Normal Era

Agung Ferianda¹, Ferdiana²
{agung.ferianda@stisipolp12.ac.id¹, ferdiana@stisipolp12.ac.id²}

Communication Department, STISIPOL Pahlawan 12, Sungailiat, Bangka, Indonesia¹, Communication Department, STISIPOL Pahlawan 12, Sungailiat, Bangka, Indonesia²

Abstract. The research objective is that the Financing Company in Pekanbaru is a company engaged in financing that is distributed to the public in the form of credit or loan. This study examines how the influence of organizational characteristics, worker characteristics, environmental characteristics, management policies and practices, and leadership on organizational effectiveness in finance companies. The results of this study indicate that organizational characteristics have contributed to organizational effectiveness. The variables of environmental characteristics, worker characteristics and organizational and leadership characteristics have a significant contribution and effect on organizational effectiveness. Meanwhile, the variables of management policies and practices do not have a contribution to Y or have no significant effect on organizational effectiveness.

Keywords: Marketing Management, Communication Strategy, Gastronomic Tourism

1. Introduction

In 2018 the Provincial Government of Bangka Belitung focused on the development of tourism awareness and charm programs. This program empowers and fosters the community so that they can play an important role in tourism development, one of which is welcoming and offering regional specialties or culinary delights to foreign tourists. Especially the city of Pangkalpinang, which is the capital of Bangka Belitung Province, which emphasizes more on the attractiveness of culinary tourism as an effort to attract tourists.

One of the specialties in Bangka Belitung which is also popular in Pangkalpinang City is *Lempah Kuning*. *Lempah Kuning* is a famous Bangka culinary delicacy that has been included in the intangible cultural heritage since 2015. *Lempah Kuning* are made from fresh fish with a sauce that has a sweet and sour taste and is yellow in color. However, fish can also be replaced with beef or chicken, but the more popular *Lempah Kuning* that made from fish. The people of Bangka add spices such as shallots, garlic, chilies, shrimp paste, turmeric, and galangal. Meanwhile, to add to the sour taste, you can use tamarind, pineapple, kedondong leaves, starfruit and so on. This dish can be served warm to eat with rice or not. The following is an illustration of *Lempah Kuning* cooking:



Figure 1. Illustration of *Lempah Kuning*

Source: google.com

Lempah Kuning is a cultural heritage of cuisine from generation to generation in Bangka Belitung. Not least in Pangkalpinang where there are number of restaurants provide this special culinary. Data on the number of restaurants and food stalls in Pangkalpinang City in 2018 were 119 with 70% of which were restaurants or food stalls that served Bangka specialties including *Lempah Kuning*.

Lempah Kuning are not only seen from the point of view of their main function as a fulfillment of physiological needs, namely food, but more than that this culinary can be an attraction for gastronomic tourism. Gastronomy is a guide regarding various ways that involve everything about food and drink. The study is very interdisciplinary which deals with the reflection of a history, cultural impact and environmental atmosphere regarding "How (How), where (where), when (when), and why (why). Gastronomy or culinary is the art or science of good food (Good eating) [1].

In gastronomic studies, *Lempah Kuning* is an intangible cultural heritage that has cultural values describing the environmental conditions of the Bangka Belitung people, known as the archipelago province. This heritage needs to be conveyed to both domestic and foreign visitors as a tourist attraction. The efforts of delivery merely requires the proper of communication strategy, especially in the new normal era due to the Covid-19 pandemic. Whether we like it or not, living side by side with Covid-19 forces us to live in different lifestyle. Including in the tourism which is currently decreasing globally. Therefore, the Tourism Office of Pangkalpinang City especially at the departement of promotion, must play a role in determining what kind of communication strategies need to done in an effort to promote the potential of *Lempah Kuning* as a gastronomic tourist attraction in this new normal era.

2. Literature Review

2.1 Marketing Management Concepts

Marketing management is a human effort to achieve the desired exchange result and build close relationship with consumers in a way that is beneficial to the company. Meanwhile, Stanton (2005) states that marketing management as a mean that is used by businesses to carry out marketing [2].

States that marketing management is the analysis, planning, implementation and control of programs designed to create, form, and maintain beneficial exchanges with target buyers of the organization [3].

2.2 Communication Strategy

Essentially Communication strategy is planning and management to achieve goals. In conveying a message, a communicator must create an effective communication in order to have the desired effect on the communicant. To create an effective communication, a communicator should think about how the message can be conveyed properly to audiences starting from the method of presenting the message, the media used in conveying the message, and so on. [4]

In order to deliver the messages to the public effectively, there are several communication strategies needed [5] :

1. Knowing the Audience
Knowing the audience is the first step for communicators in effective communication efforts. In the communication process, the audience is considered to be a party who is not passive at all, but active. So that between communicators and communicants there is not only a relationship, but also influence each other.
2. Compose the Message
After knowing the audience and the situation, the next step of the formulation of a communication strategy is to compose a message, namely determining the theme and material. Messages can be conveyed face-to-face or through a communication medium. The content of a message can be in the form of science, entertainment, information, advice or propaganda. The requirements of an effective message are attractive, can meet the individual needs (personal needs) of the communicant, messages can satisfy emotional needs, messages can satisfy the logical expectations of the recipient of the message.
3. Establish Methods
In addition, to knowing the audience and strengthening the content of the message, the method of delivering a communication is also one of the important things so that effectiveness of communication can be achieved.
4. Selection and Use of Media
The choice of media in communication must be selective, means the communicator should see and adjust the circumstances and conditions of the audience to the communication media to be used. This is because the situations and conditions of the communicants are not all the same, such as communication media which have their own advantages and disadvantages

2.3 Tourism Concept

Tourism is a very complex phenomenon of human mobility, products and services. This is very closely related to organization, institutional and individual correlations, the need for services, the provision of service needs and so on. [6]

Tourism has several impacts as the economic impact as a country's foreign exchange, social impact as a means of being able to open employment opportunities, and cultural impacts, namely a place to show, introduce culture and art of a region. [7]

2.4 Gastronomy Concepts

Gastronomy according to Rao, Monin & Durand Gastronomy describes the influence of the environment (geography and climate) and culture (history and ethnicity) on the components of aroma, texture and taste in food and beverages. Gastronomic identity is of interest of a region (State) in determining cultural diversity and culinary rhetoric. According to Gilleisole gastronomy or culinary is the art, or science of good food (good eating). The shorter explanation mentions gastronomy as anything related to the pleasure of eating and drinking [8]

3. Methods

The research carried out a qualitative research method with a descriptive approach. Researchers use the descriptive methods to obtain a description of the research. The descriptive research is a research method that seeks to describe and interpret objects naturally. [9]

4. Result and Discussion

Researchers conducted interviews and documentation from some of activities of the Tourism Office of Pangkalpinang City to find out about the communication strategy of the Pangkalpinang City Tourism Office in promoting the potential of *Lempah Kuning* as a gastronomic tourist attraction in the new normal era. In this study, interviews were conducted with the Pangkalpinang City Tourism Office, *Lempah Kuning* businessman and tourists.

4.1 Audience Identification

The use of communication for marketing or introducing a product in tourism should show audience or the target clearly. Meanwhile, tourist classification was the way of the audience identification in the Tourism Office of the Pangkalpinang City. Following is the explanation of Riharnadi, Head of the Promotion Section of the Pangkalpinang City Tourism Office:

"Identification of audiences through target tourist targets. Tourists are divided into two part both local tourists or in their own area and tourists outside the Bangka area. Then "Mancanegara" tourists are foreign tourists. This determines the message that must be conveyed in several languages and through what media so that the audience is reached in terms of access to information.

Both domestic and foreign tourists are the target audience for a tourism communication strategy. The data of the visit number of domestic and foreign tourist visits to Pangkalpinang city in 2018 based on data obtained from the Tourism Office of Pangkalpinang City are as follows:



Figure 2. Graphic of the Number of Visits from foreign and domestic guests 2018

Based on the graphic above, we can analyze the movement of the number of tourist visits both domestic and foreign to the city of Pangkalpinang. The lowest level of visits was in January 2018 around 16,142 people, while the highest was in September 2018 around 21,350 people.

Based on data on the number of visits by foreign and domestic guests of Pangkalpinang city in 2018 obtained from the Central Statistics Agency of Bangka Belitung province in 2018. In 2016 the number of visits was 1,009 people, then in 2017 it increased to 1,663 people while in 2018 it increased quite sharply to 3,159 people. Meanwhile, for domestic tourists in 2016, there are only 196,999 people, increased in 2017 with 212,579 people, increased again in 2018, up to 225,314 people. As for the total, it is clear to note that in 2016 there were 198,008 people then in 2017, it increased to 214,242 people, last in 2018 it increased to 228,473 people, not too significant.

This indicates an increase in the number of tourist visits both domestic and foreign to Pangkalpinang city from year to year. So obviously the need for food or culinary also increases. Because traveling activities are never separated from eating or culinary activities.

4.2 Composing a Message

Whether it is effective or not, a communication depends on the content of the message, including the potency of communication strategy of *Lempah Kuning* in new normal era nowadays. The theme of the message should be attractive as well as its content. As Riharnadi, Head of the Promotion Section of the Pangkalpinang City Tourism Office stated:

“One of the city tours in Pangkalpinang is culinary. The website is currently being updated due to changes to three languages Indonesian, Mandarin and English. This is done as a result of an analysis of the percentage of the number of domestic and foreign tourist visits to Pangkalpinang. From the percentage of tourist visits are tourists from China, China or countries that use Mandarin, then English such as from the Netherlands, Malaysia and so on, who speak English. The theme is the message of *Lempah Kuning* cultural value, what ingredients are made of and accompanied by cooking methods, pictures to videos”.

The use of three languages on the website has basic reasons. This is coming from an analysis of tourist visits so far. Beside the domestic tourist visits who Indonesian native speaker, the use of Mandarin and English was chosen because of the analysis of the following country visit data:

Table 1. International tourists to Pangkalpinang in 2018

Number	Country of origin	Total	Language
--------	-------------------	-------	----------

1	RRC/China	54 people	Mandarin
2	Malaysia	4 people	Mandarin/Melayu
3	Netherlands	2 people	English
4	Thailand	210 people	Mandarin/Thai
5	Australia	4 people	English
6	USA	5 people	English
7	India	10 people	English /India
8	South Korea	2 people	Mandarin/Korea

Whether a message is interesting or not will affect the effectiveness of a communication. In composing the message, it must use language that is easily understood by the audience. Messages are not only in the form of writing, but also in the form of images and sounds. Messages on social media such as Facebook, Twitter, and websites are more in writing and pictures platforms. Although there are some who use audio visuals, the dominance of writing and visuals is more pronounced in this social media. One of them is about the communication of *Lempah Kuning*, not only from related agencies, but ordinary people can also promote it. Like the author's search results below:



Figure 3. Social media post about Lempah Kuning

Based on the picture above, it can be seen that a Facebook account of *Lempah Kuning* always posts things about this special dish. The message was conveyed through writing platform that has an informative tone to invite netizens to taste, this can be seen from the post “eat...eat...yummy”

Apart from that, from the picture point of view, this account shows an appetizing *Lempah Kuning* because of its bright yellow color and the blend of spices that are clearly visible in the picture. There are a lot of followers of the account with 1,851 people. This is an indication that people who have seen and followed the account so that they can always monitor the development up to thousands of people.

4.3 Methods

The method of delivery in a communication strategy is also a very important thing, it will determine how to approach these audiences. Based on the exploration at the Tourism Office, it was found that the method of delivery was focused more on information and education about the cultural values of *Lempah Kuning*, the taste of *Lempah Kuning*, and the persuasion method by inviting tourists to come to Pangkapinang Bangka Belitung. To strengthen this, it can be seen in the following image:



Figure 4. Lempah Kuning social media post

The post above provides information about the different designations or names of *Lempah Kuning* between Bangka and Belitung.

"In Bangka it is known as Lempah Kuning and in Belitung it is known as Gangan Ketarap. It tastes spicy and sour (from pineapple) hmmm, eat it with hot rice (it's delicious) "

The sentence above contains informative, educative and persuasive tone. It is a method that used in a marketing communication strategy. By this method, people especially tourists certainly will be interested and curious to try.

4.4 Selection and Selection of Media

In today's new normal era, we must prioritize health protocols. Any communication strategy must be adjusted to the conditions. Media selection is an important thing in the communication strategy of the potency of *Lempah Kuning* as a tourism attraction. Following is the explanation of Riharnadi, Head of the Promotion Section of Tourism Office:

"Social media was chosen to adjust to the new normal conditions in order to maintain health protocols. In addition to the effectiveness of this, it was carried out for the efficiency of budget recufussing due to Covid-19 so that conventional media was temporarily not used. Not only using social media belonging to the Pangkalpinang City Tourism Office, but also through stakeholder collaboration such as business actors in the culinary, tourism and general public sectors. The choice of social media is also because it follows the development of the digital age. In an effort to disseminate cultural values and local wisdom in *Lempah Kuning* not only limited to local communities but throughout the archipelago and even the world. This requires media that is able to reach it, one of which is social media that can be accessed throughout the world"

Social media is indeed the most widely used in the tourism sector to promote its tourism potential. Especially at this time with the new normal condition, online media, especially social media, are considered the most realistic to be used for targeted promotions. Considering that internet users in Indonesia are quite high, this is evidenced by the 2019 Indonesian Internet Service Providers Association (APJII) survey quoted from *kompas.com* that out of a total population of 264 million Indonesians, there are 171.17 million or around 64,8 percent are already connected to the internet. [10]

The following are some of the captures obtained by researchers from the official Facebook social media account belonging to the Pangkalpinang City Tourism Office regarding *Lempah Kuning*:



Fig 5. Social media posts of the Pangkalpinang City Tourism Office

Based on the capture from Facebook post, there is a narrative that provides information about the *Lempah Kuning* cuisine, ingredients and flavors. In addition, it is also equipped with a picture of the *Lempah Kuning* itself. Public feedback can be seen immediately from the number of likes with 83, 28 comments and this post was shared up to 17 times. This indicates that social media is the simplest and most effective means of disseminating information about a tourist attraction, including gastronomic tourism of *Lempah Kuning*.

Not only through social media owned by the Tourism Office, the post of *Lempah Kuning* was also carried out by the online version of the printed mass media, Bangka Pos, which also participated in promoting one of *Lempah Kuning* restaurant owned by a local businessman. In a Bangka Pos YouTube account, entitled "*The Enjoyment of Lempah Kuning and Land Spices at Popular Prices at Hersya Restaurant*". There is a testimony of *Lempah Kuning* sold at the restaurant. This is an indication that the current promotion efforts have shifted to online media which are more easily accessible to both domestic and foreign tourists.

5. Conclusion

Based on the results, the research concluded that the communication strategy used by the Tourism Office of Pangkalpinang City has been carried out an initial analysis so it increase the effectiveness and the efficiency of promotion financing in the middle of the new normal era. Social media was selected in order to maximize the promotion of *Lempah Kuning* that targeting domestic and foreign tourists by using informative, educative and persuasive delivery methods.

Reference

- [1] B. Santich, "The study of gastronomy and its relevance to hospitality education and training," *Int. J. Hosp. Manag.*, vol. 23, no. 1, pp. 15–24, 2004, doi: 10.1016/S0278-4319(03)00069-0.
- [2] Priansa, *Perilaku Konsumen dalam Bisnis Kontemporer*. Bandung: Alfabeta, 2017.
- [3] D. Sunyoto, *Konsep Dasar Riset Pemasaran dan Perilaku Konsumen*. Yogyakarta: CAPS (Center for Academic Publishing Service), 2014.
- [4] O. Effendy, *Humas Membangun Citra Dengan Komunikasi*. Bandung: PT.Remaja Rosdakarya, 2005.
- [5] A. Arifin, *Strategi Komunikasi :Sebuah Pengantar Ringkas*. Bandung: armico, 2008.

- [6] D. Weber, *Perencanaan Ekowisata dari Teori ke Aplikasi*. Yogyakarta: PUSPAR UGM dan Andi, 2006.
- [7] A. Muljadi, *Kepariwisata dan Perjalanan*. Jakarta: PT RajaGrafindo Persada, 2009.
- [8] A. R. Krisnadi, "Gastronomi Makanan Betawi Sebagai Salah Satu Identitas Budaya Daerah," *Natl. Conf. Creat. Ind.*, no. September, pp. 5–6, 2018, doi: 10.30813/ncci.v0i0.1221.
- [9] H. Darmadi, *Metode Penelitian Pendidikan*. Bandung: Alfabeta, 2011.
- [10] Kompas.com, "APJII: Jumlah Pengguna Internet di Indonesia Tembus 171 Juta Jiwa Artikel ini telah tayang di Kompas.com dengan judul 'APJII: Jumlah Pengguna Internet di Indonesia Tembus 171 Juta Jiwa', Klik untuk baca: <https://tekno.kompas.com/read/2019/05/16/03260037/a>."

The role of Emotional Intelligence in Influencing Employee Attitudes and Behavior

C. Catur Widayati¹, Magito², Agung Solihin³, P. Dian Pangesti⁴
 {catur.widayati@mercubuana.ac.id¹, magito@mercubuana.ac.id², agung.solihin@undira.ac.id³,
 Diantyas.pangesti@gmail.com⁴}

Management Department, Faculty of Economy and Business, Universitas Mercu Buana, Jakarta, Indonesia¹, Management Department, Faculty of Economy and Business, Universitas Mercu Buana, Jakarta, Indonesia², Management Department, Faculty of Economy and Business, University Dian Nusantara, West Jakarta, Jakarta, Indonesia³, Management Department, Faculty of Economy and Business, Universitas Mercu Buana, Jakarta, Indonesia⁴

Abstract. This study aims to explore the role of emotional intelligence in influencing employee attitudes and behavior. Three scopes become variables of employee attitudes and behavior in this study: job stress, Organizational Citizenship Behavior (OCB), and employee performance. This study uses the Structural Equation Model (SEM) with the Smart-PLS analysis tool with a quantitative research design. The research location was carried out in the service section of the PT ISS facility. The sampling technique used nonprobability sampling with a sample size of 95 people. The results showed that emotional intelligence does not always have a significant role in employee attitudes and behavior. It only appears to have a positive effect on employees' Organizational Citizenship Behavior (OCB). Meanwhile, employee performance has no strong effect. It is precisely among the three attitudes and behaviors of employees that have a relationship to influence one another. Job stress hurts employee Organizational Citizenship Behavior (OCB) and is significant to employee performance. Meanwhile, Organizational Citizenship Behavior (OCB) has a positive and significant effect on employee performance. This is evidenced by the hypothesis testing results (t-test), which shows the independent variable's significant value. The expected implication is that increasing emotional intelligence, employee attitudes, and behavior towards the company will be better.

Keywords: Attitudes, Behavior, Employee, Emotional Intelligence

1. Introduction

A significant thing in a company is emotional intelligence. The running of the organisation would be influenced by tension and emotional intelligence. Since emotional intelligence is as important as intellectual intelligence, emotional intelligence affects everyday activities in the organization. Each worker is supposed to have good emotional intelligence; workers can accept, handle, and monitor themselves and the emotions of others by having good emotional intelligence. Stress can be induced by employees who are unable to handle emotional intelligence well. It is expected that good emotional intelligence would enable workers to navigate the organisation in order to achieve shared objectives.

The Organizational Citizenship Behavior (OCB) of each employee is another important factor affecting the functioning of an organization. In addition, a person contribution is Organizational Citizenship Activity (OCA) which exceeds the demands of a workplace position. The Organizational Citizenship Activity (OCA) involves different tasks, volunteering for additional

duties, and keeping with workplace rules and procedures. The "Employees' added benefit" is demonstrated by these actions and helps as one form of constructive and substantive social conduct.

Stating that performance is a description of the level of achievement of the implementation of an activity or policy in realizing organizational goals, targets to be achieved, vision and further mission as outlined in the formulation of the company's strategic scheme [1]. Job stress, emotional intelligence, and Organizational Citizenship Behavior (OCB) can affect employee performance. When solving problems faced while doing work, employees must be able to suppress stress, control their emotional intelligence, and improve Organizational Citizenship Behavior (OCB).

This research was conducted at PT ISS Indonesia. PT ISS is a company engaged in outsourcing services. This company has committed to ensure its clients in order to be able to focus on their core business and achieve business efficiency by providing and facilitating integrated services. ISS Co. Ltd. was founded in 1901 in Copenhagen, Denmark. ISS group was founded as a Danish security company. This company then entered the cleaning service market and added services for competence, becoming one of the facility service companies.largest in the world today. ESGO, a subsidiary of Hong Kong Environmental Services, was purchased by ISS Indonesia. Facility Services (Cleaning and maintenance, support services for offices, landscaping, Integrated Pest Management, business building maintenance services, indoor air quality services, laundry room services and portable toilet services), Entry Control, Catering Service and Maintenance Service for Parking are included in the scope of ISS services. The authors only analyzed the service facilities in this report.

The phenomenon that occurs in this company is that the employees are depressed due to their daily work, for example cleaning every classroom and bathroom. Bathrooms that are cleaned in a few minutes will get dirty again, which will cause reprimands from superiors, lecturers, and students. Employee stress without being accompanied by good emotional intelligence will cause work stress, where this makes employees work not wholeheartedly and will cause laziness to work, so that employee performance does not match expectations. The absence of organizational citizenship actions, as well as (OCB) of employees can reduce cooperation within the organization that causes ineffective organizational goals.

The results of previous research on OCB have been carried out by several researchers including research conducted found that emotional intelligence has negative relationship with work stress found that emotional intelligence has positive impact on Organizational Citizenship Behavior (OCB) [2][3]. Furthermore, research conducted by [4] found that emotional intelligence has positive impact on employee performance. Research [5], as well [6] found that work stress has negative impact on Organizational Citizenship Behavior (OCB). However, these findings are inversely proportional to research conducted by [7] found that job stress has a positive impact on Organizational Citizenship Behavior (OCB).

Meanwhile, research has shown that work stress has a negative effect on the output of employees [8]. However, other findings reveal the opposite result where employees' work stress has a positive effect on the performance they produce for the company [9]. Organizational Citizenship Activity (OCA) has a positive influence on the success of workers [10] [4].

Based on the background of the problem that the authors put forward, this study's focus is to determine the role of employees' emotional intelligence, which affects the attitudes and behavior of employees in the company. Three themes of attitude and behavior that focus on the research are work stress faced by employees, employee Organizational Citizenship Behavior (OCB), and performance.

Research conducted found that Organizational Citizenship Behavior (OCB) has positive and significant effect on employee performance [4] [10]. Based on the above statement, the following hypothesis can be formulated:

H1: Emotional intelligence has negative effect on job stress

- H2:** Emotional intelligence has positive effect on Organizational Citizenship Behavior (OCB)
H3: Emotional intelligence has positive effect on employee performance
H4: Job stress has positive effect on Organizational Citizenship Behavior (OCB)
H5: Job stress has positive effect on employee performance
H6: Organizational Citizenship Behavior (OCB) has positive effect on employee performance

3. Methods

135 individuals who served at PT ISS were the population in this study. in West Jakarta in facility service department. For this reason, the sample taken from the population must be truly representative. If the sample is not representative, it will be difficult to make conclusions from the symptoms studied. Nonprobability sampling is the sampling method used in this analysis. In this study, the researcher used the Slovin formula to determine the number of samples, with a sampling error rate of 5% in order to obtain a large sample size of 95 respondents.

Interviews were conducted using a questionnaire to determine the problems that must be studied and collect the results of these interviews, especially those related to the research objectives [20]. Meanwhile, the literature study was conducted to obtain data on theories that support research.

The Component-Based Structural Equation Model is used for data processing with the PLS Partial Least Square (Smart-PLS) version 3.0 program PLS (Partial Least Square). PLS (Partial Least Square) is a effective research approach because it is not dependent on certain assumptions, data must not be distributed normally, and the sample must not be big [21].

4. Results and Discussion

4.1 Measurement assessment (outer model)

a. The Results of Convergent Validity Test

The outcome of the adjustment of the convergent validity test indicates that all the indicators in the theme met the convergent validity since they have a loading factor value greater than 0.60.

b. The Results of Discriminant Validity Test

From the results of the collection of PLS data, it can be shown that the connection between the emotional intelligence (EI) construct and its indicators is (KE2 is 0.913, KE3 is 0.741, KE4 is 0.919, KE8 is 0.694, KE9 is 0.927, and KE11 is 0.667). Compared with the association of emotional intelligence factors to other constructs. In addition, the correlation of the job stress (JS) construct with its indicators (SK1 0.684, SK2 0.851, SK3 0.827, SK4 0.790, SK5 0.616, SK6 0.677, SK7 0.818, and SK8 0.761) indicates that the indicator of correlation is higher than the indicator of correlation with other constructs for work stress. The building correlation between Organizational Citizenship Behavior (OCB) and its indicators 3 0.811, OCB4 0.822, OCB5 0.799, OCB7 0.682, OCB9 0.756, OCB10 0.780, and OCB12 0.776) indicates that these indicators are higher than the Organizational Citizenship Behavior indicator with other constructs, as well as the correlation between employee performance (EP) constructs and their indicators 844) higher than the association of metrics of employee success with other constructs 884) higher than the association of metrics of employee success with other constructs.

Table1. AVE Test Results

Variable	AVE
EI	0.669
JS	0.573
OCB	0.603

Employee performance	0.763
----------------------	-------

Source: PLS output, 2020

Table 2. Test Results for Discriminant Validity (Fornell Lacker Criterium)

	Emotional Intelligence	Employee performance	Organization al Citizenship Behavior (OCB)	Job Stress
EI	0.818			
EP	0.684	0.874		
OCB	0.706	0.767	0.776	
JS	-0.588	-0.680	-0.584	0.757

Source: PLS output, 2020

It can be inferred from Tables 1 and 2 that the square root of the average variance derived is (\sqrt{AVE}). The relationship between one construct and the other constructs in the model is greater than one construct. The AVE value is based on the table above following the discriminant validity requirements in the estimated model.

a. The Composite Reliability Results and Alpha Test of Cronbach

In the research model, composite durability testing and Cronbach's alpha seek to assess the reliability of the tools.

Table 3. Composite Reliability Test Results

Variable	Composite Reliability	Information
EI	0.922	Reliable
JS	0.914	Reliable
OCB	0.914	Reliable
EP	0.951	Reliable

Source: PLS output, 2020

Table 4. The Alpha Test Findings by Cronbach

Variable	Cronbach's Alpha	Information
EI	0.896	Reliable
JS	0.892	Reliable
OCB	0.890	Reliable
EP	0.938	Reliable

Source: PLS output, 2020

The composite reliability test results and Cronbach's alpha composite reliability values and Cronbach's alpha 0,70 are based on Table 3 and Table 4. This implies that it is claimed that all latent variables are reliable.

For the structural model (inner model), the test steps are as follows:

- a. The R-square value can be seen as follows, which is a goodness-fit model measure.

Table 5. Value R^2 Endogenous Variables

Endogenous Variables	R-square
JS	0.345
OCB	0.542
EP	0.767

Source: PLS output, 2020

The structural model shows that since the value is above 0.33, the model for the vector job stress, organizational citizenship behavior (OCB) and employee performance is moderate. Emotional Intelligence's (EI) impact model on Job Stress (JB) has an R-square value of 0.345, which means that 34.5% is the variability of the Work Stress construct, which can be clarified by the variability of the construct of Emotional Intelligence. In addition, other variables outside the one under analysis are clarified by 65.5 percent. The model of Emotional Intelligence's effect on organizational citizenship activity then gives an R-square value of 0.542 suggest that the variability of the definition of Organizational Citizenship Behavior can be explained by the 54.2 percent variability of Emotional Intelligence, while 45.8 percent can be explained by other factors. In addition, an R_{square} value of 0.767 is given by the model of the effect of Emotional Intelligence on Employee Performance, which means that the variability of the Employee Performance construct, which can be clarified by the variability of Emotional Intelligence, is 76.7%. In contrast, excluding the one under analysis, 23.3 percent is clarified by other variables.

- b. Fit Model's Goodness Results

The predictive relevance value is obtained by the formula:

$$Q^2 = 1 - (1 - R1)(1 - R_p)$$

$$Q^2 = 1 - (1 - 0.345)(1 - 0.542)(1 - 0.767)$$

$$Q^2 = 1 - (0,655)(0,458)(0,233)$$

$$Q^2 = 1 - 0,0698$$

$$Q^2 = 0,9302$$

The results of the above calculations display a value of 0.9302 of predictive significance, which is greater than 0 (zero). This implies that the independent variables used describe 93.02% of the variance in job stress variables, Organizational Citizenship Behavior, and employee performance. Thus the model has a predictive value that is important.

- c. The result of Hypothesis Test

The significance value in this hypothesis was obtained using the bootstrapping procedure.

Table 6. The Result of Hypothesis Test

	Original Sample	Standard Deviation	T- Statistics	Information
Emotional Intelligence -> Job Stress	-0.588	0.069	8,507	Negative - significant
Emotional Intelligence -> OCB	0.554	0.091	6,099	Positive - significant
Emotional Intelligence	0.086	0.091	0.942	Positive -

-> Employee Performance				insignificant
Job Stress -> OCB	-0.258	0.092	2,805	Negative - significant
Job Stress -> Employee Performance	-0.262	0.067	3,930	Negative - significant
OCB -> Employee Performance	0.629	0.087	7,246	Positive - significant

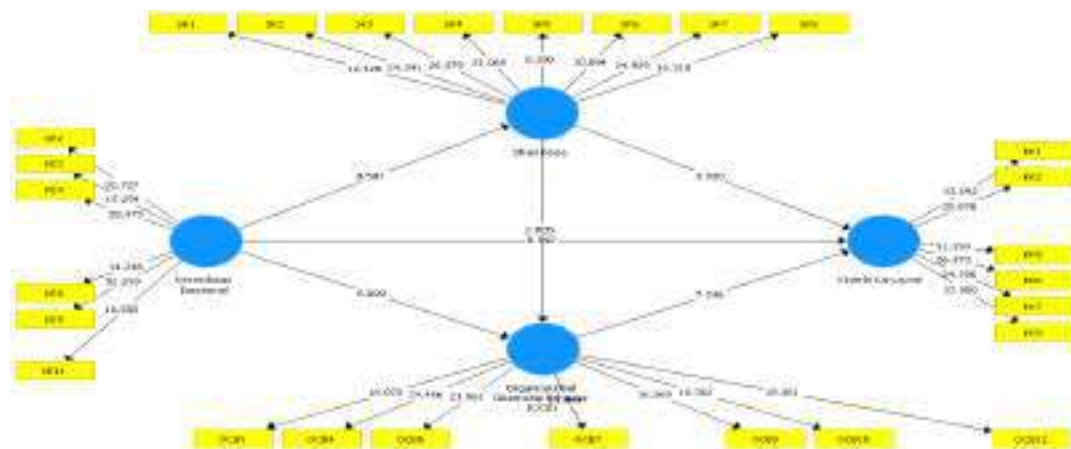


Figure 2. Bootstrapping Test Results
Source: PLS output

1) Emotional intelligence's impact on work stress

The T-statistic value is 8.507 and the initial sample value is -0.588 depending on the outcome of the hypothesis test. The T-statistic value is higher than the 1.96 T-table values and a negative value is demonstrated from the original sample value, which indicates that emotional intelligence has a negative and important influence on job stress. Previous research confirms the findings of this theory, showing that emotional intelligence has a negative and important influence on work stress [2]. This is in line with the phenomenon that occurs at PT ISS in West Jakarta, namely the pressures faced by employees without being accompanied by good emotional intelligence from within them will cause work stress. Employees at this company have not yet created good emotional intelligence in employees, so that work stress increases while the employee is working. From this it can be concluded that if the employee's emotional intelligence is low, the employee will be easily stressed or in other words, the employee's work stress will increase. Conversely, if the employee's emotional intelligence is high, the work stress faced by the employee will decrease.

2) Impact of emotional intelligence on the actions of organizational citizenship (OCB)

The T-statistic value is 6,099 and the initial sample value is 0.554, based on the outcome of the hypothesis test in this analysis. The higher value of the T-statistic than T-table value of 1.96 and a positive value is demonstrated by the original sample value, which indicates that emotional intelligence has a positive and important influence on organizational citizenship behavior (OCB). The results of this hypothesis are supported by previous research which found that emotional intelligence has a positive and significant effect on Organizational Citizenship Behavior (OCB) [3]. This happens because employees are able to empathize with others and create good relationships

among others. This can be seen from the establishment of good, harmonious relationships among employees, a healthy level of work competition, and mutual respect and respect among each other. So it can be concluded that if employees have good emotional intelligence, a good Organizational Citizenship Behavior (OCB) will be created, on the other hand, if employees do not have good emotional intelligence, a good Organizational Citizenship Behavior (OCB) will not be created.

3) Effect of emotional intelligence on the output of employees

The T-statistic value is 0.942 and the initial sample value is 0.086, based on the outcome of the hypothesis test in this analysis. Less is the T-statistic value than the 1.96 value of the T-table. A positive value is indicated by the original sample value. This finding indicates that emotional intelligence has a positive and negligible impact on the success of employees. From these results indicate that emotional intelligence does not affect employee performance. The findings of this hypothesis vary from the research carried out that shows that emotional intelligence has a positive and important influence on the output of employees [4] [22]. The inconsistency of the research results obtained occurs because the emotional intelligence of employees who work at PT ISS in West Jakarta is relatively uncertain. The Employees who have good emotional intelligence or not, they will not affect their performance. This can happen because of the mood that employees feel at work. The result obtained indicates that emotional intelligence is not a variable that affects the level of employee performance. Good or bad performance in employees can happen even though the employee's emotional intelligence is either good or bad.

4) Effect of work stress on actions of organizational citizenship (OCB)

The T-statistic value is 2.805 and the initial sample value is -0.258, based on the outcome of the hypothesis test in this analysis. The higher value of the T-statistic is than a negative value is seen in the T-table value of 1,96 and the initial sample value, these results indicate that work stress has a negative and significant effect on Organizational Citizenship Behavior. This is because the employees of PT ISS in West Jakarta feel boredom and are under pressure in their work and work environment. So it can be concluded that employees who are under pressure tend not doing a good Organizational Citizenship Behavior) in their work, on the other hand, if employees who do not face excessive stress are usually willing to do work outside their job descriptions or carry out Organizational Citizenship Behavior. OCB is good at his job. The findings of this hypothesis are consistent with previous studies that found that work stress has a negative impact on organizational citizenship behavior [19][6].

5) The effect on employee efficiency of work stress

The T-statistic value is 3,930 and the original sample value is -0,262, based on the outcome of the hypothesis test in this analysis. The T-statistic value is greater than the T-table value of 1.96 and the original sample value shows a negative value, these results indicate that work stress has a negative and significant effect on employee performance. The findings of this hypothesis are in line with previous studies that showed that work stress has a negative effect on the performance of employees [8]. It is proven that the pressure felt by PT ISS employees in West Jakarta at work reduces their performance. Employees' high or low stress can affect their performance because the findings of this study indicate that work stress is a variable that influences employees' performance. So, the higher the work stress experienced by employees, the lower the employee's performance; on the other hand, if the lower the stress experienced by employees, the higher the employee's performance will increase.

5) The effect on employee efficiency of Organizational Citizenship Actions (OCB)

The T-statistic value is 7.246 and the original sample value is 0.629, based on the outcome of the hypothesis test in this analysis. A positive value is demonstrated by the higher value of the T-statistic than the T-table value of 1.96 and the original sample value, which indicates that Organizational Citizenship Activity (OCB) has a positive and important influence on employee performance. This occurs because staff always follows the rules and represents the company. This can be seen from the discipline of employees, the commitment of employees to the firm, and the emphasis on their jobs. It encourages workers to build a positive attitude of Organizational Citizenship Behavior (OCB) that impacts the success of employees. This research indicates that organizations with good workers would be better than others if they can build good Corporate Citizenship Actions (OCB). Organizational Citizenship Behavior (OCB) has a positive and important influence on employee success, confirming the findings of this hypothesis [10][4].

5. Conclusion

Based on the analysis results, it can be concluded that emotional intelligence has a significant role and can affect the attitudes and behavior of employees at PT ISS Jakarta Barat. A significant influence on employee work stress and a positive effect on employee Organizational Citizenship Behavior (OCB). Meanwhile, the effect of the employee's performance is also positive. Thus, these results indicate that it is essential to maintain employee emotional intelligence so that the company's attitudes and behavior can be better. With a high level of stress, it will be tough for a company to improve its employees' performance. Companies must be able to influence employees by using the role of emotional intelligence.

It is better if leaders give appropriate time to their employees to complete their work; leaders should be able to recognize the emotions that are happening to employees so that they can help control these emotions. Leaders and employees should create harmony conditions and mutual respect between employees and leaders to create good Organizational Citizenship Behavior (OCB) in the company. It is better if employees also have the ability to minimize boredom and conflict. In order not to create employees' complaints and problems. Suggestions for future researchers, it is better if further researchers can add variables that have not been used in this study, such as job satisfaction, organizational culture, leadership style, organizational commitment, and so on.

References

- [1] "titisari, 2014.pdf."
- [2] I. Hutagalung, "Pengaruh Kecerdasan Emosional, Komunikasi Interpersonal, Komitmen Organisasi terhadap Manajemen Stres Kerja," *Pengaruh Kecerdasan Emosional, Komun. Interpersonal, Komitmen Organ. terhadap Manaj. Stres Kerja*, vol. 3, no. 2, pp. 103–111, 2014.
- [3] J. M. Antony, "the Influence of Emotional Intelligence on Organizational Commitment and Organizational Citizenship Behavior," *J. Soc. Sci. Res.*, vol. 1, no. 1, pp. 5–8, 2013.
- [4] T. Fitriastuti, "No Title," *J. Din. Manaj.*, vol. 4, no. 2, pp. 103–114, 2013.
- [5] S. and M. A. Zamir, "No Title," *Elixir Int. J.*, vol. 40, pp. 5357–5362, 2011.
- [6] A. and G. S. Tziner, "Organizational Citizenship Behavior, Organizational Justice, Job Stress, and Work Family Conflict: Examination of Their Interrelationships with Respondents from a Non-Western Culture," *J. Work Organ. Psychol.*, vol. 30, no. 1, pp. 35–42, 2014.
- [7] A. Yahaya, N. Yahaya, H. Maalip, and J. Ramli, "The relationship between the occupational stress, organizational commitment, and job satisfaction with organizational citizenship behavior.," *Arch. Des*

- Sci.*, vol. 65, no. 4, pp. 55–73, 2012.
- [8] A. Ahmed, “Effects of Job Stress on Employees Job Performance A Study on Banking Sector of Pakistan,” *IOSR J. Bus. Manag.*, vol. 11, no. 6, pp. 61–68, 2013.
 - [9] J. Y. Roboth, “Analisis Work Family Conflict, Stres Kerja dan Kinerja Wanita Berperan Ganda pada Yayasan Compassion East Indonesia,” *J. Ris. Bisnis dan Manaj.*, vol. 3, no. 1, pp. 33–46, 2015.
 - [10] D. N. Soepono and V. A. Srimulyani, “Analisis Pengaruh the Big Five Personality Terhadap Organizational Citizenship Behavior (Ocb) Dan Kinerja Perawat Di Rs Santa Clara Madiun,” *J. Manaj. Indones.*, vol. 15, no. 1, p. 51, 2017.
 - [11] D. Goleman, *Emotional Intelligence: Mengapa EI Lebih Penting daripada IQ*. 2015.
 - [12] Robbins and Jugde, *No Title*. 2015.
 - [13] D. H. Wibowo, Z. Arifin, and . Sunarti, “Analisis Strategi Pemasaran Untuk Meningkatkan Daya Saing UMKM (Studi pada Batik Diajeng Solo),” *J. Adm. Bisnis*, vol. 29, no. 1, pp. 59–66, 2015.
 - [14] “Zainal, 2014 Manajemen Sumber Daya Manusia Untuk Perusahaan Dari Teori Ke Praktik.” .
 - [15] A. Mangkunegara, *No Title*. 2006.
 - [16] A. Mangkunegara, *No Title*. 2010.
 - [17] F. F. Hotiana N, “Pengaruh Motivasi dan Stres Kerja terhadap Kinerja Pegawai,” *J. Ris. Manaj. dan Bisnis*, vol. 3, no. 1, pp. 27–36, 2018.
 - [18] wilson Bangun, *No Title*. 2012.
 - [19] A. M. Saleem WA, “Person Organization Fit, Organizational Commitment and Knowledge Sharing Attitude—An Analytical Study,” *Inf. Manag. Bus. Rev.*, vol. 3, no. 2, p. 110, 2011.
 - [20] Sugiyono, *Metode Penelitian Bisnis*. Alfabetha, Bandung, 2013.
 - [21] Ghozali, Imam, *No Title*. 2015.
 - [22] M. Subagio, “Pengaruh Kecerdasan Emosional, Motivasi Kerja, Dan Sikap Kerja Terhadap Kinerja Karyawan Pada Pt Ithaca Resources,” *J. Manaj.*, vol. 19, no. 1, p. 101, 2017.

The Effect of Work Stress, Work Environment, and Occupational Health and Safety on Employee Productivity

Devina Pramestuti¹, Didin Hikmah Perkasa²
 {devina.pramestuti@undira.ac.id¹, didin.hikmah.perkasa@undira.ac.id²}

Universitas Dian Nusantara, Jakarta, Indonesia¹, Universitas Dian Nusantara, Jakarta, Indonesia²

Abstract. The main objective of this research is to measure the Work Productivity of PT Indotama. Using a quantitative descriptive approach. The data in the study were obtained from 62 respondents who were employees of PT Indotama. Data analysis in this study is used an alternative method of structural equation modeling (SEM), namely partial least square (PLS). The first stage in this study was to test the validity of the questions for each variable along with its reliability. The second stage examines the factors that affect work productivity. The results of this study that the variable works stress and occupational safety and health has posited and significant effect on work productivity, for work environment variable does not affect on work productivity of PT Indotama.

Keywords: Work Stress, Work Environment, Occupational Health and Safety, Work Productivity

1. Introduction

In this era, one of factors that determine the success of a company is in the employees (human resources). Human resources are one of the determinants of a company's success because the role of human resources as a valuable asset is to plan, implement, and control various company operational activities. The success or failure of a company in maintaining the company's existence starts from the company's efforts to manage human resources, therefore the company must pay attention to what is needed by an employee to be able to work optimally and productively.

According to (1) work productivity is defined as a measure that shows the consideration between the input and output issued by the company and the role of labor that is owned by the time unit. Every organization, whether in the form of a company or another, will strive so that employees involved in organizational activities can provide achievements in the form of high work productivity to realize the goals that have been set, one of which is so that work productivity can be achieved, the leadership in the company must pay attention to a good work environment so that employees can produce high productivity so that employees do not experience work stress in their work environment, besides that employees must also pay attention to occupational health safety that has been implemented within the company.

The factors that influence productivity are work stress, work environment, and occupational health insurance, which are management actions to encourage employees to meet the demands of various provisions on work efficiency and work effectiveness. It can be said that the work stress of employees has an effect on work productivity so that the assessment of work productivity is seen in the form of production output produced.

Phenomenon in this study is the failure to achieve overall work productivity due to various problems, especially internal ones, including excessive workload resulting in work stress, lack of rest time and in completing tasks, the time provided is only minimal and has to do overtime work, lack of support facilities. in completing tasks, unclear job descriptions and other tasks that are not his responsibility become a separate burden, as well as a work environment that makes him feel bored in doing work. Some of these things trigger work stress on employees and lead to inadequate production.

According to (2) , it is common that Human Resources are the greatest asset for an organization. One way that companies can do to increase work productivity is by paying attention to employee work stress. Employee stress needs to be resolved as early as possible by a leader, so that things that are detrimental to the company can be overcome. People who experience work stress become nervous and experience chronic anxiety. They often become grumpy, aggressive, and not relaxed or notice uncooperative attitudes.

In the long term, employees who cannot withstand work stress are no longer able to work in the company. [3] define job stress as an adjustment response, mediated by individual differences or psychological processes, as a result of each circular action, situation or events that impose excessive psychological and physical demands on a person.

A good work environment condition is appropriate if humans can carry out activities in an optimal, healthy, safe and comfortable manner. The consequences of the work environment can be seen in the long term. According to [1], the work environment is a very important component in employees carrying out work activities. By paying attention to a good work environment or creating working conditions that are able to provide motivation to work, it will have an influence on employee enthusiasm or morale.

The unfavorable work environment can be seen from the heavy workload of employees so that they do not finish their work according to the set time, so that a lot of work piles up and does not reach the target expected by the company resulting in employees experiencing frustration with the work that must be done. Supervision by the leadership of employees that is not yet optimal has resulted in an inadequate work environment so that the improvement of the work environment is not in accordance with the needs and desires of employees.

Occupational health and safety (K3) in companies in Indonesia is sometimes still being neglected. Occupational health and safety (K3) is one of the human rights and an effort to improve the quality of work of employees in the company itself. According to [4] occupational health and safety (K3) is a protection effort aimed at making workers and other people in the workplace or always in a safe and healthy condition so that every source of production can be used safely and efficiently.

the growing needs of production, industrial development is required to follow and independently lead to the era of Industrialization. The process of advanced industrialization is marked by, among others, electrification and modernization mechanisms in nature, in such a situation, the use of modern installation machines and tools and hazardous materials is increasing, besides facilitating the production process it can also increase the number and sources of danger in the workplace. In other cases there will also be a dangerous work environment and an increase in the work intensity of the workforce's operational.

Companies need to implement K3 programs which are expected to reduce the rate of occupational accidents and occupational diseases, which in turn will improve company performance and employee work productivity. Employees are encouraged to realize the importance of the implementation of occupational health and safety for employees and companies, so that the implementation of occupational health and safety (K3) is very necessary and very important, because it helps to realize good work productivity.

Based on the results of interviews with the head of the production department, the phenomenon that occurs in the production section regarding occupational health safety (K3) is that it does not reach an accident that is too severe (death) but only minor accidents such as electrocution, being pinched, falling and hands scratched by acrylic material.

Based on the description above, the formulation of the problem in this study:

- 1) Does job stress have a significant effect on work productivity of employees at PT. Main Indomika?
- 2) Does the work environment have a significant effect on work productivity of employees at PT. Main Indomika?
- 3) Does occupational health and safety have a significant effect on work productivity of employees at PT. Main Indomika?

The objectives of the research are:

- 1) To determine the effect of work stress on employee productivity at PT. Main Indomika
- 2) To determine the effect of work environment on employee productivity at PT. Main Indomika
- 3) To determine the effect of occupational health and safety (K3) on employee work productivity at PT. Main Indomika

2. Literature Review

2.1 Stres Work

According to (4) In the long term, employees who cannot withstand work stress are no longer able to work in the company. At an increasingly severe stage, stress can make employees become sick or even resign.

According to [3], defining work stress is an adjustment response, mediated by individual differences or psychological processes, as a result of any circular actions, situations or events that determine excessive psychological and physical demands on a person. According to [5], job stress is an unexpected reaction as a result of the high demands of the company environment on someone.

Indicators of work stress according to research by [6], namely:

1. Working conditions, including: (a) Overwork quantitatively; (b) Overwork qualitatively; (c) Work Schedule
2. Stres Because of the Role: Role ambiguity
3. Interpersonal Factors: (a) Lack of work performance and social support systems; (b) Lack of management attention to employees
4. Development Career: (a) The promotion to a lower position than his ability; (b) The promotion to a higher position than his ability; (c) The security of his job
5. Structure Organization: (a) Rigid and hostile structure; (b) Supervision and unbalanced training; (c) Not being involved in making decisions

2.2 Work environment

The work environment in a company is very important for management to be focused on. Even though the work environment does not carry out the production process of a company, the work environment has a direct influence on employees. Work environment is an atmosphere in which employees work and carry out activities every day.

According to [7] states that the work environment is the tool and materials faced, the surrounding environment where a person works, his work methods, and work arrangements both as an individual and as a group. According to [1], the work environment is a very important

component in employees carrying out work activities. By paying attention to a good work environment or creating working conditions that are able to provide motivation to work, it will have an influence on employee enthusiasm or morale.

Dimensions and Indicators of Work Environment. According to [7] in general the dimensions and indicators of the work environment consist of a physical work environment and a physical work environment.

a. Physical Environment

Factor is the environment around the workers themselves. Conditions in the work environment can affect employee work productivity which includes:

1. Workspace Plan. Including the suitability of the arrangement and layout of work equipment, this has a major effect on the comfort and work skills of employees.
2. Job Design. Covering work equipment and work procedures or work methods, work equipment that is not suitable for their work will affect the health of employees' work.
3. Working Environment Conditions. Lighting and noise are closely related to the comfort of workers at work. Air circulation, room temperature, and appropriate lighting greatly affect a person's condition in carrying out his duties.
4. Visual Privacy and Acoustical Privacy Levels. A certain level of work requires a workplace that can provide privacy for its employees. What is meant by privacy here is "privacy" regarding matters relating to himself and his group. While acoustical privacy relates to hearing.

b. Psychic Environment office

Psychic environment is things that are related to social and organizational relationships. Psychological conditions that affect employee job satisfaction are:

1. Excessive work. Excessive work with limited or urgent time in completing a job will cause stress and tension on employees, so that the results obtained are not optimal.
2. Poor System supervision. Poor and inefficient supervisory systems can lead to other dissatisfaction, such as instability in the political atmosphere and a lack of feedback on work performance.
3. Frustration. Frustration can have an impact on the hindrance of achieving goals, for example company expectations are not in line with employee expectations, if this continues it will cause frustration for employees.
4. Changes in all forms. Changes that occur in work will affect the way people work, for example changes in the work environment such as changes in types of work, changes in organizations and changes in company leaders.
5. Dispute between individuals and groups. This happens when both parties have the same goals and compete to achieve these goals. These disputes can have a negative impact, namely the occurrence of disputes in communication, lack of cohesiveness and cooperation. While the positive impact is the existence of positive efforts to resolve disputes in the workplace, including: competition, status problems and differences between individuals.

2.3 Occupational Health and Safety (K3)

According to Megginson in [8], the term safety includes both the terms safety risk and health risk. In the field of employment, the two terms are distinguished. Work safety indicates conditions that are safe or safe from suffering, damage or loss in the workplace. Safety risks are aspects of the work environment that can cause fire, fear of electricity, cuts, bruises, irritability, fractures, loss of organs, vision and hearing. These are often associated with company equipment or the physical environment and include work tasks that require maintenance and training.

Meanwhile, occupational health indicates a condition that is free from physical, mental, emotional or pain disorders caused by the work environment.

According to Ardana [4], occupational safety and health (K3) is a protection effort aimed at ensuring that workers and other people are in the workplace or are always in a safe and healthy condition so that every source of production can be used safely and efficiently.

Occupational health and safety variables are measured using four dimensions, namely:

1. Use of work equipment.
2. Air setting.
3. Physical condition of employees.
4. Lighting settings.

Dimensions and Indicators of Occupational Health and Safety (K3). According to Handoko [9] states that the increasingly important areas of personnel management are:

1. Pemaintain the safety and health of employees. (a) Pay attention to safer and healthier working conditions. (b) Provide work protection. (c) Provide proper equipment.
2. Organizational responsibility for employee safety and health. (a) Requires the handling of a specialist. (b) Under the supervision. (c) Provide insurance to employees.
3. Creating a healthy work environment. (a) Pay attention to machine conditions that are unsafe or unhealthy. (b) Pay attention to humidity and air temperature settings. (c) Pay attention to cleanliness of the environment.
4. Employee safety and health programs. (a) Perform proper maintenance of factory facilities. (b) Use manuals and safety tools. (c) Educate employees about safety.

2.4 Employee Work Productivity

According to [9], productivity is generally defined as the relationship between output (goods or services) and input (labor, materials and money). Productivity is a measure of productive efficiency, comparison between output and input. Input is often limited by labor, while output is measured in physical terms, form, and value.

According to [10], productivity is the comparison of a certain number of outputs with a certain number of inputs for a certain period of time.

Work productivity is defined as a measure that shows the consideration between the input and output issued by the company and the role of labor that is owned by the time unit [1]. Dimensions and Indicators Employee Productivity. Productivity is things that are very important for employees in the company. With work productivity it is expected that work will be carried out efficiently and effectively, to measure work productivity, an indicator is needed according to [9], which are as follows:

1. Ability. (a) The skills that a person or employee possesses. (b) Professionalism in working in an organization or company.
2. Upgrade the results achieved. Take advantage of the productivity that has been achieved
3. Spirit of work. (a) Applied work ethic in increasing yield. (b) Results achieved by employees that have been determined by the organization or company
4. Self-development. (a) Seeing challenges to encourage yourself. (b) Expectations to be faced
5. Quality. The quality of work that has been determined by the organization or company
6. Efficiency. Good input and output

Relationship among Variables and Hypothesis Development

a) The Effect of Job Stress on Employee Productivity

According to [11], where if there is a lack of work space availability, access to office locations from the residence, availability of work equipment, the ability to complete one's own tasks on time, implementing procedures in work, willingness to cooperate with enthusiasm to

carry out new tasks, hospitality and personal integration. Then the impact of work stress will be high and will certainly affect the ongoing work productivity of employees.

Result Research from [12], Lucia, [13] shows that job stress has a significant effect on employee work productivity.

From the opinion of experts and previous studies, it can be concluded that there is a close relationship and influence between job stress factors and employee work productivity factors.

H1: Job stress has a positive effect on Employee Productivity.

b) The Effect of Work Environment on Employee Productivity

To increase productivity, the work environment greatly affects the work productivity of employees, because a good work environment will create ease in carrying out tasks. The work environment itself consists of physical and non-physical work environments that are inherent to employees so that it cannot be separated from efforts to develop employee work productivity. According to [14], he states that "with conducive work environment, employees will feel comfortable and excited and can stimulate motivation so that employee work productivity will increase".

The results of research from [15] show that the work environment has a significant effect on employee work productivity, besides that there are research results.

From the opinion of experts and previous studies, it can be concluded that there is a close relationship and influence between work environment factors and employee work productivity factors.

H2: Work Environment has a positive effect on Employee Productivity.

c) The Effect of Occupational Health and Safety (K3) on Employee Work Productivity

Occupational health and Safety (K3) greatly affects the work productivity of employees, if employees have an accident or illness, for the company there is a double loss, on the one hand the workers cannot produce products, but on the other hand the company has to pay medical expenses, of course for the workers it results in losses.

According to [4], occupational safety and health (K3) is a protection effort aimed at making workers and other people at work or always in a safe and healthy condition so that every source of production can be used safely and efficiently.

The results of research from [16] show that work safety and health have a significant effect on employee work productivity.

From the opinion of experts and previous studies, it can be concluded that there is a close relationship and influence between occupational health safety (K3) factors and employee work productivity factors.

H3: Occupational Health and Safety (K3) has a positive effect on Employee Work Productivity.

Thought Framework

The thought framework in this study aims to clarify the direction of the research which shows that there is a relationship between work stress, work environment, and occupational health and safety (K3) which affects employee work productivity, so the conceptual framework can be taken with the line of thought depicted in a structure diagram as shown in the picture below.

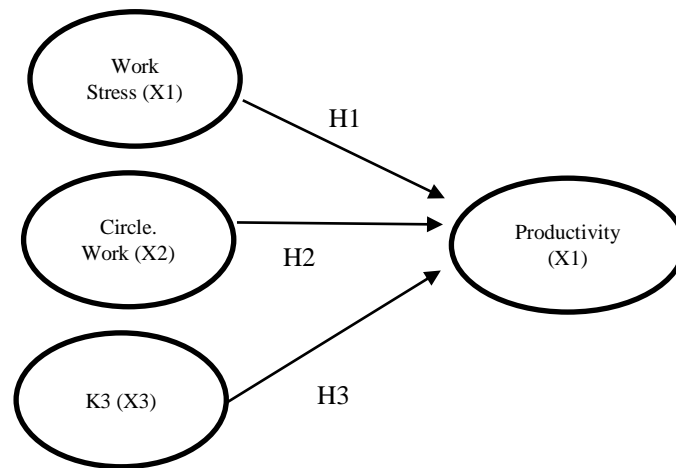


Figure 2.1 Framework

3. Methods

This research process begins with the activity of identifying problems where this research was started since November 2019. The author chooses the object of research at PT. Indomika Utama, which is located at Jl. Hasyim Ashari No. 45, Gg Jambu, Cipondoh, Tangerang City, Banten 15118.

Design The research used by the author is a causal research method. According to [17], causal research is research that aims to find out about causal relationships in the presence of independent variables (free variables) and dependent variables (dependent variables). This study is intended to determine the effect of work stress, work environment, and occupational health safety (K3) on employee work productivity.

3.1 Population and Sample Research

The population used as the object in the study were employees of PT. Indomika Utama, totaling 62 employees. The researcher used saturated sampling as a sampling technique. Saturated sampling is a sampling technique in which all members of the population are sampled. [17], this is often done when the population is relatively small, at least less than 100 people, or research that wants to make generalizations with very small errors. Saturated samples are also often interpreted as being the maximum sample, plus no amount will change the representativeness. With the limited number of population, namely 62, all populations are the samples.

3.2 Data Collection Techniques and Analysis Methods

Data collection techniques in this study by conducting surveys, interviews, and distributing questionnaires directly to the research object, namely the employees of PT. Main Indomika.

In the analysis method, there is a concept for measuring data quality, namely reliability and validity. Descriptive statistics are used to provide an overview of the sample data profile. This study uses descriptive statistics consisting of minimum, maximum, mean and standard deviation.

Descriptive statistics were calculated using Microsoft Excel to facilitate calculations. In addition, in this study, researchers will use the Partial Least Square (PLS) method. PLS is a method of solving structural equation modeling (SEM) which in this case (according to research objectives) is more precise than other SEM technique. Data processing was performed using Microsoft Excel 2010 and PLS 3.0 software.

4. Results and Discussion

This hypothesis testing stage is carried out after the structural model evaluation stage is carried out. This stage is carried out to determine whether the research hypothesis proposed in the research model is accepted or rejected. To test the proposed hypothesis, it can be seen from the original sample and the T-Statistic value through the bootstrapping procedure.

According to Helm et al. in Hair et al. [19], the path coefficient values are in the range of values of -1 to +1, where the path coefficient values that are close to +1 represent a strong positive relationship and the path coefficient values which are -1 indicate a strong negative relationship. Meanwhile, the limit of the t-statistic value for rejecting and accepting the proposed hypothesis is ± 1.96 , which is if the t-statistic value is in the range of -1.96 and 1.96 then the hypothesis will be rejected or in other words accept the null hypothesis (H_0).

Table 1. Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/ STDEV)	P-Values
X1 (Job Stress) -> Y (Work Productivity)	0.265	0.312	0.124	2,138	0.033
X2 (Work Environment) -> Y (Work Productivity)	0.073	0.078	0.139	0.524	0.601
X3 (Work Safety) -> Y (Work Productivity)	0.501	0.480	0.124	4,054	0.000

Source: Smart PLS Output (2020)

Based on Table 5.20, it can be seen that X1 has a positive and significant effect on Y. This is shown by the test results between the two variables which indicate the original sample value of 0.265 which is close to the value of +1 and has a T-Statistic value of 2.138 (> 1.96).

Based on Table 5.20, it can be seen that X2 has a positive but insignificant effect on Y. This is shown by the test results between the two variables which indicate that the original sample value is 0.073 which is close to the +1 value and has a T-Statistic value. 0.524 (< 1.96).

Based on Table 5.20, it can be seen that X3 has a positive and significant effect on Y. This is shown by the test results between the two variables which indicate the original sample value of 0.501 which is close to the +1 value and has a T-Statistic value. 4,054 (> 1.96).

Discussion This study aims to determine the influence of work stress, work environment, and work safety on work productivity at PT. Indomika Utama Production section. The exogenous variables assessed in this research model are work stress, work environment, and work safety. While the endogenous variable assessed in this research model is work productivity.

Based on the results of data analysis that have been done above, obtained the calculation value of the R-Square (R^2) which shows how good the proposed research model is. From the results of the calculation (R^2), it can be seen that the endogenous variable work productivity (Y) can be explained by exogenous variables, namely work stress (X1), work environment (X2), and work safety (X3) by 45% (0.453) while the rest as much as 55% explained by other exogenous variables.

In addition, the research model was found to have a relevant predictive value with the Q-Square (Q^2) value of 0.216. Meanwhile, from these results could be known that the model in this study has a good fit because it has a normal fit index (NFI) value which indicates that the model in this study is 47% (0.472) better than the null model.

Data analysis has been carried out from the conceptualization stage of the model to testing the research hypothesis. The results of the analysis can show whether exogenous variables can influence endogenous variables of work productivity at PT. Indomika Utama Production section. The results of hypothesis testing indicate that of the total three hypotheses tested, two hypotheses are accepted and one hypothesis is rejected.

1. Work stress has a positive and significant effect on work productivity

Based on the test results, the effect of work stress on work productivity has The original sample value is 0.265 which is close to the +1 value and has a T-Statistic value of 2.138 (> 1.96). So it can be concluded that the first hypothesis (H1) is accepted and job stress has a positive and significant effect on work productivity.

The result of this study is supported by previous research conducted by [12] , Lucia, [13] which proves that work stress has a positive and significant effect on work productivity.

2. Work environment has a positive but not significant effect on work productivity

Based on the test results, the effect of the work environment on work productivity has an original sample value of 0.073 which is close to the +1 value and has a T-Statistic value 0.524 (< 1.96) so it can be concluded that the second hypothesis (H2) is rejected and the work environment has a positive but insignificant effect on work productivity.

The result of this study is supported by previous research conducted by [15] which proves that the work environment has a positive but insignificant effect on work productivity.

3. Work safety has a positive and significant effect on work productivity

Based on the test results, the effect of work safety on work productivity has an original sample value of 0.501 which is close to the +1 value and has a T-Statistic value 4.054 (> 1.96) so it can be concluded that the third hypothesis (H3) is accepted and work safety has a positive and significant effect on work productivity.

The result of this study is supported by previous research conducted by [16] that work safety has a positive and significant effect on work productivity.

5. Conclusion

Work stress has a positive and significant effect on Employee Productivity at PT. Main Indomika. This happens because work stress greatly affects the productivity of employees of PT. Indomika Utama the cause of Work Stress in PT. Indomika Utama is like a demanding job.

Work environment does not have a positive and significant effect on Employee Productivity. This happens because the work environment such as air circulation in the heat operational division makes employees uncomfortable so that it affects the productivity of employees of PT. Main Indomika.

Work safety has a positive and significant effect on Employee Productivity of PT. Main Indomika. The company has provided safe equipment to employees and good safety and health will show an influence on the work productivity of PT. Main Indomika.

Suggestion

1. Suggestions for management improvement is to pay more attention to every employee in operational division and ensure that no employee is stressed because of irregular break times, optimizing the available time so that employees are able to complete their work without overtime.
2. The company should provide voting and questionnaires to all employees in the operational division to measure the suitability of the layout of the work equipment to get a layout that is appropriate and according to the wishes of employees, because employees are people who work in that department every day and those who understand better about the layout of the equipment which makes them comfortable while working.
3. Company so that pay more attention to the welfare of its employees by providing insurance to employees, especially in the production department, because work safety in the production section of a company is very important to pay attention to, if there is no insurance, the safety guarantee for employees is not there.
4. Company provide stimulation through incentives and bonuses to employees in order to increase productivity because employees feel excited about the incentives and bonuses given.

References

- [1] D. (1) Sunyoto, *Teori, Kuesioner, dan Analisis Data Sumber Daya Manusia*. Yogyakarta: CAPS (Center for Academic Publishing Service)., 2012.
- [2] M. A. [2] Bandar A, "The Effect Of Human Resource Management Practices On Job Involvement In Selected Private Companies In Jordan," *Can. Soc. Sci.*, vol. 8, no. 2, pp. 50–57, 2012.
- [3] J. L. [3] Gibson, *Organisasi Perilaku Struktur Proses.*, 1st ed. Jakarta: Binapura Aksara., 2011.
- [4] M. W. [4] Ardana, K.I., Mujiati N., Utama, *Manajemen Sumber Daya Manusia*, Pertama. Yogyakarta: PT. Graha Ilmu., 2012.
- [5] [5] Wirawan, *Menghadapi Stres dan Depresi Seni Menikmati Hidup Agar Selalu Bahagia. Platinum.* 2012.
- [6] E. J. [6] Rivai, V., & Sagala, *Manajemen sumber Daya Manusia untuk Perusahaan*. Penerbit: Rajawali Pers, Jakarta, 2009.
- [7] D. [7] Suwatno., & Juni Priansa, *Manajemen Sumber Daya Manusia*. Bandung: Alfabeta., 2011.
- [8] [8] Yani, H.M., *Manajemen Sumber Daya Manusia*. Jakarta: Mitra Wacana Media., 2012.
- [9] E. [10] Sutrisno, *Manajemen Sumber Daya Manusia*, Edisi Pert. Jakarta: Penerbit Kencana., 2009.
- [10] [11] Moekijat., *Manajemen Sumber Daya Manusia*. Bandung: Mandar Maju., 2010.
- [11] B. [12] Miranda, "Pengaruh Kecerdasan Emosional, Stres Kerja Dan Kompensasi Finansial Terhadap Kinerja Pegawai (Studi Kasus Di PT. Permata Bank, Tbk. Area Banten," vol. 1, 2014.
- [12] [13] Cherny and Kartikasari., "Pengaruh Stres dan Motivasi Terhadap Produktivitas Kerja

- Karyawan Pada PT Epsom Batam,” *J. Akuntansi, Ekon. dan Manaj. Bisnis*, vol. 5, no. 1, 2017.
- [13] K. and T. [14] Lucia, “Pengaruh Konflik dan Stres Kerja Terhadap Produktivitas Kerja di mediasi oleh Kepuasan Kerja Karyawan,” *Jurnam EMBA*, vol. 3, no. 3, 2015.
- [14] [15] Sedarmayanti., *Tata Kerjadan Produktivitas Kerja*. Bandung: CV Mandar Maju., 2011.
- [15] S. [16] Sinaga, “Pengaruh Lingkungan Kerja Terhadap Produktivitas Kerja Karyawan,” *JOM FISIP*, vol. 3, no. 2, 2016.
- [16] [17] Kaligis dan Langitan, “Pengaruh Implementasi Program Keselamatan dan Kesehatan Kerja Terhadap Produktivitas Kerja,” *J. Sipil Statik*, vol. 1, no. 3, 2013.
- [17] Sugiyono, *Metode Penelitian Bisnis*. Alfabetha, Bandung, 2013.

Assessment on Sustainability Report Assurances by Indonesian Companies for the Period in 2006-2018

Felisia¹, Sylvia Fettry Elvira Maratno², Paulina Permatasari³
 {felisia.liu@unpar.ac.id¹, sylvia.fettry@unpar.ac.id², paulina@unpar.ac.id³}

Parahyangan Catholic University, Bandung, Indonesia¹, Parahyangan Catholic University, Bandung, Indonesia², Parahyangan Catholic University, Bandung, Indonesia³

Abstract. Sustainability reporting has been requested by many parties, they also wish for credible information, which requires independent assurance. Assurance frameworks and standards play an important part in improving companies' reports towards being more credible. Assurance frameworks and standards also give directions that can be applied along with the assurance process. This study assesses the third-party assurance practices in Indonesian companies' sustainability reports from the year of 2006-2018. The result shows that sustainability assurance is still not a priority for most Indonesian companies.

Keywords Sustainability reports, Sustainability assurance

1 Introduction

Corporations need to communicate their commitment on sustainability issues. Therefore, sustainability reporting has become more important [1]. Recently, sustainability reporting has been requested by many parties, they also wish for credible information, which requires independent assurance. This increased demand for sustainability reporting and credible information requires independent assurance [2]. Assurance is a process that evaluate quality of organization's underlying systems, processes and competencies by using specific principles and standards [3]. Investors and analysts in making recommendations integrate information about sustainability. In order to improve credibility, companies also seek assurance on their sustainability reports [4].

Independent assurance of sustainability information is needed to improve reliability, validity and trustworthiness of disclosed information. Users trust more on high quality information, and of course high-quality information is also useful for organizations [5]. Assurance frameworks and standards play an important part in improving the credibility of companies' reports thus providing guidance for assurance process [4].

This study will analyze the sustainability assurance practices in Indonesia by several industry sectors, from the year of 2006-2018. We will assess the assurance statement presented in Indonesian companies' sustainability reports, to obtain an overview of sustainability assurance practice in Indonesia. We will also compare the assurance practice between each industry in Indonesia.

2 Literature Review

2.1 Sustainability Reporting and Sustainability Reports

Sustainability Reporting is optional activity. It has two general purposes, the first one is to assess the current economic, environmental and social condition of companies, second is to inform stakeholders about a companies' efforts and sustainability progress [6].

The sustainability information disclosed by many firms only to accomplish the reporting purpose according to annual routine reporting [7]. Current reporting practice in sustainability is optional so that companies are opted in trying various experimentation with information disclosed [8].

Organizations can be helped to measure, understand and communicate their performance in economic, environmental, social and governance by sustainability reporting. A sustainability report is a report issued by a company or organization about how their daily activities may influence the economic, environmental and social conditions. It also presents companies' values and governance model, demonstrates its dedication to a sustainable global economy. Sustainability reporting process helps companies to consider their influence on sustainability issues and allows them to be transparent about the possibilities they're having [9].

Sustainability reports and sustainability reporting have different meanings. Sustainability reports are the published type of disclosure that are either stand-alone or incorporated into the financial report, while sustainability reporting is when companies disclose sustainability information, through various forms of media including sustainability reports. As readers should have understood by now, the focus of this study is on sustainability reports, i.e. the published reports where companies disclose their sustainability information. Due to this close distinction between the two, we remind the readers that when we say sustainability reporting, sustainability reports or even CSR reports, we are talking about the published reports, and not the general definition of sustainability reporting [10].

2.2 Assurance on Sustainability Reporting

Some stakeholders have demanded for transparency, they also questioned the integrity of the information that is published by firms especially about sustainability reports, [12], [13]. To answer it, some firms started to voluntarily give external independent assurance in their sustainability reports. This is done in order to improve credibility and reliability of the reports. O'Dwyer and Owen stated [14], in 1997-1998 external independent assurance of sustainability reports has begun to show.

Lots of organizations have encouraged the practice of independent assurance for sustainability. It is to enhance credibility and the quality of sustainability reports. For example, GRI [5] convinces the independent assurance of sustainability reports as a tool to increase sustainability reports' quality and credibility.

In Fortune Global 250 survey, KPMG [15] stated that increased quality of reported information, increased credibility among stakeholders and increased reporting processes are the main keys for finding assurance of a sustainability report. Assurance process increases sustainability report credibility. Hodge et al. [16] studied 145 students enrolled in MBA programs at two large Australian universities, the study found out that provision of an assurance statement with a sustainability report generates higher credibility reports than when no assurance is delivered. In addition, they also stated report users place more trust in sustainability reports when assurance is delivered by top tier accountancy firms against to specialist consultants.

Owen et al. [17] interviewed senior corporate responsibility managers from ten FTSE100 organizations, and representatives of three key stakeholder groups (investor, NGO and the trade union movement). They stated that while there is some proof that stakeholders are interested in assurance, especially on the part of NGO, it is the internal of an organization that drives the assurance.

Assurance of sustainability reports is a rather new implementation and not regulated in most of countries, there are different types of organizations providing assurance services using different scopes, methodologies, and assurance statements [12], [14], [15], [17], [18], [19], [20], [21], [22].

The two most famous frameworks for assurance services are the AA1000 Assurance Standard (AA1000AS) launched in March 2003 by Accountability [23], and the International Audit Assurance Standards Boards (IAASB)'s International Standard on Assurance Engagements (ISAE 3000). There are also arguments that stated assurance based on the combined use of AA1000AS and ISAE 3000 is likely to give improved results [24].

The International Audit Assurance Standards Board [23, p. 19] defines an assurance engagement as "an engagement in which a practitioner aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the measurement or evaluation of an underlying subject matter against criteria". It also differentiates two types of assurance engagement which are reasonable assurance engagements and limited assurance engagements.

ISAE 3000's define assurance engagement has a more technical explanation. AA1000AS used more common language to define it as "an engagement in which an assurance provider evaluates and expresses a conclusion on an organization's public disclosure about its performance as well as underlying systems, data and processes against suitable criteria and standards in order to increase the credibility of the information for the intended audience" [25, p. 23].

2.3 Sustainability Reporting Assurance Guideline

This section will discuss the sustainability reporting standards that are used by sustainability assurance practitioners in conducting their assurance engagement on companies' sustainability reports. According to the CPA journal [4], in the US "ISAE 3000 seems to be more popular among audit firms (Deloitte, 61.54% of engagements used ISAE 3000; EY, 50%; KPMG, 69.23%; PWC, 47.83% while specialist assurance providers/technical experts seem to favor AA1000AS (76.47%, vs. 11.76% for ISAE 3000)". The standards that will be discussed here are those that are more common and mostly used in Indonesian companies' assurance reports, which is similar with the US, namely AA1000AS and ISAE300.

2.3.1 AA1000 AS

The AA1000 AS [25] is accepted globally and available standard that provides the requirements for managing sustainability assurance. Sustainability assurance in accordance with the AA1000 AS [25] examines and gives opinions on the essence and scope of adherence to the AA1000 AccountAbility Principles, and where applicable the quality of information on sustainability performance that has been disclosed in public. This standard is principally intended for use by sustainability assurance practitioners and providers. This standard may also be functional to report preparers looking for assurance in accordance with this standard, and to users of sustainability assurance reports and statements and other standards developers [25, p. 8].

There are two types AA1000AS [25] sustainability assurance engagement which are type 1 – AccountAbility Principles and type 2 – AccountAbility Principles and Performance Information. Type 1 explained that the assurance contributor shall examine the essence and scope of the organization’s adherence to all three AA1000 AccountAbility Principles. While type 2 explained that the assurance contributor shall evaluate the essence and scope of the organization’s adherence to the AA1000 AccountAbility Principles, as for type 1. An assurance engagement may be implemented to give a high or a moderate level of assurance. Since different focus of attentions may be communicated in one assurance engagement, a high level of assurance may be provided for some focus while a moderate level of assurance may be provided for other focus in the same assurance report [25, pp. 9-10].

2.3.2 ISAE3000

The International Standard on Assurance Engagements (ISAE) 3000 is a common standard for any assurance engagement other than audits or reviews of historic financial information. The International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) developed the standard, and it was published in 2003. Its stress is on overall procedures for proof collecting processes and assurer independence. An assurance report ‘in accordance with ISAE 3000’ can only be published by professional accountants, as the assurance contributor must also comply with the IESBA Code of Ethics for Professional Accountants. Other assurance contributors may use assurance approaches based on ISAE 3000 or which merge components of ISAE 3000 with other standards, such as AA1000AS [5, p. 12].

This International Standard on Assurance Engagements (ISAE) is aimed to establish basic principles and important procedures for, and to give direction to, professional accountants in public practice (for purposes of this ISAE referred to as “practitioners”) for the performance of assurance engagements other than audits or reviews of past financial information enclosed by International Standards on Auditing (ISAs) or International Standards on Review Engagements (ISREs) [26, p. 293].

This ISAE uses the phrases “reasonable assurance engagement” and “limited assurance engagement” to differentiate between the two types of assurance engagement a practitioner is permitted to do. The goal of a reasonable assurance engagement is a curtailment in assurance engagement risk to an acceptably low level in the conditions of the engagement as the basis for a positive form of expression of the practitioner’s conclusions. The goal of a limited assurance engagement is a curtailment in assurance engagement risk to a level that is acceptable in the situations of the engagement, but where that risk is higher than for a reasonable assurance engagement, as the basis for a negative form of expression of the practitioner’s conclusion [26, p. 293].

3 Research Method

Within this research, content analysis and literature review were used. Content analysis is a technique in research for creating reliable and valid conclusions from texts or other meaningful focus to the factors of their use [27]. The method of content analysis in this research was carried out by reading from certain sources in accordance with the research objectives to help analyze the assurance statement assessment based on the sustainability reposting assurance statement disclosure in Indonesia’s company from various industries.

While literature review is a study that helps researchers to think or understand more deeply about a problem. This literature review can be done by reading and studying books, journals, newspapers, magazine, documents and so on that are relevant to research. This literature review can help researchers to understand more deeply about the knowledge that has been studied and help to develop a problem statement with accuracy and clarity [28].

The research object used in this research is the sustainability report published by companies in Indonesia from various industries period 2006 to 2018 with a total of 144 companies and 766 sustainability reports. We assessed the sustainability reports and checked whether it have used third-party assurance service and have included the assurance statement in their reports. If the report presents an assurance statement, we conducted an assessment on its assurance statement to evaluate several aspects, namely the assurator, assurance standard used, and assurance type.

4 Analysis & Findings

4.1 Analysis of Assurance Statement on Indonesian Companies' Sustainability Reports in 2006-2018

Based on this research, it shows that during 2006 to 2018, of the 144 companies in Indonesia which are included in several industries, most companies in Indonesia have published sustainability reports with assurance statements. There are 114 assurance reports that have been published in the period of 2006-2018.

4.1.1. Construction Industry

Table 1. Assurance Statement of Construction Industry

No of SR	No of Assurance	Assured By		Assurance Standard			Assurance Type	
		Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
54	4	0	4	4	0	0	0	4

In this industry, there are 12 companies that are the object of research. There were 54 sustainability reports issued in the period from 2006 to 2018, but only 4 sustainability reports were assured. All 4 reports were assured by other non-accounting firms, namely SR Asia and BSI Indonesia, which adopted the AA1000 standard with a limited (moderate) level of audit.

4.1.2. Food Industry

Table 2. Assurance Statement of Food Industry

No of SR	No of Assurance	Assured By		Assurance Standard			Assurance Type	
		Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
17	1	1	0	0	0	1	1	0

In this industry, there are 3 companies that are the object of research. There were 17 sustainability reports that were issued in the period of 2006 to 2018, but only 1 sustainability report was assured. The assessor who conducted the assurance is an accounting firm, namely Deloitte, which adopted another standard, namely Standard 3810N with a reasonable (high) level of audit.

4.1.3. Oil and Gas Industry

Table 3. Assurance Statement of Oil and Gas Industry

No of SR	No of Assurance	Assured By		Assurance Standard			Assurance Type	
		Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
61	14	2	12	11	7	3	1	13

In this industry, there are 14 companies that are the object of research. There were 61 sustainability reports that were issued in the period of 2006 to 2018, but only 14 sustainability reports were assured. The assessors who conducted the assurance are 2 accounting firms, namely PwC and Deloitte and 12 other non-accounting firms such as Moores Rowland, SGS Indonesia and SR Asia which adopted the AA1000, ISAE3000, and other standards, namely GRI Standards, IPIECA / API / IOGP and Oil and gas industry direction on voluntary sustainability reporting (2015). Audit assurance is carried out with 2 types of audits, including 1 having a reasonable (high) type and 13 others having a limited (moderate) type.

It should be noted that there are more than 1 standard used in the assurance processes, so that the number of assurance standards and the number of assurance statements issued are not the same.

4.1.4. Mining Industry

Table 4. Assurance Statement of Mining Industry

No of SR	No of Assurance	Assured By		Assurance Standard			Assurance Type	
		Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
136	35	2	33	20	21	19	5	30

In this industry, there are 19 companies that are the object of research. There were 136 sustainability reports issued in the period from 2006 to 2018, but only 35 sustainability reports were assured. The assessor who conducted assurance are 2 accounting firms, namely KPMG and ERNST & YOUNG, and 33 other non-accounting firms, such as Moores Rowland, SGS Indonesia, LQRA, and SR Asia which adopted the AA1000 standard, ISAE3000, and other standards such as GRI, Mining Sector Supplement, Rule NPO1 (Brazilian Institute of Accountants), Rule NBC TO 3000 (Brazilian Federal Accounting Council), ICMM Assurance Procedure, POJK 51, Mining and Metals Sector Disclosure, and there is one standard that is not identified. Audit assurance is carried out with 2 types of audits, including 5 (five) having a reasonable (high) type and 30 others having a limited (moderate) type.

Should be noted that the sustainability reports were assured using more than 1 standard, so that the number of assurance standards and the number of assurance statements issued were not the same.

4.1.5 Electric Industry

Table 5. Assurance Statement of Electric Industry

No of SR	No of Assurance		Assured By		Assurance Standard			Assurance Type	
			Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
36	0	0	0	0	0	0	0	0	0

In this industry, there are 5 companies that are the object of research. There were 36 sustainability reports issued in the period from 2006 to 2018, but no sustainability reports were assured.

4.1.6. Airport Industry

Table 6. Assurance Statement of Airport Industry

No of SR	No of Assurance		Assured By		Assurance Standard			Assurance Type	
			Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
15	0	0	0	0	0	0	0	0	0

In this industry, there are 4 companies that are the object of research. There were 15 sustainability reports issued in the period from 2006 to 2018, but no sustainability reports were assured.

4.1.7. Other Industry

Table 7. Assurance Statement of Other Industry

No of SR	No of Assurance		Assured By		Assurance Standard			Assurance Type	
			Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
304	45	0	45	35	9	21	5	40	

In this industry, there are 55 companies that are the objects of research. There were 304 sustainability reports issued in the period from 2006 to 2018, but only 45 sustainability reports were assured. The assurers who carried out the assurance are other non-accounting such as Det Norske Veritas AS, Moores Rowland, SGS Indonesia, NCSR and SR Asia who adopted the AA1000, ISAE3000, and other standards such as GRI standard, the DNV Protocol for Verification of Sustainability Reporting and there is one standard that is not identified. Audit assurance is carried out with 2 types of audits, including 5 having a reasonable (high) type and 40 others having a limited (moderate) type.

Should be noted that several sustainability reports were assured using more than 1 standard, so that the number of assurance standards and the number of assurance statements issued were not the same.

4.1.8. Financial Industry

Table 8. Assurance Statement of Financial Industry

No of SR	No of Assurance	Assured By		Assurance Standard			Assurance Type	
		Accounting Firm	Others	AA1000	ISAE300	Other	Reasonable	Limited
143	15	0	15	15	8	13	0	15

In this industry, there are 32 companies that are the object of research. There were 143 sustainability reports issued in the period from 2006 to 2018, but only 15 sustainability reports were assured. The assurers who carried out the assurance are other non-accounting firms, such as Moores Rowland and SR Asia which adopted the AA1000, ISAE3000, and other standards such as GRI standard and POJK 51. All of the assurance was carried out with the same assurance type, namely limited (moderate).

It should be noted that there are more than 1 standard used in the assurance processes, so that the number of assurance standards and the number of assurance statements issued are not the same.

4.2 Comparison of Assurance Practices on Indonesian Companies' Sustainability Reports in 2006-2018

Based on the data of third-party assurance practices on sustainability reports by the Indonesian companies for the period of 2006-2018, **Table 9** below presents the comparison of the assurance practice by each industry.

Table 9. Comparison of Assurance Practices by Industry

Industry	Number of Companies	Number of Sustainability Reports	Number of Assurances	SR to Assurance Ratio
Construction	12	54	4	7.41%
Food	3	17	1	5.88%
Oil and Gas	14	61	14	22.95%
Mining	19	136	35	25.74%
Electric	5	36	0	0%
Airport	4	15	0	0%
Other	55	304	45	14.80%
Financial	32	143	15	10.49%
Total	144	766	114	14.88%

From **Table 9** above, it can be seen that the mining industry as well as oil and gas industry are the industries with the highest ratio of assurance practice, with the mining industry's ratio reached 25.74% while the oil and gas industry's ratio is 22.95%. On the other hand, electric industry and airport industry have the lowest assurance ratio, with both industries have 0% ratios, which means that none of the electric and airport industry companies have used third-party assurance services for their sustainability reports.

This finding can be said to be appropriate with several previous studies that stated that mining, oil, gas and chemicals companies provide more significantly corporate responsibility disclosures and are probable to have their sustainability reports assured than other industries [29], [30], [31]. Companies in the industries that are perceived as more dangerous or present a prospective harm for the environment will produce higher quality reports and publish their reports with assurance statements [32].

For the electric and airport industries, the number of companies in those industries are still quite few, with only 5 and 4 companies respectively. Electric and airport sector can also be considered as not harmful to the environment, so that sustainability reporting disclosure and its assurance have not become priority for those companies.

5 Conclusion

Based on the data analysis conducted in this study, it can be concluded that the sustainability assurance practice is still rarely applied in Indonesia. Even in several industries, the sustainability reporting practice is still inconsistent, where some companies did not publish their sustainability report annually or stop publishing their reports after several years. For firms in the industries that present a prospective harm for the environment, their sustainability report to assurance ratio can be considered quite low, with mining and oil and gas industries' ratio still below 30%. It can be said that sustainability assurance is still not a priority for Indonesian companies. Whereas third-party assurance on sustainability report is quite important certify the reliability and accuracy of information disclosed in the report, because it will affect decision-making processes of investors, stakeholders, and other parties.

References

- [1] O. Boiral, I. Heras-Saizarbitoria and M.-C. Brotherton, "Assessing and Improving the Quality of Sustainability Reports: The Auditors' Perspective," *Journal of Business Ethics*, pp. 703-721, 2019.
- [2] K. Heenetigala and A. F. Armstrong, "Credibility of sustainability reports of mining sector companies in Australia: An investigation of external assurance," in *19th International Scientific Conference on Economic and Social Development*, Melbourne, Australia, 2017.
- [3] S. Zadek and P. Raynard, "The Future of Sustainability Assurance," ACCA Research Report, 2004.
- [4] S. Rao, "Current State of Assurance on Sustainability Reports," *The CPA Journal*, 2017.
- [5] GRI, *Global Reporting Initiatives Research and Development Series: The external assurance of sustainability reporting*, Amsterdam, 2013.
- [6] R. Lozano and D. Huisingh, "Inter-linking issues and dimensions in sustainability reporting," *Journal of cleaner production*, vol. 19, no. 2-3, pp. 99-107, 2011.
- [7] K. A. K. Gnanaweera and N. Kunori, "Corporate sustainability reporting: Linkage of corporate disclosure information and performance indicators," *Cogent Business & Management*, pp. 1-21, 2018.

- [8] R. Hahn and M. Kühnen, "Determinants of sustainability reporting: A review of results, trends, and opportunities in an expanding field of research," *Journal of Cleaner Production*, pp. 1-53, 2013.
- [9] N. S. Singhal and A. Dev, "Global Reporting Initiative, Sustainability Reporting," in *Proceedings of the 6th International Conference on Operation and Technology of Offshore Support Vessels*, Singapore, 2016.
- [10] M. Danarp and A. Ramish, Sustainability reports - Legitimizing negative aspects (A qualitative study on the Swedish steel industry), Sweden: Umeå University, 2019.
- [11] W. S. Laufer, "Social accountability and corporate greenwashing," *Journal of Business Ethics* 43(3), pp. 253-261, 2003.
- [12] J. Moneva, P. Archel and C. Correa, "GRI and the camouflaging of corporate unsustainability," *Accounting forum* 30, pp. 121-137, 2006.
- [13] C. A. Ramus and I. Montiel, "When are corporate environmental policies a form of greenwashing?," *Business & Society* 44(4), pp. 377-414, 2005.
- [14] B. O'Dwyer and D. L. Owen, "Assurance statement practice in environmental, social and sustainability reporting: A critical evaluation," *The British Accounting Review* 37(2), pp. 205-229, 2005.
- [15] KPMG Global Sustainability Services, International survey of corporate responsibility reporting 2008, Amstelveen, 2008.
- [16] K. Hodge, N. Subramaniam and J. Stewart, "Assurance of sustainability reports: Impact on report users' confidence and perceptions of information credibility," *Australian Accounting Review*, vol. 19, no. 3, pp. 178-194, 2009.
- [17] D. Owen, W. Chapple and A. Urzola, Key issues in sustainability assurance, London: International Centre for Corporate Social Responsibility, 2009.
- [18] C. M. Deegan, B. J. Cooper and M. Shelly, "An investigation of TBL report assurance statements: UK and European evidence.," *Managerial Auditing Journal* 21(4), pp. 329-371, 2006.
- [19] Fédération des Experts Comptables Européens, IAASB consultation paper on assurance aspects of G3—The global reporting initiative's 2006 draft sustainability reporting guidelines, Bruxelles, 2006.
- [20] G. Frost and N. Martinov-Bennie, Sustainability reporting assurance: Market trends and information content, Victoria: CPA Australia Ltd, 2010.
- [21] P. Perego, "Causes and consequences of choosing different assurance providers: An international study of sustainability reporting," *International Journal of Management* 26(3), pp. 412-425, 2009.
- [22] S. Romero, S. Ruiz and B. Fernández-Feijóo, "Assurance statement for sustainability reports: The case of Spain," in *Proceedings of the Northeast Business & Economics Association*, San Diego, 2010.
- [23] AccountAbility, AA 1000 stakeholder engagement standard 2011—Final exposure draft, London, 2011.
- [24] KPMG Global Sustainability Services and AccountAbility, Assurance standards briefing—AA1000 assurance standard & ISAE3000, Amsterdam, 2005.
- [25] AccountAbility, AA1000 assurance standard 2008, London, 2008.
- [26] IAASB, *International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, New York, 2005.
- [27] K. Krippendorff, Content analysis: An Introduction to Its Methodology, California: Sage Publications, 1980.
- [28] U. Sekaran and R. Bougie, Research Methods for Business: A Skill Building Approach 7th Edition, United Kingdom: John Wiley & Sons Ltd., 2016.

- [29] F. Alali and S. Romero, "The use of internet for corporate reporting in the Mercosur - the Argentina case," *working paper*, 2009.
- [30] R. Simnett, A. Vanstraelen and W. F. Chua, "Assurance on sustainability reports: an international comparison," *The Accounting Review*, vol. 84, no. 3, pp. 937-967, 2009.
- [31] A. Kolk and P. Perego, "Determinants of the adoption of sustainability assurance statements: an international investigation," *Business Strategy and the Environment*, 2008.
- [32] B. Fernández-Feijóo-Souto, S. Romero and S. Ruiz-Blanco, "Measuring quality of sustainability reports and assurance statements: characteristics of the high quality reporting companies," *International Journal of Society Systems Science*, vol. 4, no. 1, pp. 5-27, 2012.

Do Sustainability Reports Show Corporate Social Responsibility (CSR) and Corporate Social Irresponsibility (CSI)?

Paulina Permatasari¹, Pius S. Kartasasmita², Tulus Suryanto³
{paulina@unpar.ac.id¹, pius@unpar.ac.id², tulus@radenintan.ac.id³}

Accounting Department, Parahyangan Catholic University, Indonesia¹, Department of Public Administration and Graduate Program in Social Sciences, Parahyangan Catholic University², Indonesia, Postgraduate Program UIN Raden Intan Lampung³

Abstract. The awareness of sustainability in Indonesia is increasing from year to year. This is evidenced by the increasing number of sustainability reports that companies report. But some case study evidences from around the world have shown how companies can communicate their corporate social responsibility (CSR) policies while also getting involved in corporate social irresponsibility (CSI). Besides, this has not been accompanied by regulations that enforce the increase of reliability in sustainability reporting. In addition, the absence of a standard sustainability report that could be applied in all industries may also result in fraud (incomplete information disclosure) in sustainability reporting. This study shows that companies still emphasizes to have good company image even when disclosed negative information that occurs in the company. Sustainability reporting, which should have been a transparent communication tool, now seems to be polished into a tool to build good corporate reputation

Keywords: Sustainability Reporting, Sustainability Fraud, Corporate Social Responsibility, Corporate Social Irresponsibility

1 Introduction

Corporate social responsibility (CSR) is one of the crucial topics in modern businesses that encompasses companies, consumers, and other stakeholders. CSR is defined as “an organization’s status and activities with respect to its perceived societal obligations” [1]. On one hand, companies are exerting greater efforts for their CSR initiatives, as well as the communities and consumers are increasingly paying more attention to the companies’ CSR actions [2], [3]. While on the other hand, corporate social irresponsibility (CSI) has been given less attention. Even so, in recent years, a number of studies on this subject have been conducted [4], [5], [6]. Companies publish CSR reports to give information to their stakeholders about the companies’ CSR efforts. However, several literatures indicate that these reports can be used as a way to offset the companies’ involvement in CSI [7].

In recent years, some case study evidences from around the world have shown how companies can communicate their CSR policies while also getting involved in CSI [7]. Previous studies on the relationship between the implementation of CSR policies and involvement in CSI also show that companies can be involved and communicate their CSR activities to offset their irresponsible behavior in the past [8][9]. However, the number of studies on this topic is still low [10], and very little attention has been given to analyze how the involvement of companies in CSI is related to their CSR communications, especially regarding the CSR reports. CSR report is the main tool that companies have to communicate their social and environmental activities to the stakeholders [11] [12] [13][14]. Sometimes this report is criticized because it allows companies to only show the good side of their activities [15] in an attempt to gain and maintain their external legitimacies [16] [17] [18].

Besides, according to some studies, CSR reports may be deliberately used by a company in response to its involvement in CSI “to apologize, explain, justify, or blame others for its actions, thereby helping to maintain legitimacy” [16]. In this paper, we describe the practice of CSIR happened along with the “good sustainability reporting” describing how companies’ practice in sustainability reporting showed react to their irresponsible business conduct.

2 Literature Review

2.1. Corporate Social Responsibility

The history of corporate social responsibility has been of global concern for more than 50 years, although until now there is no generally accepted definition of corporate social responsibility [19]. There are various perspectives that have been used to explain CSR including institutional theory, agency theory, legitimacy theory, stakeholder theory, resource dependency theory, and resource-based views [20]. Dahlsrud [21] conducted an analysis based on 37 definitions of CSR that cover five aspects. The five aspects are: economic aspects, social aspects, environmental aspects, stakeholder aspects, and voluntary aspects. However, with many definitions of CSR, people usually define CSR as a company's commitment to maximizing its long-term beneficial impact and minimizing or eliminating harmful effects by considering economic, social and environmental aspects. [22]. In general, companies usually implement CSR practices by holding charity activities [23] while only a few companies are motivated to incorporate CSR into their business strategies [24].

The mandated law issued by the government that requires companies to carry out CSR as part of the company's activities has encouraged companies to start caring about CSR issues [25]. On the other hand, several countries also provide options for companies to carry out CSR activities. The company also has complete freedom in regulating how much budget to spend on CSR activities and what CSR activities to do. However, even though CSR is not yet mandatory, the community and other stakeholders still hope that the company will continue to care about environmental, economic and social issues in the countries where they operate [26].

2.2. Sustainability

Around the world in recent times, issues regarding sustainability have become increasingly prominent among companies and their stakeholders [27]. The definition of sustainability itself is a study related to natural work systems, diverse and produces everything needed for ecology to remain balanced [28]. Pursuing sustainability is defined as an agreed process while maintaining conditions in which humans and nature can live in harmony and productively to support present and future generations [29]. Sustainability can also be interpreted as fulfilling one's own needs by thinking about its impact on future generations. Sustainability does not only talk about the environment, but also talks about economic and social issues [30]. The sustainability of organizational innovation can be considered as a change in work norms and systems within the company by considering sustainability issues [31]. This can be achieved if everyone concern about three main issues : economic, environmental, and social. If the company wants to communicate its sustainability performance, the company needs a powerful tool. The tool that used for reporting this performance is Sustainability Report, which will be explained in the next section.

2.3. Sustainability Report

Over the last few years, the trend in the number of companies publishing sustainability reports has grown rapidly. Companies are starting to change the way they do business and are starting to report on their sustainability performance [32]. However, despite the large number of sustainability reports published in the public, questions arise about what information should be included in a sustainability report and how to include this information in a sustainability report [33]. As defined by the Global Reporting Initiative (GRI), 'sustainability reporting or disclosure is the practice of measuring, reporting, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable

development' [34]. In most countries of the world, corporate sustainability reporting remains voluntary. Several organizations have issued standards used in preparing sustainability reports. One of the most widely used standards in sustainability reporting is the GRI standard issued by the Global Reporting Initiative (GRI) [35].

Based on Diouf and Boiral [36]. There are six sustainability report principle that GRI issued that cover main aspect of sustainability. The principles are: balance, comparability, accuracy, timeliness, clarity, and reliability. The principle of balance can be interpreted that the sustainability report published by the company reflects all information, both positive and negative information that occurs within the company. This principle makes the sustainability report an assessment of the company's overall performance from economic, environmental and social aspects.

2.4. Fraud

Fraud is a general term that includes all the ingenious means by which a person obtains profit in the wrong way. There is no specific definition of fraud, because every person had different way to commit act of fraud [37]. The person who commit fraud that applicable in Delaware are "Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony."

2.5. Sustainability Fraud

2.5.1. Concept and Definition

Based on the fraud concept described at the section above, we can conclude that stated an incomplete or misleading information can be categorized as fraud. “Sustainability fraud” can be defined as fraud perpetrated by some people in the sustainability department [38]. The Fraud Triangle is a framework used to explain the motivation behind a decision to commit fraud and/or to make a structured assessment of the fraud risk [39]. In general, the fraud triangle requires (1) pressure to force someone to commit fraud; (2) opportunities; and (3) rationalization of a person to commit fraud. The company’s pressures to act fraudulently will appear when the impact of business activities is expected to negatively affect the company’s reputation. One of the opportunities to commit fraud in sustainability is the lack of standard and assurance of Sustainability Report. One of the rationalization in doing sustainability fraud is the thought that the company’s activities that cause negative effects to the society won’t be noticed as long as the company doesn’t disclosed it [40]. As sustainability becomes a mainstream issue and is further integrated into annual reports, this leads to an increase in incentives, opportunities and rationalisation for companies and individuals to step into fraudulent behaviour in order to exploit sustainability efforts for their own advantage [39].

2.5.2. Previous Studies on Sustainability Fraud

After conducted previous study on sustainability fraud, we found that the companies doing the sustainability fraud by disclosing incomplete negative activities in their sustainability reporting. Companies tend to report information in their sustainability reports if the company feels that there is a benefit from disclosing the information. If the company feels that it has not received any benefits and may even get a loss, the company tends not to disclose the information [41]. We also found some reasons why companies doing sustainability fraud. The reasons are: a) Lack of mandatory law for publishing sustainability reporting; b) Lack of sustainability reporting standard [42]; c) Weak regulations for unethical activities [43]; d) Management incompetence [44][45]; e) Lack of independence assurance from external parties [4]; f) Lack of awareness for sustainability fraud; g) Lack of fraud detection and prevention [38]; and h) The voluntary nature and optional auditing requirements [46].

3 Methods

This research was conducted to assess the possibility of fraud or undisclosed information on sustainability reports in Indonesia. We are looking for information related to negative cases / news about 133 companies in Indonesia. Furthermore, we look at the company's sustainability report and analyse the disclosures related to the existing cases. Of the 133 companies that received negative news, only 23 published sustainability reports.

Conducting research is one of the various methods used to find a solution for a particular problem, under a comprehensive framework with the inclusion of existing situational factors. In carrying out research, certain methods are needed to ensure that the research process is able to run systematically and in an organized manner. The selection of appropriate research methods helps in identifying a problem, collecting and analysing data, as well as elaborating a valid conclusion from all the collected data [25].

The method used in this study is a combination of descriptive method and content analysis. Descriptive method has proven its usefulness in providing an overview of relevant aspects from various perspectives, such as an individual, an organisation or industry orientation. While content analysis is a technique to collect and analyse specific contents [26]. The word 'content' itself can refer to various elements, such as words, symbols, meanings, ideas, images, themes, or messages that are communicated. In other word, content analysis is a data collection technique which consequently converts qualitative data to a quantitative format through the process of codification [27]. Therefore, both methods used in this study is considered sufficient to analyse the fraud in Indonesian companies' sustainability report.

4 Result and Discussion

In this section, we will discuss and analyse the disclosure of negative information / cases in company's economy, environment, and social sustainability indicator. In this study we examined 133 companies in Indonesia. From these 133 companies, only 23 or 17.29% of the companies that published sustainability report. We will explain each indicator in more detail in the sections below.

4.1. Cases Related to the Economic Aspect

Cases about economic aspect that we found were related to 4 indicators. For the explanation, we described in the points below:

- a. Direct economic value generated and distributed (GRI 201-1), the negative cases or issues found are mostly related to financial reports and tax evasion. Most of the issues that occur in financial statements are related to claims for payment of debts or compensation to companies, late / inappropriate financial reports, and corporate tax evasion. Most companies that have negative case or issue do not publish a sustainability report and there are no companies that disclose negative cases or issues that are reported in their sustainability reports.
- b. Defined benefit plan obligations and other retirement plans (GRI 201-3), the cases or negative issues found were related to demonstrations conducted by employees with unilateral layoffs and severance pay that was not given when the employee was laid off. Most companies that have negative case or issue do not publish a sustainability report

and most companies that publish sustainability reports do not disclose the number of employees who were laid off, the conflicts that occurred, and the next steps to be taken.

- c. Confirmed incidents of corruption and actions taken (GRI 205-3), negative cases or issues found were related to incidents of employees who were caught committing corruption / bribery. Most companies that publish sustainability reports have disclosed the number of corruption / bribery incidents that occurred during a certain year. The company also disclosed the system implemented to prevent corruption or bribery, one of which is by implementing a whistle blowing system.
- d. Legal actions for anti-competitive behavior, anti-trust, and monopoly practices (GRI 206-1), negative cases or issues found related to the incidence of fines/sanctions imposed by the Business Competition Supervisory Commission in Indonesia. All companies that have cases on this indicator do not make sustainability reports.

4.2. Cases Related to the Environmental Aspect

In this section, we will explain cases about environmental aspect. Cases that we found were related to in 7 indicators. The following are our explanation which is divided into 5 points, i.e.:

- a. Management of water discharge-related impacts (GRI 303-2), negative cases or negative issues found related to the incident of an oil spill in the river by a company in Indonesia. The company has disclosed information related to the case in their sustainability report.
- b. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas (GRI 304-1) and Significant impacts of activities, products, and services on biodiversity (GRI 304-2), negative cases or negative issues found related to the damage of biodiversity due to the company's operational activities or the construction of company facilities. Some companies do not publish sustainability reports. Some companies disclosed information related to efforts made to protect biodiversity, but did not disclose cases related to biodiversity damage in detail in their sustainability reports.
- c. Direct (Scope 1) GHG emissions (GRI 305-1) and Energy indirect (Scope 2) GHG emissions (GRI 305-2), negative cases or negative issues found related to the pipe leak incident resulting in air pollution and other activities that cause air pollution. The company does not disclose this case in their sustainability report.
- d. Waste by type and disposal method (GRI 306-2), negative cases or negative issues found related to the waste resulting from the company's operations which results in pollution and disease in local residents or deliberately disposing of waste. Some companies do not publish sustainability reports. Companies that publish sustainability reports make disclosures about the waste management business carried out by the company but most of them do not report any negative impacts from the waste produced.
- e. Non-compliance with environmental laws and regulations (GRI 307-1), negative cases or negative issues found related to the construction of company facilities in a way that damages biodiversity and results in pollution, fire, or other environmental damage, operational activities that cause environmental pollution, improper disposal of company waste. Most of the companies do not have a sustainability report. Most companies that produce sustainability reports only explain briefly, and some do not even disclose cases of non-compliance that have occurred.

4.3. Cases Related to the Social Aspect

The last section, we talk about cases related to the social aspect. There are 7 indicators related to the cases, i.e.:

- a. Occupational health and safety management system (GRI 403-1), Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (GRI 403-7), Workers covered by an occupational health and safety management system (GRI 403-8), and Work-related injuries (GRI 403-9) negative cases or negative issues found related to the accidents and deaths in the work environment. Most of the companies studied had work accident cases, but most companies did not have a sustainability report. Companies that have a sustainability report have disclosed the number of incidents (minor, moderate, severe) that occurred within the company and the efforts made by the company regarding the issue of occupational health and safety.
- b. Operations and suppliers at significant risk for incidents of child labour (GRI 408-1), negative cases or negative issues found related to the existence of child labor in the company. All companies that have these cases do not have sustainability reports.
- c. Incidents of violations involving rights of indigenous peoples (GRI 411-1), negative cases or negative issues found related to the violation of human rights in the company. All companies that have these cases do not have sustainability reports.
- d. Incidents of non-compliance concerning the health and safety impacts of products and services (GRI 416-2), negative cases or negative issues found related to the losses experienced by consumers due to unsafe products. The company does not have a sustainability report.

5 Conclusion

The number of publication of sustainability reports in Indonesia continues to increase. However, this was not accompanied by the issuance of mandatory sustainability reports and sustainability report standard in all sectors. This resulted in fraud (incomplete disclosure of information) in the sustainability report. Companies choose to disclose negative indicators in their sustainability reports. This is certainly related to the positive image the company wants to build in front of its stakeholders. Companies tend to disclose negative information that doesn't have negative impacts on their image. For example, companies continue to disclose the number of work accidents that have occurred in their companies but they do not disclose the deliberate burning of forests or the deliberate disposal of waste into rivers or tax evasion. Companies also tend not to disclose negative information completely. For example, companies only write about actions that are not in accordance with the law by them but they did not explain what kind of action it means. This causes sustainability reports look to be a kind of too good to be true, because most of the information contained is positive information. The limitation of this research is that this study only uses SR as a basis for assessing fraud by companies. For future studies, the research should also use detailed interviews with companies to better analyze in detail why companies disclose or not disclose information in their sustainability reports.

References

- [1] T. J. Brown and P. A. Dacin, "The company and the product: Corporate associations and consumer product responses," *J. Mark.*, 1997, doi: 10.2307/1252190.
- [2] C. Xie and R. P. Bagozzi, "Consumer responses to corporate social irresponsibility: The role of

- moral emotions, evaluations, and social cognitions,” *Psychol. Mark.*, 2019, doi: 10.1002/mar.21197.
- [3] J. Peloza and J. Shang, “How can corporate social responsibility activities create value for stakeholders? A systematic review,” *Journal of the Academy of Marketing Science*. 2011, doi: 10.1007/s11747-010-0213-6.
 - [4] P. Antonetti and S. Maklan, “Social Identification and Corporate Irresponsibility: A Model of Stakeholder Punitive Intentions,” *Br. J. Manag.*, 2016, doi: 10.1111/1467-8551.12168.
 - [5] S. Romani, S. Grappi, and R. P. Bagozzi, “My anger is your gain, my contempt your loss: Explaining consumer responses to corporate wrongdoing,” *Psychol. Mark.*, 2013, doi: 10.1002/mar.20664.
 - [6] T. I. Vaaland, M. Heide, and K. Grønhaug, “Corporate social responsibility: Investigating theory and research in the marketing context,” *Eur. J. Mark.*, 2008, doi: 10.1108/03090560810891082.
 - [7] M. Corciolani, F. Nieri, and A. Tuan, “Does involvement in corporate social irresponsibility affect the linguistic features of corporate social responsibility reports?,” *Corp. Soc. Responsib. Environ. Manag.*, 2020, doi: 10.1002/csr.1832.
 - [8] G. Heal, “Corporate social responsibility: An economic and financial framework,” 2005, doi: 10.1057/palgrave.gpp.2510037.
 - [9] M. Kotchen and J. J. Moon, “Corporate social responsibility for irresponsibility,” *B.E. J. Econ. Anal. Policy*, 2012, doi: 10.1515/1935-1682.3308.
 - [10] M. Riera and M. Iborra, “Corporate social irresponsibility: review and conceptual boundaries,” *Eur. J. Manag. Bus. Econ.*, 2017, doi: 10.1108/EJMBE-07-2017-009.
 - [11] U. Alniacik, E. Alniacik, and N. Genc, “How corporate social responsibility information influences stakeholders’ intentions,” *Corp. Soc. Responsib. Environ. Manag.*, 2011, doi: 10.1002/csr.245.
 - [12] R. Hooghiemstra, “Corporate communication and impression management - New perspectives why companies engage in corporate social reporting,” *J. Bus. Ethics*, 2000, doi: 10.1007/978-94-011-4311-0_7.
 - [13] I. Seele, P. & Lock, “Instrumental and/or deliberative ? A typology of CSR communication tools,” *J. Bus. Ethics*, vol. 13, pp. 401–414, 2015, [Online]. Available: <http://doi.org/10.1007/s10551-014-2282-9>.
 - [14] D. Tschopp and R. J. Huefner, “Comparing the Evolution of CSR Reporting to that of Financial Reporting,” *J. Bus. Ethics*, 2015, doi: 10.1007/s10551-014-2054-6.
 - [15] M. Morsing, “CSR Communication: What Is It? Why Is It Important?,” in *Corporate social responsibility: Strategy, communication, governance*, A. Rasche, M. Morsing, and J. Moon, Eds. Cambridge: Cambridge University Press, 2017, pp. 281–306.
 - [16] P. Bansal and G. Kistruck, “Seeing is (not) believing: Managing the impressions of the firm’s commitment to the natural environment,” *J. Bus. Ethics*, 2006, doi: 10.1007/s10551-006-9021-9.
 - [17] D. S. Dhaliwal, O. Z. Li, A. Tsang, and Y. G. Yang, “Voluntary nonfinancial disclosure and the cost of equity capital: The initiation of corporate social responsibility reporting,” *Account. Rev.*, 2011, doi: 10.2308/accr.00000005.
 - [18] R. Nikolaeva and M. Bicho, “The role of institutional and reputational factors in the voluntary adoption of corporate social responsibility reporting standards,” *J. Acad. Mark. Sci.*, 2011, doi: 10.1007/s11747-010-0214-5.
 - [19] A. K. Carroll, A. Buchholtz, *Business and Society: Ethics and Stakeholder Management*, Fifth. Mason (Ohio): South-Western Thomson Learning, 2003.
 - [20] J. G. Frynas and C. Yamahaki, “Corporate social responsibility: Review and roadmap of theoretical perspectives,” *Bus. Ethics*, 2016, doi: 10.1111/beer.12115.
 - [21] A. Dahlsrud, “How corporate social responsibility is defined: An analysis of 37 definitions,” *Corp. Soc. Responsib. Environ. Manag.*, 2008, doi: 10.1002/csr.132.
 - [22] L. A. Mohr, D. J. Webb, and K. E. Harris, “Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior,” *J. Consum. Aff.*,

- 2001, doi: 10.1111/j.1745-6606.2001.tb00102.x.
- [23] K. Behringer and K. Szegedi, "The Role Of CSR In Achieving Sustainable Development – Theoretical Approach," *Eur. Sci. Journal, ESJ*, 2016, doi: 10.19044/esj.2016.v12n22p10.
 - [24] K. Rangan, L. Chase, and S. Karim, "The truth about CSR," *Harvard Business Review*. 2015.
 - [25] U. Holtschneider, *Adoption of corporate social responsibility by Japanese companies*. München: Iudicium, 2015.
 - [26] A. Mulky, "Are CSR activities directed towards sustainable development goals? A study in India," *Pap. Present. 5th Int. OFEL Conf. Governance, Manag. Entrep.*, 2017, [Online]. Available: <https://search.proquest.com/docview/1945555843?>.
 - [27] L. C. Roca and C. Searcy, "An analysis of indicators disclosed in corporate sustainability reports," *J. Clean. Prod.*, 2012, doi: 10.1016/j.jclepro.2011.08.002.
 - [28] M. Mason, "What Is Sustainability and Why Is It Important?," *EnvironmentalScience.org*, 2015. <https://www.environmentalscience.org/sustainability> (accessed Aug. 14, 2020).
 - [29] EPA, "Learn About Sustainability," 2020. <https://www.epa.gov/sustainability/learn-about-sustainability> (accessed Sep. 04, 2020).
 - [30] University of Alberta, "What is Sustainability?" <https://www.mcgill.ca/sustainability/files/sustainability/what-is-sustainability.pdf> (accessed Aug. 13, 2020).
 - [31] J. E. Moore, A. Mascarenhas, J. Bain, and S. E. Straus, "Developing a comprehensive definition of sustainability," *Implement. Sci.*, 2017, doi: 10.1186/s13012-017-0637-1.
 - [32] G. Aras and G. Sarioglu, *Kurumsal Raporlamada Yeni Dönem: Entegre Raporlama*. Tüsiad Publishing, 2015.
 - [33] G. Davis and C. Searcy, "A review of Canadian corporate sustainable development reports," *J. Glob. Responsib.*, 2010, doi: 10.1108/20412561011079425.
 - [34] Global Reporting Initiative, "Global Reporting Initiative," 2006.
 - [35] Global Reporting Initiatives, "G4 Sustainable Guidelines," Jakarta, 2013.
 - [36] D. Diouf and O. Boiral, "The quality of sustainability reports and impression management: A stakeholder perspective," *Accounting, Audit. Account. J.*, 2017, doi: 10.1108/AAAJ-04-2015-2044.
 - [37] W. S. Albrecht, C. O. Albrecht, C. C. Albrecht, and M. F. Zimbelman, *Fraud Examination*. Boston: Cengage Learning, 2014.
 - [38] M. Steinmeier, "Fraud in Sustainability Departments? An Exploratory Study," *J. Bus. Ethics*, 2016, doi: 10.1007/s10551-015-2615-3.
 - [39] KPMG Accountants N. V., "The rising challenge of sustainability fraud," *KPMG Netherlands Website*, 2020. <https://home.kpmg/nl/nl/home/insights/2020/06/the-rising-challenge-of-sustainability-fraud.html> (accessed Aug. 14, 2020).
 - [40] G. M. Trompeter, T. D. Carpenter, N. Desai, K. L. Jones, and R. A. Riley, "A synthesis of fraud-related research," *Auditing*, 2013, doi: 10.2308/ajpt-50360.
 - [41] J. R. Kurpierz and K. Smith, "The greenwashing triangle: adapting tools from fraud to improve CSR reporting," *Sustain. Accounting, Manag. Policy J.*, 2020, doi: 10.1108/SAMPJ-10-2018-0272.
 - [42] H. H. Cristel Antonia Russel, Dale W. Russell, "Corporate Social Responsibility Failures: How do Consumers Respond to Corpo...: EBSCOhost," *Springer Science+Business Media Dordrecht 2015*, 2015. .
 - [43] H. L. Zou, R. C. Zeng, S. X. Zeng, and J. J. Shi, "How Do Environmental Violation Events Harm Corporate Reputation?," *Bus. Strateg. Environ.*, 2015, doi: 10.1002/bse.1849.
 - [44] D. Philippe and R. Durand, "The impact of norm-conforming behaviors on firm reputation," *Strateg. Manag. J.*, 2011, doi: 10.1002/smj.919.
 - [45] A. R. Reuber and E. Fischer, "Organizations behaving badly: When are discreditable actions likely to damage organizational reputation?," *J. Bus. Ethics*, 2010, doi: 10.1007/s10551-009-0180-3.
 - [46] Z. Wang, T. S. Hsieh, and J. Sarkis, "CSR Performance and the Readability of CSR Reports: Too Good to be True?," *Corp. Soc. Responsib. Environ. Manag.*, 2018, doi: 10.1002/csr.1440.

The Implementation of Indonesia's State Obligations in relation to the Rights of Persons with Disabilities in Aviation

Adya Paramita Prabandari¹, Rahayu², Elfia Farida³
 {adyaprabandari@gmail.com¹, rahayu@lecturer.undip.ac.id², elfiaundip@gmail.com³}

Faculty of Law, Universitas Diponegoro, Semarang, Indonesia¹, Faculty of Law, Universitas Diponegoro, Semarang, Indonesia², Faculty of Law, Universitas Diponegoro, Semarang, Indonesia³

Abstract. State is the main responsible entity in respecting, fulfilling, and protecting human rights, at least for its citizen and other people in its territory. Indonesia, as a country based on Pancasila and the 1945 Constitution of the Republic of Indonesia that respects and upholds human dignity, should give recognition and protection of human rights for all Indonesian citizens. This of course applies in every aspect of life, including in the civil aviation. This paper will describe the implementation of Indonesia's state obligations related to the rights of persons with disabilities in Aviation.

Keywords: state obligations, rights of persons with disabilities, aviation

1 Introduction

The term “human rights” began to be used and received great attention from the international community after the terrible events that occurred in World War II. This term replaced the term “natural rights”, and also “the rights of men” that became a matter of great controversy.[1] Members of the UN pledge to start taking various measures in order to respect and protect human rights and fundamental freedoms for all. [2] This step began with the adoption of the UDHR on December 10, 1948 by the UN. This was followed by the adoption of various international instruments including the ICCPR and the ICESCR in 1966; the International Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment (CAT) in 1984; and the Convention on the Rights of Persons with Disabilities (CRPD) in 2006. The adoption of these various international instruments shows the goodwill of the international community to respect and protect human rights, including for members of vulnerable groups such as persons with disabilities.

The CRPD was “a result of the recognition that discrimination against persons as a result of disability is unacceptable and that there is a need to promote and protect the fundamental human rights of persons with disabilities”.[3] The Preamble of CRPD states in the item (v) that in order for persons with disabilities to fully enjoy all human rights and fundamental freedoms, it is very important to consider the accessibility in every environment and every aspect of life, i.e. physical and social environment. This is further stated in Article 9 (1) of the CRPD on the Accessibility of persons with disabilities that States Parties shall take appropriate measures to ensure that they have access on equal basis with others in every environment and every aspect of life, including facilities and services provide for public transportation. This article clearly states the state's obligation to ensure the fulfillment of the accessibility rights of persons with

disabilities, which is certainly in line with the state's obligations as a duty bearer in respecting, fulfilling and protecting human rights.

Likewise, Indonesia as one of the countries that has ratified the CRPD with the Law Number 19 of 2011 on the Ratification of the CRPD on November 10, 2011. This action certainly brings consequences for Indonesia in the form of the obligation to comply with and implement CRPD in its national law.

The aim of this study is to find out the implementation of the Indonesia's state obligations in relation to the Rights of Persons with Disabilities particularly with regard to the accessibility rights of persons with disabilities in civil aviation.

2 Method

The research method used in this research is the Normative Juridical method "which is carried out by examining library materials which are secondary data".[4] This study combines two approaches, namely the statute approach and the conceptual approach.[5] The data used and analyzed in this study is secondary data consisting of legal materials and non-legal materials, which are collected using the literature study and document study methods. [6] The data obtained in this study were then selected and arranged systematically for further analysis and elaboration using qualitative analysis methods. [7]

3 Results

3.1 The Concept of State Obligations related to Human Rights

Related to human rights, in principle, the state as a duty bearer, has obligations to respect, to fulfill and to protect the human rights of its citizens.[8] The obligation to respect means that the state has an obligation to refrain from interfering in any way, except on legal grounds (legitimate). States have to avoid any law or action that would result in a deprivation of access to rights. [9] The second is the obligation to fulfill which means that the state has an obligation to take legislative, administrative, judicial and practical measures necessary to ensure the fulfillment of human rights as widely as possible. While the obligation to protect is the obligation of the state to protect not only against violations committed by the state, but also from acts or violations committed by other non-state entities or parties that would interfere with these protection. [10]

3.2 Persons with Disabilities

Until now, there is no unity of opinion concerning the definition of disability due to its complexity and multidimensional. [11] In 1997, the UN defined disability as follows:

“Impairment: Any loss or abnormality of psychological, or anatomical structure or function.

Disability: Any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being.

Handicap: A disadvantage for a given individual, resulting from an impairment or disability, that limits or prevents the fulfillment of a role that is normal, depending on age, sex, social and cultural factors, for that individual.

Handicap is therefore a function of the relationship between disabled persons and their environment. It occurs when they encounter cultural, physical or social barriers which prevent their access to the various systems of society that are available to other citizens. Thus, handicap is the loss or limitation of opportunities to take part in the life of the community on an equal level with others.”[12][13]

Then in December 13, 2006, the General Assembly of the UN adopted the CRPD. This is the first legally binding instrument on the issue of disability[14] and applies to all person with disabilities, including “those who have long-term physical, mental, intellectual or sensory impairments”. The purpose of the convention is clearly stated in Article 1 “to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity”. The CRPD describes the various rights held by persons with disabilities which must be respected, fulfilled and protected by the state, along with the rights of other people.

4 Discussion

Human rights make the state as the main legal subject, because the state is the main responsible entity in respecting, fulfilling, and protecting human rights, at least for its citizen and other people in its territory.

Indonesia, as a country based on Pancasila and the 1945 Constitution of the Republic of Indonesia that respects and upholds human dignity, should give recognition and protection of human rights for all Indonesian citizens. This is in accordance with one of the objectives of the Republic of Indonesia as stated in Paragraph 4 of the Preamble of the 1945 Constitution, namely "... to form an Indonesian State Government which shall protect the whole Indonesian nation and the entire native land of Indonesia, ...". This objective then further described in the articles of the 1945 Constitution namely in:

Article 28G (1)

"Every person shall be entitled to protection of his/her own person, family, honor, dignity, and property under his/her control, as well as be entitled to feel secure and be entitled to protection against threat of fear to do or omit to do something being his/her fundamental right"

Article 28H (2)

"Every person is entitled to receive ease and special treatment in order to obtain the same opportunity and benefit in order to achieve equality and justice."

Article 28I (2)

"Every person is entitled to be free from discriminative treatment on whatsoever basis and is entitled to acquire protection against such discriminative treatment".

The rules in the articles mentioned above clearly bring obligations for Indonesia which has been very emphatically stated in Article 28I (4) that "The protection, advancement, enforcement and fulfillment of human rights shall be the responsibility of the state, particularly the government". These obligations, among others, was later manifested in the form of enacting Law Number 39 of 1999 concerning Human Rights (further referred as Human Rights Law), that then followed by the enactment of various laws concerning the protection of human rights in various fields in Indonesia. One of the them that has been ratified by Indonesia is the CRPD with the Law Number 19 of 2011 on the Ratification of the Convention on the Rights of Persons with Disabilities on November 10, 2011. This is a step forward by the Indonesian government in recognizing the importance of protection and fulfillment as well as special attention for

persons with disabilities, as well as in accordance with the Pacta Sunt Servanda principle that Indonesia is obliged to implement an international agreement that has been ratified in good faith.[15] This is reinforced by Article 7 (2) of the Human Rights Law, which states that "The provisions of international law that have been accepted by the State of the Republic of Indonesia concerning human rights become national law".

In carrying out these obligations, the Government of Indonesia has firmly stated in Article 5 (3) of the Human Rights Law that "All members of disadvantaged groups in society, such as children, the poor, and the disabled are entitled to greater protection of human rights", and also in Article 41 (2) that "The disabled, elderly, pregnant women and children have a right to special facilities and treatment". The government then established Law Number 8 of 2016 concerning Persons with Disabilities which also replaces Law Number 4 of 1997 concerning Persons with Disabilities who are considered no longer in accordance with the paradigm of the needs of persons with disabilities, as well as an adoption of the existing rules in CRPD. This is a proof of Indonesia's seriousness in carrying out its obligations to respect, fulfill and protect the human rights of persons with disabilities.

In the transportation sector, persons with disabilities are guaranteed accessibility rights in Law Number 8 of 2016, particularly in Article 9 (1), Article 18 and Article 19. Furthermore in the air transportation sector, the accessibility rights are guaranteed in Law Number 1 of 2009 concerning Aviation (in Article 118 (1) (e), Article 134, and Article 239), Minister of Transportation Regulation 38 of 2015 on the Domestic Air Passenger Service Standards, Minister of Transportation Regulation No. PM 77 of 2015 on the Standardization and Certification of Airport Facilities, and Minister of Transportation Regulation 98 of 2017 on the Providing Accessibility to Passenger Services for Public Transportation Services for Service Users with Special Needs.

5 Conclusion

Related to human rights, the state has a position as a duty bearer, which has obligations to respect, to fulfill and to protect the human rights of its citizens. So it is with Indonesia, as a country based on Pancasila and the 1945 Constitution of the Republic of Indonesia that respects and upholds human dignity, should really carry out the obligations to respect, fulfill and protect human rights, including the rights of persons with disabilities in every aspect of life, including in the aviation sector. The implementation of Indonesia's state obligations in relation to the rights of persons with disabilities in aviation appears in the following ways:

- a. The enactment of various laws and regulations concerning aviation and the standardization of facilities for service users with special needs (aka. Persons with disabilities);
- b. The construction of various facilities according to predetermined standards to be used in serving persons with disabilities who will travel by air, both building facilities at the airports, as well as equipping aircrafts with various necessary facilities; and
- c. Provide training to officers involved in various stages and processes of air transportation, starting at the airport before embarkation, during the flight, until the passenger with disability arrives at their destination safely.

6 Acknowledgments

Acknowledgments. The author is very grateful to the Faculty of Law, Universitas Diponegoro, for all the support and financial assistance from the 2020 fiscal year research funding. And also to Prof. Dr. Rahayu, SH., M.Hum. and Elfia Farida, SH., M.Hum. as research fellows for the teamwork and endless support during this research.

References

- [1] B. H. Weston, "Human Rights," *Hum. Rights Q.*, pp. 257–283, 1984.
- [2] D. L. Sills, Ed., *International Encyclopaedia of Social Sciences*. New York: The Macmillan Company and the Free Press, 1968.
- [3] Y. Basson, "State Obligations in International Law related to the Right to an Adequate Standard of Living for Persons with Disabilities," *Law Democr. Dev.*, vol. 21, pp. 68–83, 2017.
- [4] R. H. Soemitro, *Metodologi Penelitian Hukum dan Jurimetri*. Jakarta: Ghalia Indonesia, 1990.
- [5] J. Ibrahim, *Teori & Metodologi Penelitian Hukum Normatif*. Malang: Bayumedia Publishing, 2006.
- [6] P. M. Marzuki, *Penelitian Hukum*, 1st ed. Jakarta: Kencana, 2005.
- [7] M. F. ND and Y. Achmad, *Dualisme Penelitian Hukum Normatif dan Empiris*. Yogyakarta: Pustaka Pelajar, 2010.
- [8] M. Nowak, *Introduction to the International Human Rights Regime*. Leiden: Martinus Nijhoff, 2003.
- [9] I. T. Winkler, "Respect, Protect, Fulfill: The Implementation of the Human Right to Water in South Africe," in *Water Governance in Motion: Towards Socially and Environmentally Sustainable Water Laws*, P. Cullet, A. Gowlland-Gualtieri, R. Madhav, and U. Ramanathan, Eds. London: Foundation Books, 2010, pp. 415–444.
- [10] Rahayu, *Hukum Hak Asasi Manusia*. Semarang: Badan Penerbit Universitas Diponegoro, 2015.
- [11] S. Mitra, "The Capability Approach and Disability," *J. Disabil. Policy Stud.*, vol. 16, no. 4, pp. 236–247, 2006.
- [12] United Nations, "Decade of Disabled Persons 1983-1992: World Programme of Action concerning Disabled Persons 3," 1997.
- [13] D. Kaplan, "The Definition of Disability: Perspective of the Disability Community," *J. Heal. Care Law Policy*, vol. 3, no. 2, pp. 352–364, 2000.
- [14] K. Kazou, "Analysing the Definition of Disability in the UN Convention on the Rights of Persons with Disabilities: Is It Really Based on a 'Social Model' Approach?," *Int. J. Ment. Heal. Capacit. Law*, vol. 23, pp. 25–48, 2017.
- [15] E. Pratomo, *Hukum Perjanjian Internasional: Dinamika dan Tinjauan Kritis terhadap Politik Hukum Indonesia*. Jakarta: Elex Media Komputindo, 2016.

The Implementing of Participating Interest through Local Owned Enterprises in Sampang – Indonesia

Indra Yulianingsih¹, Encik Muhammad Fauzan², Yudi Widagdo Harimurti³ Azizah⁴
 {indra.yulianingsih@trunojoyo.ac.id¹, encik.fauzan@trunojoyo.ac.id²,
 yudi.harimurti@trunojoyo.ac.id³, azizah@trunojoyo.ac.id⁴}

Universitas Trunojoyo Madura, Indonesia¹, Universitas Trunojoyo Madura, Indonesia², Universitas Trunojoyo Madura, Indonesia³, Universitas Trunojoyo Madura, Indonesia⁴

Abstract. Indonesian Government grants participating interest (PI) toward local government in capitalizing oil and gas exploitation, where areas have oil and gas exploitation blocks. The PI is set by the central government at 10%. This research examines what is the form and regulation of the local government in participating interest in participating?. This research is a doctrinal legal research which has the aim of knowing the implementation of participating interest in Sampang Regency. Sampang Regency was used as the research location because it has oil and gas blocks in the waters of Sampang Regency. The results of this study indicate that participating interest in Sampang Regency is carried out by local owned enterprises, namely limited liability company of Geliat Sampang Mandiri (GSM Ltd). This company was formed through the Sampang Regency Local Laws Number 9 Year 2019. This laws for taking part in its participating interest.

Keywords: Participating Interest, Local Owned Enterprise, GSM Ltd

1 Introduction

The 1945 Indonesian Constitution in article 33 section (2) stated that the land, the waters and the natural resources within shall be under the powers of the State and shall be used to the greatest benefit of the people. The article showed that the national economy is built on the basis of a people's economy. In this context, oil and natural gas are considered important and strategic for the state and dominate the lives of many people. Therefore, its utilization must be used for the greatest prosperity of the people. Oil and natural gas are one of the natural resources owned by the Indonesian people. However, not all of exploitation of mineral resources be carried out by Indonesian state. The state can delegate the exploitation to private legal entities or individual within the Indonesian mining jurisdiction with a Mining Authority, Contract of Work or Cooperation Agreement [1].

Natural resources are an important to human being. Consequently, the state must create the policies of the natural resource governance in order to give benefit for the people. It provides source of livelihood, income and a sense of meaning and identity to rural populations; they also constitute a source of revenue and authority to national and district governments, a source of wealth to national economic and political elites, and the basis for the provision of ecosystem services of local, regional, and global importance [2].

Indonesia regulate natural resources through Indonesian Law Number 22 Year 2011 about Oil and Natural Gas. This law regulates the management of oil and natural gas so that it is carried

out effectively and efficiently, which includes upstream and downstream activities. Good management is expected to increase state revenue. Upstream Oil and Gas Business Activities are a form of management in the form of exploration and exploitation of oil and gas, which in this case can be carried out by business entities on the condition that they obtain approval from the Minister of Energy and Mineral Resources.

In the implementation of management and implementation, there are still many overlaps in terms of authority. This begins with a change in authority in local government. The dynamics of the formation of regulations regarding regional government were initially regulated in Law Number 32 of 2004 concerning Regional Government. Article 18 Paragraph (1) explains that regional governments can carry out exploration and exploitation activities of natural resources contained in the sea area. If an area in question has an administrative territorial area towards the sea, then this has opened the widest possible opportunity to manage these activities in its territory.

Furthermore, with the promulgation of Indonesian Law Number 23 Year 2014 concerning Regional Government, the change in authority previously held by the regional government as stipulated in Article 18 Paragraph (1) of Indonesian Law Number 32 Year 2004 becomes invalid. This is based on the existence of the provisions of article 14 paragraph (3) of Indonesian Law Number 23 Year 2014 which explains that matters previously related to oil and gas management are the authority of the regional government to become the authority of the central government.

The enactment of article 14 paragraph (3) of Indonesian Law Number 23 Year 2014 does not merely eliminate the authority of the regional government in implementing upstream business activities. The role of local governments is still owned by local governments as confirmed in article 11 Paragraph (3) of the Oil and Gas Law, in the form of environmental management and the determination of work areas, further explained in article 12 paragraph (1) of the Oil and Gas Law as regulated "the working area to be is offered to a business entity or a permanent establishment determined by the minister after consultation with the local government. " In environmental management, the authority of the regional government is also contained in article 12 Paragraph (2) letter e of Indonesia Law Number 23 Year 2014, in the attachment to the regulation, namely letter k, regulates the division of government affairs in the environmental sector. The problem is how is the arrangement the Participating Interest (PI) by the central government and how is the implementation in the Local Government Sampang Regency. This research examines what is the form and regulation of the local government to obtain PI.

2 Research Method

This research was conducted using doctrinal legal research. Doctrinal research is research that assesses based on library research and statutory regulations [3]. Doctrinal research also is called normative research where the objects and sources are norms, concepts and doctrines that develop in legal thinking. The method of reasoning that is most often used in doctrinal research is deductive syllogistic reasoning [4]. Based on this, this research focuses more on the study of the laws and regulations established by the Indonesian government and the Local Government of Sampang. The laws and regulations studied are the 1945 Indonesian Constitution, Indonesian Law Number 22 Year 2011, Indonesian Law Number 23 Year 2014, Indonesian Government Regulation Number 35 Year 2004 and its amendments, Indonesian Government Regulation

Number 79 Year 2010, Indonesian Government Regulation Number 54 Year 2017 and Indonesian Minister Regulation of Energy and Mineral Resources Number 37 Year 2016. In the study also analysis of local law namely Sampang Local Law Number 9 Year 2019. The selection of this local laws because researchers were directly involved in the formation of this local laws.

3 Regulation of Participating Interest in Indonesia

Participating interest is the right of the work area to get a share of management by the contractor based on an operating agreement with a set percentage. The contractor must be in the form of a corporate to carry out exploration and exploitation in a work area based on a cooperation contract to a special task force of implementing upstream oil and gas business activities. Regulating of participating interest in Indonesia, it regulate in Indonesian Government Regulation Number 35 Year 2004 as amendment in Indonesian Government Regulation Number 34 Year 2005 and second amendment by Indonesian Government Number 55 Year 2009. The regulation requires the contractor to offer a participating interest to regional-owned enterprises of 10%. Regional-owned enterprises are required to respond to this offer a maximum of 60 days after the contractor offers it. If for 60 days there is no response from this regional-owned company, the contractor can offer it to the national company.

The definition of participating interest can find out in the Indonesian Government Regulation Number 79 Year 2010 and Indonesian Minister Regulation of Energy and Mineral Resources Number 37 Year 2016. This term has means rights and obligations as Cooperation Contract Contractors, either directly or indirectly, in a work area. Participating interest is the proportion of production and exploration ownership in an oil and gas working area. Participating interest (PI) is the participation of business entities including regional-owned enterprises and permanent establishments in the management of upstream oil and gas through transfer of participating interest.

In implementing of participating interest, also regulate by Indonesian Minister Regulation of Energy and Mineral Resources Number 37 year 2016. The regulation stipulate the condition of regional-owned enterprises as implementing of Indonesian government regulation number 35 year 2004. Regional-owned enterprises must fullfil as regional companies that all ownership the shares are owned by the local government or limited liability company which is at least 99% (ninety nine percent) of the shares are owned by local government and remaining ownership its shares are wholly affiliated with the government regional. The companies must be legalized through regional regulations and it does not carry out business activities other than management participating interest.

The aim of the regional government through regional-owned enterprises is to gain participating interest so that local governments that have oil and gas exploitation work areas can benefit from managing oil and natural gas. The results of this participating interest will become regional income and be used for the welfare of the community. the rights obtained by this regional-owned enterprise are in the form of oil and gas production, a large portion of the acquisition of rights is equivalent to the obligations that must be carried out. The obligations that must be carried out are the obligation to develop, operate and carry out maintenance in oil and gas activities [5].

There are important aspects that must be considered in implementing participating interest, as follows:

1. For fields that are on land in 1 (one) province or offshore waters farthest to with 4 (four) nautical miles, a 10% PI offer is awarded to 1 (one) Regionally Owned Enterprise which its formation is coordinated by the governor with involving regional regents / mayors the administration has an approved field development plan.
2. for fields that are in offshore waters with a distance of more than 4 (four) nautical miles up to 12 (twelve) nautical miles measured from the coastline to the sea independent, the 10% PI offer is given to the Business Entity Owned by the Provincial Region which is implemented coordinated by the governor.
3. for fields located on land and / or offshore waters that are in an administrative area of more than 1 (one) province, the implementation of the 10% PI bid is carried out based on an agreement between the governor concerned who is coordinated by the governor whose territory covers most of the fields to be developed or Whereas as referred to in number 1 cannot be achieved within 3 (three) months from the date of request for appointment of Regional Owned Enterprises, the Minister shall determine the amount of participating interest to be offered to each provinces.

4 Establishment of Regional Owned Enterprise in Sampang to obtain PI

Sampang is one of the regencies in the Province of East Java, precisely on the island of Madura. In general, Madura island have an exceptionally large potential for oil resources. There are about 100 oil and gas blocks around the island of Madura. In Sampang Regency, there are around 14 oil and gas fields such as in Oyong off the coast of Camplong, Sumur Jeruk off the coast of Sreseh, Foram and Pollen wells off the coast of Ketapang, Mount Eleh well, Kedungdung District, and others. This is a tremendous potential and should be able to improve the welfare of the people of the island of Madura.

The local government should have taken the 10% PI offer by establishing a regional-owned enterprise. This formation must be carried out immediately by local governments that have oil and gas fields. This is certainly in line with the implementation of regional autonomy in Indonesia which aims to improve the welfare of the community in various fields. Although the management of oil and natural gas is not under the authority of local governments, regional governments can contribute through the 10% PI scheme.

Currently, many areas with oil and gas working areas have received less attention or have felt the positive impact of the exploitation of oil and natural gas in these areas. In fact, these areas are the areas most affected by the production of oil and natural gas. The continuous exploitation of oil and gas has resulted in the depletion of reserves stored in the bowels of the earth, especially those located in producing areas. As a result, the producing regions slowly but surely lose the reserves of natural oil and gas resources that are contained in the bowels of the earth in their territories [6].

Unfortunately, many regions are unable to participate in this PI because they need a large enough capital to get this 10% PI. In fact, not all local governments that have received Participating Interest (PI) rights are ready to anticipate receiving PI both in terms of funding, ability to do business and mastery of technology. From the funding side, for example, the Bojonegoro and Blora regencies are unable to meet the requirements for capital to be invested. Therefore, both of them took other private partners as investors to support funding [7].

This 10% PI is especially important for Sampang Regency and three other areas such as Bangkalan, Pamekasan and Sumenep, which are four regency on Madura Island. These four

regencies have a high poor community, especially Sampang, which is the district with the highest poverty rate in East Java Province. This social condition is very contradicting with the abundant natural resources in Sampang Regency. Sampang people should also enjoy the results from natural resources, especially from oil and natural gas. The existence of this PI is a hope that poverty alleviation will be implemented in Sampang Regency soon.

The establishment of a regionally owned enterprise in Sampang Regency to obtain a 10% PI is a must. Through the Sampang Regency regional regulation number 9 of 2019 concerning the Establishment of a Regional Company Company Geliat Sampang Mandiri (GSM Ltd). This regional company was previously a regional business entity that could not manage the PI, because its status as a holding company was not a regular regional owned enterprise and the initial capital of this company came from an employee cooperative. For this reason, it is necessary to transfer capital from cooperatives to capital sourced from the local government to become a regionally owned business entity that can manage the 10% PI.

The existence of the regional company, GSM Ltd, is particularly important as a form of investment for the Sampang Regency in increasing its economic growth. This company was founded in 2008 based on the Sampang Regency Local Laws Number 8 Year 2008 concerning the Formation of GSM Ltd as amended several times, most recently by the Sampang Regency Local Laws Number 10 Year 2013 concerning the second amendment to the Sampang Regency Local Laws Number 8 Year 2008 regarding the Establishment of GSM Ltd.

In addition, the formation of this company is intended to control and manage the oil and gas business, infrastructure and industry, and services. Meanwhile, one of the goals is to ensure the effectiveness of the implementation of businesses engaged in the oil and gas, infrastructure, and industry, from accountable services through fair, healthy and transparent business mechanisms. This company in running its company has also been supported by two subsidiaries, namely Sampang Sarana Shorebase (SSS Ltd) through Sampang Regency Local Laws Number 18 Year 2007 concerning the Establishment of Regional Owned Enterprises in the Form of SSS Ltd and Sampang Mandiri Perkasa (SMP Ltd) through Sampang Regency Local Laws Number 3 Year 2010 concerning the Establishment of Regional Owned Enterprises in the form of SMP Ltd. The two companies in these regional regulations are both declared as regional owned enterprises and are formed through local laws.

Achieving aims and objectives GSM Ltd, it conducts business management activities of oil and gas both upstream business activities, downstream businesses and other supporting business activities for oil and gas in Sampang Regency and / or outside Sampang Regency in accordance with the statutory provisions applies. The existence of Indonesian Government Regulation Number 54 Year 2017 and Indonesian Minister Regulation of Energy and Mineral Resources obliges GSM Ltd to adjust these two regulations. So, in 2018 the local government began to conduct a study to form local regulations to replace the regional regulations that have regulated GSM Ltd. In 2019, Sampang Regency Local Laws Number 9 Year 2019 was issued in response to regional needs to obtain PI.

The formation of this regional regulation is intended to give this GSM Ltd regional company authority to control and manage the oil and gas business sector. Meanwhile, the objectives of establishing the GSM Ltd are:

- a. conduct business to gain participating interest in the management of oil and gas in the regions through the formation of a subsidiary
- b. carry out efforts to obtain dividends; and
- c. carry out technology transfer and management as well as improvement and empowerment of human resources.

Based on the objective of establishing GSM Ltd as a company owned by the Sampang regency, this company has met the requirements for obtaining a 10% PI. If the process of obtaining this PI is smooth, it will be able to increase local income for the development and welfare of the Sampang Regency community. The establishment of this regionally owned business entity can be used as an example for other regions in Indonesia or other countries where oil and gas fields are exploited and explored.

5 Conclusion

Participating Interest in the management of Oil and Gas in Indonesia is regulated in Article 2 of the Indonesian Minister Regulation of Energy and Mineral Resources Number 37 Year 2016, that regions are entitled to a Participating Interest of 10% in the management of Oil and Gas. The implementation of Participating Interest in the management of Oil and Gas in Sampang Regency based on these provisions has yet to be realized properly even though a local owned enterprise has been formed, namely GSM Ltd through Sampang Regency Local Laws Number 9 Year 2019. The Local Government of Sampang Regency must be able to pressure GSM Ltd is to realize the 10% PI to increase the revenue of the Region.

References

- [1] R. Sarifudin, "Kewenangan Pemerintah Daerah Pengelolaan Partisipasi Interest (PI) Pada Sektor Migas," *J. Sosio Sains*, vol. 5, no. 2, pp. 128–139, 2019.
- [2] H. M. Ravnborg and L. I. Gómez, "The Importance of Inequality for Natural Resource Governance: Evidence from Two Nicaraguan Territories," *World Dev.*, vol. 73, pp. 72–84, 2015, doi: 10.1016/j.worlddev.2014.11.001.
- [3] A. Yaqin, *Legal Research and Writing*. Kelana Jaya Selangor: Lexis Nexis, 2007.
- [4] M. H. Hakim, "Pergeseran Orientasi Penelitian Hukum: Dari Doktrinal Ke Sosio-Legal," *Syariah J. Huk. dan Pemikir.*, vol. 16, no. 2, p. 105, 2017, doi: 10.18592/sy.v16i2.1031.
- [5] Z. S. Belanusa, R. Kartikasari, and A. Cahyadi, "Urgensi Penerapan Good Corporate Governance Pada Badan Usaha Milik Daerah Dalam Pengelolaan Minyak Dan Gas Bumi Di Indonesia," *J. Jurisprud.*, vol. 10, no. 1, pp. 1–14, 2020, doi: 10.23917/jjr.v1.
- [6] J. A. Setiawan, "Partisipasi Daerah Penghasil (Participating Interest) Di Wilayah Kerja (Blok) Masela," *J. Komun. Huk.*, vol. 2, no. 2, pp. 188–210, 2016, doi: 10.1017/CBO9781107415324.004.
- [7] A. Sholikin, "Otonomi Daerah dan Pengelolaan Minyak Bumi di Kabupaten Bojonegoro," *J. Ilmu Adm.*, vol. XV, no. 1, pp. 35–50, 2018.

The Role of Environmental Economic Instruments as One of the Efforts to Prevent and Control Environmental Pollution Caused by Industrial Activities

Indah Dwiprigitaningtias¹, Aliesa Amanita², Zulfika Ikrardini³, Lily Andayani⁴, R Ardini Rakhmania Ardan⁵

{agisti2013@gmail.com¹, notarisaliesa@gmail.com², zulfika.ikrardini@gmail.com³, Lily.risman@gmail.com⁴, arniardan@gmail.com⁵}

Program of Law FISIP University of Jenderal Achmad Yani, Indonesia¹, Program of Law FISIP University of Jenderal Achmad Yani, Indonesia², Program of Law FISIP University of Jenderal Achmad Yani, Indonesia³, Program of Law FISIP University of Jenderal Achmad Yani, Indonesia⁴, Program of Law FISIP University of Jenderal Achmad Yani, Indonesia⁵

Abstract. The environmental problem is a problem that arises caused by human carelessness and indifference in the management of living environment. The development utilizes natural resources continuously to improve the public welfare so that the process of development activities is more increasing and it contains the risk of pollution and / or the living environment so that the structure and the basis function of the ecosystem as foundations of life can be damaged. Environmental pollution and / or destruction will become a social problem, at the end, it requires environmental restoration cost which is high enough. The regulation in Article 42 Section (1) of Law Number 32 of 2009 regarding environmental protection and management of living environment states that: "In order to preserve environmental functions, the government and local governments are obliged to develop and implement The Environmental Economic Instruments. In this Article 18, it states about the internalization of environmental costs, that states, "Business actors or event organizers are responsible for including production costs or business (activity) costs." These costs include the preventing of environmental pollution or damage, the monitoring of environmental pollution and damage.

Keywords: environmental problems, environmental preservation, environmental economic instruments

1. Introduction

The development that is being carried out in many countries has resulted various advances in various fields, both in the fields of technology, production, management and information, which all of them have improved the quality of human life, but those achievements reached have an impact on the capacity of the environmental carrying. Industrial growth in many countries,

including Indonesia has caused environmental pollution and damage. The use and management of natural resources that are not considered in the use of it, it will cause very detrimental side effects for the environment and society. [1].

National economic development as regulated in the Article 33 Section (4) of the 1945 Constitution, it shall be carried out based on the principles of sustainability and environmental insight. Sustainable development requires an instrument to organize (power) in order to conduct and realize the sustainable development. It occurs because the human being tends to take advantage of the maximum possibility to make use of the natural resources in order to obtain benefits without considering its sustainability.

The Constitution Number 32 Year 2009 regarding Environmental Protection and Management of Environment, it regulates the instruments of Environment Economic which are divided into controlling efforts, especially in the context of preventing environmental pollution and / or environmental damage.[2]

Regulation Article 42 Section (1) of The Constitution Number 32 Year 2009 regarding Protection and Management of Environmental states that: "In order to preserve environmental functions, the government and local governments are required to develop and implement the Instruments of Environmental Economic ".

2. Literature Review

We discuss about environmental problem is a problem that arises as a result of human carelessness and indifference in the management of environmental. Those two things are important and related to the problem of pollution and environmental damage.[3] Environmental pollution is the inclusion or to include living things, substances, energy, or other components into the environment caused by human activities so that the quality of the environment decreases to a level that causes the environment does not have function any longer. [4]

Environmental pollution and / or damage that causes the decrease of environment, if it is not overcome early and wisely, it will lead to a major impact towards the environment both directly and indirectly, and it will affect the present and future generations and later on, it will affect the process of its development.

The development continuously utilizes natural resources to improve the society welfare and it causes the process of the development activities increases, and it contains the risk of pollution and / or the environment so that the structure and the basic function of the ecosystem as the foundation of life can be damaged. Environmental pollution and / or destruction will become a social problem, which in at the end, it requires environmental restoration cost which is high enough.

The society and businessmen awareness related to the importance of the environment should be improved. Besides that, the government also should implement *good environmental governance*, which means a government understands or cares about environmental aspects. Some means for realizations of the *sustainable development* are the development that preserves the natural resources and the environment in the present and in the future.

Therefore, the synergy of economic and social development must be emphasized more on maximum efforts to make use the natural resources and the environment in a sustainable manner and the purpose is to maximize the increase of social welfare (maximizing social well-being).

2.1 Pollution and Damage

Environmental pollution and / or damage caused by industrial activities, especially the textile industry, it causes huge losses for the environment and society so that it requires high costs of environmental restoration and compensation for society.

Business actors or factory owners who pollute and / or damage the environment must be responsible for their actions by paying compensation in order to restore the functions of the environment that has been polluted and / or damaged. The large cost of recovery and compensation for the environment and society sometimes makes the industrial factory owners unable to pay. If this happens, it will be a problematic case because of whom the responsibility can be transferred because there is no guarantee or certainty for the payment of the compensation.

In this case, the society is very disadvantaged. The pollution can give impacts both material and immaterial among the society area. Material losses are losses that can be valued in currency, while immaterial losses are losses that cannot be valued in currency.

2.2 Governer Regulation about Environmental Economics

On November 10, 2017, there was a Government Regulation about Environmental Economics (IELH). In the Article 18, the regulation mentions the matter of internalization of environmental costs, which states, "Businessmen or event organizers are responsible for submitting the cost of production calculation or the cost of business activity." The costs include the prevention of environmental pollution or damage, the monitoring of environmental pollution and damage.

Actually, there are many government regulations that have been implemented to protect environmental preservation, but in fact, there are some shortcomings in solving the environmental problem, this condition makes the researchers want to study the instrument of environmental economic.

3. Methodology

In this paper, authors use qualitative methods by compare real condition with regulation government focusing on pollution. This method seeking data by comparison ways and analyze deeper about the damage of pollution that happen in industrial activity. Through comparison, authors agree that governer regulation it will be more suitable or better with condition that happen in environmental pollution. Hence, through qualitative methods, the author argues that we can read data through a pollution data with governor regulation for environmental pollution that happen in industrial activity.

4. Discussion

The environment, including its natural resources, both globally, regionally and nation in the history of human civilization, has given two meanings to humans. On one hand, the perceived meaning is that the society welfare and the quality of human life increase, and on the other hand, it causes disasters as well the decrease of human life quality.

Humans with plants, animals, and micro-organisms occupy a certain space. Besides that, there are also inanimate objects, that is, air that consists of various kinds of gases, water in the form of vapor, liquid and solid. The space occupied by living things along with non-living things is called the Environment.[5]

The environmental problem is a problem that arises caused by human carelessness and indifference in the management of environmental. Those two things are important and related to the problem of pollution and environmental destruction. Environmental pollution is the inclusion or to include living things, substances, energy, or other components into the environment by human activities so that the quality decreases to a level that causes the environment does not have function any longer.[3]

Environmental pollution and / or damage that causes the decrease of environmental quality, gradually if it is not overcome early and wisely, it will lead to a major impact on the environment both directly and indirectly, and it will affect the present and future generations, and later on, it will affect the process of the development itself. [6]

The development continuously utilizes natural resources to improve the society welfare and it causes the process of development activities is more increasing, and it contains the risk of pollution and / or the environment so that the structure and the basic function of the ecosystem as the foundation of life can be damaged. Environmental pollution and / or destruction will become a social problem, at the end, it requires the cost of environmental restoration which is high enough.

The maintenance of a sustainable environmental function is very important that requires responsibility for the society, businessmen and the government to maintain and increase the capacity of the environment. Therefore, development that integrates the environment is needed to guarantee the health and quality of life for present and future generations. So that, sustainable development that is environmentally insight is required in this development.[7]

The society and businessmen awareness related to the importance of the environment should be improved. Besides that, the government also should implement *good environmental governance*, which means a government understands or cares about environmental aspects. Some means for realizations of the *sustainable development* are the development that preserves the natural resources and the environment in the present and in the future. [8]

The Constitution No.32 of 2009 regarding The Protection and Management of Environment, it organizes the Environmental Economic instrument which is categorized into efforts to control environmental pollution and / or damage. The regulation in article 42 section (1) of The Constitution Number 32 of 2009 regarding environmental protection and management state that: "In order to preserve environmental functions, the government and local governments are obliged to develop and implement The Instruments of Environmental Economic.[2]

The purpose of Economic Instrument is to bridge the gap between private and social costs through internalizing of all external costs (abatement and pollution costs) of depleted resources and polluted commodities for both producers and consumers. The purpose of Economic instruments is to set the full cost through paying the scarcity cost of resource depletion as well as paying the cost of damage for environmental degradation. [9]

Economic instruments are ideally used to integrate environmental aspects and developmental requirements, as well as to integrate economic and environmental policies based on: a) market improvements, b) efficiency or cost minimization, c) flexibility, and d) ability to adapt our self towards the change of circumstances. Economic instruments can be used to provide signs of scarce resources and environmental damage, to encourage an efficient use of resources and to minimize waste in order to create sustainable development[10]

Key for an economic instrument is the ability to make use of market strength and personal-interest, and to build strength in sustainable development. This can be done through changing economic incentives for producers and consumers, as well as making use of a variety of important information available. The scope and procedure for determining the estimated amount of environmental risk can be carried out through a scientific analysis model that has developed very advanced and been standardized in current science and technology. Environmental risk analysis models such as AMDAL and ERA (Ecological Risk Assessment) can decrease the possibility of negative environmental impacts. Through an environmental risk analysis model, it can be estimated how far the scope of funding environmental and economic instruments can be reached by business actors.[11]

5. Conclusion

Economic instruments are important to be developed because they strengthen the regulatory system. This approach emphasizes that there is an economic benefit for those in charge of a business and / or activity if they comply with environmental requirements as mentioned by The Constitution and regulation. An economic approach is required to stimulate the person in charge of a business and / or activity to comply with environmental requirements because, among others, avoiding paying penalties or receiving penalties, saving expenses for using efficient practices, and getting incentives if their activities give a positive impact on the efforts to prevent damage and preserve the environment.

In amendment II of the 1945 Constitution, Article 28H section (1) states that: "Every person has the right to live in physical and spiritual prosperity, to live and to have a good and healthy living environment, has the right to get health services". In the constitution No. 39 of 1999 on Human Rights, it also states the same thing in Article 3 which states: "everyone has the same rights to a good and healthy environment". The importance of the environmental component in supporting and fulfilling the rights of human life. A proper law is a law that contains the values of justice for all people. In this context, so that, law also has a function as a tool of justice (law as a tool to reach justice) in the use of natural and environmental resources. The kind of that justice is called environmental justice. Environmental justice needs to be scrutinized in the framework of

the legal basis and implementative regulatory policies related to the fact that the space for marginal people is increasingly pressed.

References

- [1] Y. Pratiwi and J. T. Lingkungan, "Penentuan tingkat pencemaran limbah industri tekstil berdasarkan," *J. Teknol.*, 2010.
- [2] UU RI no 32, "UNDANG-UNDANG REPUBLIK INDONESIA NOMOR 32 TAHUN 2009 TENTANG PERLINDUNGAN DAN PENGELOLAAN LINGKUNGAN HIDUP," 2009. doi: 10.7202/1016404ar.
- [3] L. O. A. La Ode Angga and H. Suat, "Legal Responsibility in the Pollution and Environmental Destruction Due to Gold Mining Exploitation in Botak Mountain of Buru Regency," *FIAT JUSTISIA*, 2019, doi: 10.25041/fiatjustisia.v13no3.1695.
- [4] M. I. F. Rahayu, "Sustainable development in the perspective of Sundanese cultural wisdom," *J. Eng. Appl. Sci.*, 2017, doi: 10.3923/jeasci.2017.4657.4660.
- [5] N. Ruhaeni, "PERKEMBANGAN PRINSIP TANGGUNG JAWAB (BASES OF LIABILITY) DALAM HUKUM INTERNASIONAL DAN IMPLIKASINYA TERHADAP KEGIATAN KERUANGANGKASAAN," *J. Huk. IUS QUIA IUSTUM*, 2014, doi: 10.20885/iustum.vol21.iss3.art1.
- [6] "Pollution prevention and control," 1991.
- [7] M. I. FARMA RAHAYU and A. F. SUSANTO, "Environmental Casualties Due to State Policy in Indonesia's National Development (A Portrait of Jatigede Indigenous People Struggle)," *Int. Rev. Manag. Bus. Res.*, 2018, doi: 10.30543/7-1(2018)-18.
- [8] M. Desfandi, "MEWUJUDKAN MASYARAKAT BERKARAKTER PEDULI LINGKUNGAN MELALUI PROGRAM ADIWIYATA," *SOSIO Didakt. Soc. Sci. Educ. J.*, 2015, doi: 10.15408/sd.v2i1.1661.
- [9] R. Ashari, E. Budianto, and H. Herdiansyah, "Environmental risk assessment on ship repair work at cilegon national shipyard company," 2019, doi: 10.1088/1742-6596/1363/1/012003.
- [10] H. Rahim, "Optimisme Pertumbuhan Asuransi Indonesia ; Proyeksi Perkembangan Lima Tahun (2014-2018)," *J. Asuransi dan Manaj. Resiko*, 2014.
- [11] J. Mukono, "Kedudukan Amdal dalam Pembangunan Berwawasan Lingkungan yang Berkelanjutan (Sustainable Development)," *J. Kesehat. Lingkung. Unair*, 2005.

Indonesian and Malaysian Governments' Policies towards COVID-19 Responses

Mariane Delanova¹, I Wayan Aditya Harikesa²
{mariane.delanova@gmail.com¹, wayan.aditya@lecture.unjani.ac.id²}

Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia¹, Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia²

Abstract. The COVID 19 pandemic began in Wuhan, Hubei, China, was first reported at the end of 2019. Furthermore, this virus has spread into various parts of the world; at least the spread of the SARS-CoV-2 virus occurred in 213 countries, including Indonesia and Malaysia. In both countries, Indonesia and Malaysia, until 15 September 2020, bringing the total positive cases to 225,030 and 10,052 respectively. Therefore, regarding with handling of COVID-19, both countries need to regulate a specific policy to prevent the increase of COVID-19 cases. Hence, this paper aims to compare government regulation in both countries suitable for handling this pandemic. Using qualitative methods, the authors will mention a brief policy by analyzing an exact document to give a deeper analysis of government policies.

Keywords: COVID-19, Indonesia and Malaysia, Government Regulations

1. Introduction

From February to June 2020 during the period, the world has been struck by the worst pandemic in which humanity have facing. Namely SARS-CoV-2 or COVID-19, the first record of the virus occurring or began in Wuhan, Hubei province, China at the end of 2019 and the impacts of the spreads of this virus is globally. The COVID-19 shock has dominated policy discussion in two major sectors in which are health and economic sector. The health sector become issues of greatest concern and focus for worldwide government to handle, because this virus attacks the respiratory tract and almost one-third of the people around the world reported death, in other words the mortality rates increasing to 30% total world population. More importantly in economic issues caused by COVID-19 spreads is exceedingly fast, it impacts most of economic growth sector such as education and public sector (schools, colleges, factory, malls, traditional markets, transportations, and many as well) – many economic sectors have been shut down – thus, it seriously impacts the labor force as well as well-being of the world society. The authors therefore intend to compare two national government policies in this paper: the Indonesian and Malaysian governments in response to the COVID-19 pandemic. The purpose of this paper is to discuss the policies developed by both countries to prevent COVID-19 from spreading.

2. Literature Review

Prior we discuss about both governments of Indonesia and Malaysia regulations in response of COVID-19 spreads, there is a brief section that authors will provide about current situation of COVID-19. A journal of medicine from Ferguson, suggesting that COVID-19's impact is very fatal [1]. The US Centers for Disease Control and Prevention (CDC) reported at the end of May that about one third of symptomatic infections with coronavirus and about 0.4% of people died with an infection-related death rate (IFR) below 0.3. Percent [2].

Previous reports, on the other hand, indicate that COVID-19 is 30 times more lethal than the influenza-causing virus and at least 10 times more infectious than the previous SARS virus [3]. The world, specifically many countries responded to the COVID-19 outbreak as well as regulating the emergency-fast response regulation depends on the current situation of those countries such as People Republic of China, Italy, France, etc. Many countries responded by issuing the lockdowns regulation to prevent the spreads, of COVID-19. However, by issuing the lockdowns order or regulation, it impacts on economic as well as health issues.

2.1 COVID-19's Deaths Toll Around the World

As well as the complexity of the situation and socio-economic circumstances. The comparison of health impacts around the world is affected by two other alerts. Second, the COVID-19 health hazard, where most of the people who died were over 50 years of age and older. This is an age that, particularly with a history of other complications, is very vulnerable to viruses. An international analysis by Docherty et al. (2020) found that the number of at-risk deaths for those over 65 years of age was 65 percent higher than average and 82 percent higher than usual for those over 75 years of age, respectively [4]. These data for cause of the deaths reflect the fact that COVID-19 may kill indirectly if people are not treated for other conditions caused by overloaded hospitals.

Second, in the Italian region, the COVID-19 death rate in Lombardy is 1,500 per million people. Compared to 300 per million cases elsewhere in Italy, this is a very good ranking. Similarly, the death rate reached 1.410 per million people in New York City. Data reveals the death rate is 76 per million in other parts of the world, such as China. Meanwhile, most of the deaths due to COVID-19 in Indonesia occurred in large cities such as Central Jakarta and many parts of East Java, which in the fourth quarter of 2020 reached 3,635 cases per million [5].

The international COVID-19 cases and deaths database reports do not adhere to the age structure of the country or the clustering nature of the disease. However there are other variables that affect the comparison of case rates in these countries, including variations in testing rates [5]. The numerous conditions for the recording of deaths. Official data shows that the impact of COVID-19 in Indonesia is not as severe as in many other countries (see table 1).

Table 1 Reported Cases and Deaths of COVID-19 (as of 17 September 2020)

	Confirmed cases	Deaths	Case fatality rate	Total recovered cases
10 most affected countries				
United States	6,761,008	201,000	5.50	3,66,000
Brazil	910,221	135,000	4.90	3,750,000

Russia	588,812	19,061	1.30	896,000
India	365,778	83,198	2.90	4,030,000
United Kingdom	315,189	41,705	14.00	-
Spain	246,198	30,405	11.10	208,000
Italy	251,290	35,658	14.50	216,000
Peru	231,992	31,051	2.90	123,205
France	191,304	31,095	15.20	31,095
Iran	189,876	23,808	4.70	23,808
Selected Asian Countries				
China			5.50	
Singapore	57,532	27	0.10	57,039
Indonesia	233,00	9,222	5.60	167,000
Philippines	276,000	4,785	4.20	7,133
South Korea	22,657	372	2.30	19,543
Malaysia	8,922	121	1.40	8,122
Thailand	3,315	79	1.90	3,212
Vietnam	334	0	0.00	325
World	30,123,000	487,931	5.41	20,410,100

Source: John Hopkins University, 2020

Cases and deaths peaked in other developing countries in early September, such as Italy, France and the UK. After that a number of developing countries such as India and Peru, joined the list of 10 seriously affected countries.

But no Asian nation was in the top 10 in Wuhan, China, and the initial epidemic of sick people traveling to neighboring nations. While Singapore has the highest number of confirmed cases in Southeast Asia, the recovery rate is relatively high (see table 1).

2.2 COVID-19's Impact on GDP

In order to reduce the spread of COVID-19 across the country, several countries have taken policy measures to close their borders and restrict the movement of the population. The same strategy known as the "lockdown," is applied by the Indonesian state. However, this only applies in a few areas, especially in big cities and national capitals. In China, throughout Hubei province, the government has put Wuhan's (11 million people) on lockdown and restricted movement. According to data from the International Air Transport Organization, more than 156 countries around the world have imposed limits on travel to their countries, denied entry to foreign visitors, restricted visas for both student visas and visitor visas, and imposed compulsory quarantines on returning native nationals from abroad. And they showed viral symptoms [6].

The presence of this government policy reduces the supply of labor, especially foreign skilled workers. On the other hand, current social distancing, either required or resulting from preventive options made by central and regional governments, affects productive capacity and competitiveness [7]. In the fourth quarter of 2020, the IMF forecasts that the global economy

will undergo a 3 percent contraction. The socio-economic instability in the economies of countries within the OECD (Organization for Economic Co-operation and Development) is projected to be the largest (see table 2). However the IMF estimates that GDP growth will continue to last until the end of this year for several countries including Indonesia, Malaysia, China, India, Vietnam and the Philippines [8].

Table 2 Revised IMF Growth Projections (%)

		Actual 2019	Projected 2020 2021	
Selected advanced economies				
United States		2.3	-5.9	4.7
Germany		0.6	-7.0	5.2
France		1.3	-7.2	4.5
Italy		0.3	-9.1	4.8
Spain		2.0	-8.0	4.3
United Kingdom		1.4	-6.5	4.0
Japan		0.7	-5.2	3.0
Emerging and Economies	developing Asian			
China		6.1	1.2	9.2
India		4.2	1.9	7.4
Indonesia		5.0	0.5	8.2
Malaysia		4.3	-1.7	9.0
Philippines		5.9	0.6	7.6
Singapore		0.7	-3.5	3.0
Thailand		2.4	-6.7	6.1
Vietnam		7.0	2.7	7.0
World		2.9	-3.0	5.8

Source: The International Monetary Fund (IMF), 2020

On the basis of the data in Table 2, GDP shocks in global trade are projected to decline by between 13% and 32% in 2020, also due to the tension created by the US president in the conflict with China. However it also hurts other exporting countries in East Asia, given China's increasing position as an export destination for consumer and intermediate goods and trade security [9].

3. Methodology

In this paper, authors use qualitative methods by compare Indonesian and Malaysian government regulations focusing on COVID-19 response. This method seeking data by comparison ways and analyze deeper about the government regulations of both countries.

Through comparison, authors argue it will be more suitable related to analyze reports as well as news about the implementation of policies in which implemented by the two countries. Hence, through qualitative methods, the author argues that we can read data through a measurement scale regarding the spread and impact generated by the spread of the corona virus.

4. Discussion

The world is currently impacted by the novel coronavirus disease (COVID-19). The global COVID-19 pandemic began in Wuhan, Hubei, China, was first reported at the end of 2019. Furthermore, this virus has spread to various parts of the world, at least the spread of the SARS-CoV-2 virus occurred in 213 countries, including Indonesia. As of September 2020, the spread of the SARS-CoV-2 virus is still ongoing in Indonesia with additional cases per day. As of September 15, 2020, there were 29,417,244 people infected with COVID 19 worldwide, with global reported deaths of 931,976 people or about four percent of the total cases [10]. In Indonesia, additional daily cases reached 3,507 cases on September 15, 2020, bringing the total positive cases to 225,030 since the first infected individual case in Indonesia on March 2, 2020.

After the first case study of the Covid-19 case in Indonesia in early March, instead of Law No. 1 of 2020 (PERPU 01/2020) on State Financial Policy and Financial System Stability for the Handling of the 2019 Corona Virus Pandemic, the Indonesian government has released a Government Regulation (COVID-19) and/or in the sense of coping with challenges to the national economy and/or the stability of the financial system [11]. The total budget allocated by the Government of Indonesia to deal with the COVID-19 pandemic is IDR 405.1 Trillion.

Furthermore, on April 3, 2020, the President again issued Presidential Regulation Number 54 of 2020 concerning Posture Changes in Details and the 2020 State Budget (APBN). This Presidential Regulation is a further response from the Government of Indonesia. In addition to issuing laws and regulations, the Indonesian Government has also formed a Rapid Action Team (TGC) in the territory of the state entrance authority at airports, ports and national land border posts (PLBDN) the Ministry of Health has appointed at least 100 referral hospitals that have been used. as a referral hospital for bird flu cases, the Government of the Republic of Indonesia has also decided to delay flights to and from China from 5 February 2020 and many responses in the form of other policies issued by the Government of Indonesia in overcoming the spread of the COVID 19 pandemic.

One of the policies that has had a significant impact on various aspects of people's life in Indonesia is the policy of implementing Large-Scale Social Restrictions (PSBB). PSBB is based on Government Regulation Number 21 of 2020 concerning Large-Scale Social Restrictions in the context of the Acceleration of Handling of Corona Virus Disease 2019 which was set starting on March 31, 2020 [12]. This decision gives the Regional Government flexibility to impose PSBB for one particular province, regency and city respectively. The enforcement of the PSBB must be based on a recommendation from the Governor or Regent or Mayor submitted to the Minister of Health. PSBB policies refer to Regulation of the Minister of Health Number 9 of 2020 concerning PSBB Guidelines, "(2) Restrictions on religious practices; (3) Restrictions on activities in public places or facilities; (4) Restrictions on socio-

cultural activities; (5) Restrictions on modes of transport; and (6) Restrictions on other activities related to aspects of defence and security. Therefore, limiting group events outside the home is the core of the PSBB policy. When there is no immediate need to leave home, people are supposed to stay at home (work from home, study at home) [12].”

Otherwise, in Malaysia, the COVID-19 pandemic began to enter on January 23, 2020. Continually, the Royal Malaysian Government immediately responds to the handling of COVID-19 by carrying out various policies. The policy carried out by the Malaysian Government is to carry out two methods that “go hand in hand”, namely the Movement Control Order (MCO) and the testing. In fact, Malaysia was the first country to implement a national-scale lockdown policy compared to other countries in the Southeast Asia region, which was announced on March 16, 2020 and implemented from March 18 to June 9, 2020. In addition, the MCO is a policy to totally prohibit meeting activities that involve many people, including religious activities, the closure of all educational institutions, travel restrictions for both Malaysian and foreign citizens, and the closure of private and state companies (except for businesses related to basic services).

The MCO policy is accompanied by policies for conducting testing and contact tracing. The capacity to conduct tests has increased from 3,500 tests per day to 11,500 in early April and in early May, the Malaysian Ministry of Health (KKM) can conduct as many as 22,000 tests per day [13]. The combination of these two policies is also referred to as the “twin approaches” which are considered to bring positive results. Positive results can be seen from the increase in the number of positive cases of COVID-19 in Malaysia which is not too significant. On 15 September 2020 it was reported that there were 23 new cases of COVID-19 infection, bringing the total positive cases in Malaysia to 9,969 people with a death toll of 128 [14]. The number of positive cases and deaths due to COVID-19 infection in Malaysia and Indonesia has a significant difference.

Therefore, the aims of this paper are not specifically mention about all the government policies in both countries. However, authors will describe about the effectiveness of both countries’ regulation in response of COVID-19 spread. Further, by choosing the existing policies from Indonesia and Malaysia, we are able to compare what is the effective as well as the ineffective policies.

The implementation of the MCO policy in Malaysia is accompanied by the provision of sanctions, namely for people who violate the MCO policy will be subject to a maximum fine of RM 1,000 or a maximum of six months’ imprisonment. The penalty or imprisonment is written in the Federal Government Gazette dated March 18, 2020 under the title Regulation 2020 Prevention and Control of Infectious Diseases [15]. Otherwise, in Indonesia, the PSBB policy as stipulated in Government Regulation Number 21 of 2020 concerning Large-Scale Social Restrictions (PSBB) does not specify sanctions or fines that will be imposed on people who violate PSBB policies. Other legal umbrellas such as PERPU 01/2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (COVID-19) Pandemic or in the Context of Facing Threats that Endanger the National Economy or Financial System Stability contains the total budget that is allocated for this pandemic is Rp. 405.1 Trillion, in which the detailed budget is stipulated in Presidential Decree No. 54 of 2020 concerning Posture Changes in Details and the 2020 State Budget [11]. The content of the Presidential Regulation is that the ministry's budget is cut by 97.42 trillion, but there are several ministries that have experienced an increase in the budget, namely the Ministry of Health from IDR 57 trillion to IDR 76 trillion and the Ministry of Education and Culture from IDR 36 trillion to IDR 70 trillion [16].

The policy for handling the spread of the COVID-19 pandemic in Malaysia is accompanied by the imposition of strict sanctions or fines. This causes the community to comply with the MCO policy implemented by the Malaysian Government. Meanwhile, in Indonesia, the PSBB policy as a policy undertaken by the Government of Indonesia to suppress the spread of the SARS-CoV-2 virus without being accompanied by sanctions or fines as stated in the legal basis of the PSBB policy causes the Indonesian people to be not disciplined and comply with the PSBB policy. The day before the Indonesian Government announced the ban on going home or traveling between cities or provinces, people in Indonesia immediately went home to their hometowns of origin, causing a surge in buses or public transportation [17]. Not to mention the cases where people actually do various tricks in order to go home, ranging from taking the "mouse route" or an unusual route to hiding in a truck [18].

5. Conclusion

The COVID-19 or Coronavirus needs greater attention to be handling. Its impact of spreads is fatal and distorted all vital sectors of health and economic sectors. Farmers are generally older than other workers in both Indonesia and Malaysia. Thus COVID-19 may pose a greater risk to their health as well as their economy. Moreover, the food chain's leading procedures, especially rice and meat, are needed to give more attention. Both Indonesian and Malaysian governments need to take more seriously on farmers; thus, if Indonesia and Malaysia's government did not take immediate action, this would be creating poverty and famine across both countries.

To sum up, Indonesia and Malaysia have a regulation in handling or the response of COVID-19 spreads. Both governments already have a fast response team and formulate regulations that 'needs to be done' immediately. Authors argue that Indonesia and Malaysia are positive; Indonesia already has large-scale social restrictions or PSBB policy. However, in contrast to the Malaysian government, which implements the Movement Control Order (MCO) policy, the Indonesian government does not strictly impose clear fines. Thus, PSBB policy needs to be stricter to prevent coronavirus spreads. Finally, the authors hope that this pandemic situation will quickly end and restore both the health and economic sector.

References

- [1] N. Ferguson *et al.*, "Report 9 - Impact of non-pharmaceutical interventions (NPIs) to reduce COVID-19 mortality and healthcare demand | Faculty of Medicine | Imperial College London," *Imp. Coll. COVID Response Team*, no. March, p. 20, 2020.
- [2] P. Poletti *et al.*, "Probability of symptoms and critical disease after SARS-CoV-2 infection," Jun. 2020.
- [3] A. Wilder-Smith, C. J. Chiew, and V. J. Lee, "Can we contain the COVID-19 outbreak with the same measures as for SARS?," *Lancet Infect. Dis.*, vol. 20, no. 5, pp. e102–e107, 2020.
- [4] P. D. Sugiyono, "濟無No Title No Title," *J. Chem. Inf. Model.*, vol. 53, no. 9, pp. 1689–1699, 2016.
- [5] E. Bendavid *et al.*, "COVID-19 Antibody Seroprevalence in Santa Clara County, California," *medRxiv*, p. 2020.04.14.20062463, Apr. 2020.
- [6] "IATA - International Travel Document News," 22-Sep-2020. [Online]. Available: <https://www.iatatravelcentre.com/world.php>. [Accessed: 22-Sep-2020].

- [7] P. Bofinger *et al.*, "Economic implications of the COVID-19 crisis for Germany and economic policy measures," *The Graduate Institute Geneva*. p. 11, 2020.
- [8] IMF, *WORLD ECONOMIC OUTLOOK INTERNATIONAL MONETARY FUND The Great Lockdown*, no. May. 2020.
- [9] S. Olivia, J. Gibson, and R. Nasrudin, "Indonesia in the Time of Covid-19," *Bull. Indones. Econ. Stud.*, vol. 56, no. 2, pp. 143–174, 2020.
- [10] F. Al-Qodariah, "[UPDATE] Kasus Virus Corona Indonesia per 13 September 2020 Naik Jadi 218.382 Orang - Pikiran-Rakyat.com," *Pikiran Rakyat.com*, 13-Sep-2020. [Online]. Available: <https://www.pikiran-rakyat.com/nasional/pr-01739346/update-kasus-virus-corona-indonesia-per-13-september-2020-naik-jadi-218382-orang?page=3>. [Accessed: 22-Sep-2020].
- [11] Kementerian Keuangan Republik Indonesia, "PERPU No. 1 Tahun 2020 tentang Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi Corona Virus Disease 2019 (COVID-19) dan/atau dalam Rangka Menghadapi Ancaman yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan [JDIH BPK RI]." [Online]. Available: <https://peraturan.bpk.go.id/Home/Details/135060/perpu-no-1-tahun-2020>. [Accessed: 22-Sep-2020].
- [12] A. P. Taher, "Jokowi: Lockdown Bisa Hentikan Ekonomi, Pemda Jangan Berlebihan - Tirto.ID," 01-Apr-2020. [Online]. Available: <https://tirto.id/jokowi-lockdown-bisa-hentikan-ekonomi-pemda-jangan-berlebihan-eKcD>. [Accessed: 22-Sep-2020].
- [13] E. Zainul, "Malaysia to reach 22,000 Covid-19 tests per day by next week | The Edge Markets," 27-Apr-2020. [Online]. Available: <https://www.theedgemarkets.com/article/malaysia-reach-22000-covid19-tests-day-next-week>. [Accessed: 22-Sep-2020].
- [14] H. H. Salengke, "Malaysia Laporkan 23 Kasus Covid-19 Baru, Klaster Baru Muncul," 15-Sep-2020. [Online]. Available: <https://mediaindonesia.com/read/detail/345110-malaysia-laporkan-23-kasus-covid-19-baru-klaster-baru-muncul>. [Accessed: 22-Sep-2020].
- [15] S. . Kurniawan, "Melanggar perintah pembatasan, Malaysia jatuhkan sanksi denda dan pidana," 18-Mar-2020. [Online]. Available: <https://internasional.kontan.co.id/news/melanggar-perintah-pembatasan-malaysia-jatuhkan-sanksi-denda-dan-pidana>. [Accessed: 22-Sep-2020].
- [16] Kemenlu, "KEBIJAKAN PEMERINTAH REPUBLIK INDONESIA TERKAIT WABAH COVID-19," 31-Mar-2020. [Online]. Available: <https://kemlu.go.id/brussels/id/news/6349/kebijakan-pemerintah-republik-indonesia-terkait-wabah-covid-19>. [Accessed: 22-Sep-2020].
- [17] M. Niman, "Sehari Sebelum Dilarang Mudik, Terjadi Lonjakan Penumpang Bus," 24-Apr-2020. [Online]. Available: <https://www.beritasatu.com/jaja-suteja/megapolitan/625031/sehari-sebelum-dilarang-mudik-terjadi-lonjakan-penumpang-bus>. [Accessed: 22-Sep-2020].
- [18] P. S. Paritiwi, "Jokowi Imbau Masyarakat Bekerja dan Beribadah di Rumah," 15-Mar-2020. [Online]. Available: <https://www.cnnindonesia.com/nasional/20200315141316-32-483586/jokowi-imbau-masyarakat-bekerja-dan-beribadah-di-rumah>. [Accessed: 22-Sep-2020].

Burgernomics: What can your burger tells you about

Dwi Indah Lestari¹
{Dwi.lestari@lecture.unjani.ac.id¹}

Universitas Jenderal Achmad Yani, Indonesia¹

Abstract. Being introduced in 1986, Burgernomics was a simply approach to Purchasing Power Parity (PPP) concept. The Economist was the one who invented this method. Today, it becomes even more popular to identify whether currency in one country is undervalued or overvalued against US dollar. The idea behind Burgernomics was coming from identical ingredients of Big Mac all over the world. Big mac itself is the most selling item in McDonald. In addition, this fast food restaurant is spread all over the world. Based on this two reason, the Economist found Burgernomics as a tool to count implied purchasing power parity. The information from Burgernomics can be used to give a big picture whether a currency of one nation is weak or strong so that the government can identify the exchange rate discrepancies and use this information as a guidance to decide their fiscal policy. This journal will expose the using of Burgernomics to measure currencies in the world, especially in South East Asia.

Keywords: Burgernomics, Purchasing Power Parity, South East Asia, The Big Mac Index 2019

1 Introduction

PPP or Purchasing Power Parity hold a concept where people should pay the same amount for the same thing no matter where they are after they convert the price to another common currency [1]. In 1986, The Economist found a way to explain PPP by using burger and it is called as burgernomics. The Economist compares hamburger's price around the world and by doing so, they know when their currencies are overvalued or undervalued.

Until today, the Burgernomics caused controversy. According to [2] there are two big flaws in Burgernomics; first, PPP is usually related to globally traded goods where Big Mac does not fall into this category. Second, local price is distorted by the difference in its costs such as rent and tax. This distortion happens because the parity theory initially aims to determine the equilibrium exchange rate, therefore the relationship might deviate in the short term, however, in the long run, it is widely accepted that this theory is valid although the findings literature is mixed [3].

2 Literature Review

2.1 Burgernomics

The Big Mac Index or Burgernomics was introduced by The Economist in 1986. This index was aimed to test the theory of purchasing power parity (PPP) and determine the disparity in currency values whole over the world. The economist decided to use Big Mac as their indicator because, in most countries, it was easy to find Big Mac. Moreover, the

ingredients to make one Big Mac were relatively the same everywhere [1].

Besides the ingredients, the profit margin set by Mac Donald is also the same all over the world, therefore it can be concluded that the price for one Big Mac should be the same wherever it is. But apparently, this is not what happens. After being converted, some Big Macs are more expensive and some others are a lot cheaper. By using this calculation, it can be indicated that some currencies against USD, are overvalued while the rest are undervalued. For example, based on The Economist data, in 2019 the price of one Big Mac in The USA is USD 5.58 while in Britain it costs 3.19 Pounds. It implies that the exchange rate between USD and pounds is 0.57. However, the actual exchange rate shows 0.78. This price discrepancy indicates that in 2019 British Pound is 27% undervalued against USD.

Many researchers argue that the Big Mac Index neglect the different compositions for each Big Mac (including goods and services) in each country where these items affect the exchange rate, thus there is an argument that the Big Mac Index against their usefulness for PPP purposes [4].

The Big Mac Index is a simple guide to the exchange rate, but even so, it does not mean that it is not useful. This index is a signal whether one currency is overvalued or undervalued. Once the signal received, the government can use this data as additional information to stepping in the economic decision.

2.2 Purchasing Power Parity (PPP) and The Law of One Price

Purchasing Power Parity theory introduced in 1918 by Gustav Cassel [5]. By 1918 PPP has become central to compare countries' economies [6]. According to [7] the PPP theory will help to express how much foreign company needed to purchase the same volume of goods and services in another country's currency for the basis of comparison. From macroeconomics perspectives, PPP is employed to predict the exchange rate and predict whether a currency is overvalued or undervalued [7].

Due to the factors of tax, subsidies, imperfect competition and transaction cost, PPP might not hold in the short-run [7]. However, since the international goods market arbitrage should be traded away over time, it is expected that PPP holds in the end [7].

The law of One Price is one a law that dragged from PPP theory. It is a strong version of Purchasing Power Parity [1], [6]. This law states that identical goods should be sold for the same price across the country when prices are expressed in a common currency [1], [7]. According to [6] there are 2 assumptions that must be held to apply The Law of One Price, first, goods must be transportable and there should not be any barriers to trade.

However, research done by [6] shows that the law of one price cannot be applied due to several reasons, which are: differences in taxes, price discrimination and the volatility of exchange rates. This law does not apply perfectly in the real economy, because despite it called a law it has been violated any other economic law [8].

3 Research Methodology

Qualitative descriptive is chosen to do this research and choose a case study design to get a deeper understanding regarding phenomenon so that in the end we can conclude by giving theory. In conducting this research we use secondary data. The analysis in this paper is divided into two sections. The first section is the Burgernomics in the world while the analysis on the second section will be focus in South East Asia.

4 Result and Discussion

4.1 Big Mac Index 2019 in The World

Table 1 Big Mac Index 2019 in The World

Country	Local Price	Dollar Exchange	Dollar Price	Dollar PPP	Implied Dollar Valuation
Switzerland	6.5	0.98165	6.6	1.16	18.7
Norway	50	8.53	5.85	8.96	5
Sweden	52	8.90625	5.83	9.31	4.6
China	20.9	6.85	3.05	3.75	-45.3
Turkey	10.75	5.38	1.996	1.93	-64.2
Ukraine	54	27.8	1.94	9.68	-65.2
Russia	110.17	66.685	1.65	19.74	-70.4

The Big Mac Index Report shows that the Russian rouble is one of the most undervalued against USD since 2015. Economic sanctions and depleting oil prices are two main reasons why the Russian rouble is undervalued against USD.

Same with Russia, Chinese Yuan is also undervalued against USD. But unlike Russia, Yuan value is depleting due to Chinese government strategy. Based on Big Mac Index 2019 on Table 1, Yuan is 45.3% undervalued against USD. Chinese government intend to lower Yuan's value so that China can take advantage in the export market. It enables China to sell their products in a very competitive price. The Chinese government commit to buy US Dollar and treasury notes in the open market so that the demand of USD increase and at the same time it keeps Yuan weak. By applying economics concepts of supply and demand, Chinese government knows that, holding all other factors remain equal, when the supplies of USD remain the same and the demand goes up, the value of US Dollar will increase.

On the other hand, based on The Big Mac Index 2019, the Swiss Franc is 18.7% overvalued against USD. Some reasons behind this are European debt crisis and loose monetary policy from the US Federal reserve [9].

The European debt crisis started in 2009, when some of Eurozone member such as Greece, Spain and Portugal states that they are unable to repay their debt. As a result, investors were seeking safe haven in the Swiss Franc. In addition, The US loose its monetary policy in order to promote economic growth that placed USD in unfavourable option, thus many investors switch their investment to the Swiss Franc. This condition caused the Swiss Franc overvalued compare to USD.

Another currency that overvalued against USD is Norwegian Krone. According to [10], Krone was overvalued due to price differential between Norway and The US. Another things that also have an impact to Krone were international financial turbulence and the interest rate differential [10].

From the examples above, it can be seen that some countries choose to undervalue their currency in order to boost export and eliminate competitors through irrationally cheap goods and services. However, another countries do not choose to undervalue their currency but those

currency are undervalued due to oil price, macro economy condition and economic condition or politic sanction.

On the other hand, some countries such as Norway and Swiss are overvalue due to varied reasons. It can be concluded that those countries with overvalued currencies take benefit from the loose monetary policy set by the US Federal Reserve.

4.2 Big Mac Index 2019 in South East Asia

Table 2. Big Mac Index in South East Asia 2019

Country	Local Price	Dollar Exchange	Dollar Price	Dollar PPP	Implied Dollar Valuation
Malaysia	9.05	4.12	2.2	1.62	-60.6
Indonesia	33,000	14,090	2.34	5,913.98	-58
Vietnam	65,000	23.199	2.8	11,648.75	-49.8
Thailand	119	32.0075	3.72	21.33	-33.4
Singapore	5.8	1.36	4.3	1.03	-23.3
Philippines	140	52.4	2.67	25.1	-52.1

Source: [11]

According to [12] ASEAN is the fifth largest economy in the world. In general, Asia's economic is stronger than Europe's economic. However, Burgernomics indicates that currencies are expensive in Europe but cheap in Asia [13]. It can be seen from the table below that all of the countries in South East Asia are undervalued against USD. However according to Damocles Index, this condition would not put ASEAN member states to face immediate risk on exchange rate crisis [12].

The cause of this weaknesses are varied among those countries. In 2019, Malaysia and Indonesia become Asia's worst performing in exchange rate. This happen because most of overseas funds are leaving the emerging countries due to higher interest rates. On the other hand, countries in South East Asia also threaten by cheap product form China and the US-China trade friction making this condition even worse. Similar to Malaysia, Indonesian Rupiah is undervalued. Sitting in the second-worst performing in exchange rate, Indonesia depreciates around 58% against USD even though Indonesian government believe that Indonesia has strong economic fundamental. The rupiah hit the lowest level in more than 20 years [12]. There are some reasons why Indonesian Rupiah perform really bad in exchange rate. First, Indonesia has significant external debt that standing at 34% of its GDP and at the same time, it also hit by several huge natural disaster. Moreover, Indonesia will face election on April 2019 that creates negatives sentiment from overseas investors.

This condition reminds investors and government to the Asian financial crisis in 1997. However, today's condition is different with what happen during 1997-1998, nevertheless, this signs cannot be neglected. ASEAN member supposed to cooperate and take preventive action to make sure that the similar crisis happen again for the second time.

5 Implication and Conclusion

By using The Big Mac Index, each country might get a big picture whether their currency overvalued or undervalued against USD. Therefore each government can set strategy regarding to this. When the currency is overvalue it can be said that the currency is expensive so that export is expensive. Most likely, the country with this condition cannot compete with competitor from other country. On the contrary import is cheap, therefore they can take benefit from importing cheap raw material to reduce the cost. Government can set their fiscal policy based on this condition. For example, decrease or eliminate tax on export activity.

On the other hand, undervalued currency makes currency cheap and as a result export is cheap as well. Government can take advantage from it by boosting export and suppress import. If it combine with a loose monetary policy, the interest rate will be decrease. Thus it gives an advantage for companies. With low interest, company is in a good position to expand their businesses and as an impact it will hire workers and boost production to meet local and export demand. In addition, the low interest will also attract household to buy goods and services. This policy expectations would influence economic expectations in a near future including expectation for production cost, wages and prices that will directly influence current inflation. With this mechanism, government can set their strategy to achieve their goal.

References

- [1] M. R. Pakko and P. S. Pollard, "Burgernomics: A Big Mac™ Guide to Purchasing Power Parity," *Review*, vol. 85, no. 6, 2018.
- [2] J. Annaert and M. J. K. De Ceuster, "The Big Mac: More than a junk asset allocator?," *Int. Rev. Financ. Anal.*, vol. 6, no. 3, pp. 179–192, 1997.
- [3] C. Choong, W. Poon, M. S. Habibullah, and Z. Yusop, "The Validity of Purchasing Power Parity (PPP) Theory in Asean-Five Economies: The Bounds Test Approach," *Int. J. Bus. Soc.*, vol. 7, no. 1, p. 1, 2006.
- [4] L. L. Ong, "Burgernomics: The economics of the Big Mac standard," *J. Int. Money Financ.*, vol. 16, no. 6, pp. 865–878, 1997.
- [5] S. Gilboa and V. Mitchell, "The role of culture and purchasing power parity in shaping mall-shoppers' profiles," *J. Retail. Consum. Serv.*, vol. 52, no. August 2019, p. 101951, 2020.
- [6] J. Fischer and H. Lipovská, "Coffee index as quick and simple indicator of purchasing power parity," *Statistika*, vol. 98, no. 1, pp. 6–18, 2018.
- [7] L. Ghitu, Z. Toaca, and O. Zaharia, "An Analysis of The Effect of Purchasing Power Parity on National Competitiveness and Human Development in 21 European Countries," *J. Contemp. Econ.*, vol. 3, no. 1, pp. 105–111, 2018.
- [8] D. Miljkovic, "The Law of One Price in International Trade: A Critical Review," *Rev. Agric. Econ.*, vol. 21, no. 1, pp. 126–139, 1999.
- [9] D. Blystone, "Why The Swiss Franc Is So Strong," *Investopedia*, 2019. .
- [10] T. Bernhardsen and Ø. Røisland, "Factors That Influence the Krone Exchange Rate," *143-151*, vol. 4, no. January, 2000.
- [11] The Economist, "The Big Mac Index." .
- [12] B. C. H. Lim and T. M. Hui, "Currency Crisis : The Next One in ASEAN ?," 2018, no. 170.
- [13] E. Online, "Big Mac Index," *The Economist*. pp. 1–3, 2012.

Do Good Corporate Governance and Profitability Affect Companies on Submitting the Annual Financial Report on Time?

Rizka Meilisa¹, Dwi Indah Lestari²
{rizkaameilisa@gmail.com¹, dwi.lestari@unjani.ac.id²}

Economy and Business Faculty, Jenderal Achmad Yani University, Indonesia¹, Economy and Business Faculty, Jenderal Achmad Yani University, Indonesia²

Abstract. This study aimed to determine the effect of Good Corporate Governance, which were audit committee, independent commissioner, managerial ownership, institutional ownership, and profitability on the financial report submission's timeliness in mining sector companies listed on the Indonesia Stock Exchange for the year 2014 to 2018. We were using purposive sampling technique and obtained 190 samples from 38 companies. The samples were then tested using logistic regression analysis technique. The result showed that the partial audit committee and profitability have a positive impact on financial statement submission's timeliness, meanwhile, independent commissioner, managerial ownership, and institutional ownership do not affect the timeliness of financial statement submission.

Keywords: Good Corporate Governance, audit committee, independent commissioner, managerial ownership, institutional ownership, and profitability, financial statement submission's timeliness).

1 Introduction

In order to obtain additional capital and enhance their value, many companies decide to be listed in the Indonesia Stock Exchange and change their state to go public company. One of some requirements to be a listed company is that the company must be submitting the company's annual financial statement and annual report which are made based on Indonesia Financial Accounting Standard. The submitted financial statement must be audited by Bapepam's public accountant. Company's annual report provides information about the entity's achievement in a year. From the annual report, the users could find information about the company's performance and annual financial statement.

The annual financial statement and annual report that were submitted to Indonesia Stock Exchange would be the information source used by shareholders, investors, and/or prospective investors as the base of decision-making. Annual financial statements and annual reports must be submitted according to the determined due date, thus the information given are credible. The Board of Directors of the Jakarta Stock Exchange Regulation No. I-E Number Kep-306/BEJ/07-2004 about the informational obligation state that audited annual financial statements must be submitted at least at the end of the third month after the reported date. Meanwhile, based on Financial Services Authority Regulation Number 29/POJK.04/2016

concerning Annual Report of Issuer or Public Company article 7(1) declare that the entity's annual report must be submitted at least at the end of the fourth month after the reported date.

These regulations were made along with the penalties. These penalties are written in The Board of Directors of Jakarta Stock Exchange Number Kep-307/BEJ/07-2004 and Financial Services Authority Regulation Number 29/POJK.04/2016 Chapter 6 article 19. Despite there being regulations and penalties, still, plenty of companies could not submit their financial statements on time. According to Exchange Announcement Number Peng-LK-00001/BEI.PP1.PP2.PP3/01-2020, ten companies have not presented their third quarter's financial statements ended September 30th 2019.

In those announcement, two out of ten of the companies are mining's sector companies, which are Borneo Lumbung Energi & Metal Inc. (BORN) and Cakra Mineral Inc. (CKRA). Both companies are charged with an SP3's penalty and a fine of Rp150,000,000. The Indonesia Stock Exchange extended the suspension of Cakra Mineral Inc. (CKRA) up to February 20th 2020, while Borneo Lumbung Energi & Metal Inc. (BORN) declared delisting from Indonesia Stock Exchange with cause of *force delisting*. Aside from those two companies, here are some mining companies which can not submit their annual financial statements on time.

Table 1. Mining Companies which are Late on Submitting Annual Financial Report for the year 2018

No.	Company's Name	Submission Date	Lateness
1.	Astrindo Nusantara Infrastruktur Inc. (BIPI)	19/04/02	2 days
2.	Energy Mega Persada Inc. (ENRG)	19/06/03	64 days
3.	Medco Energi Internasional Inc. (MEDC)	19/04/08	8 days
4.	Surya Esa Perkasa Inc. (ESSA)	19/04/03	3 days

Source: www.idx.co.id (processed data)

This phenomenon shows that a lot of *go public* companies presented their financial report inconsistent to the due date, likewise some companies from the mining sector. Some researches have been done to find out what are the factors that affect financial statements submission timeliness. The timeliness of financial statements submission is closely related to the concept of Good Corporate Governance (GCG) because one of GCG's principles is *timeliness* [1]. The Good Corporate Governance help manage and control the company in order to create added value for every stakeholders, emphasizing the importance of shareholders' rights to acquire the relevant, accurate, and punctual information, also emphasizing the importance of company's responsibility to disclose the information about the company's performance, ownership, and stakeholder accurately, punctually, and transparently [1]. The mechanisms of Good Corporate Governance marked by institutional ownership, managerial ownership, independent commissioner, and audit committee [2].

Another aspect that can affect the financial statement's timeliness is the company's profitability. If a company has a low rate of profitability, that means that the information provided by the company contains negative signals. If it is the case, the company tends to

present their financial statement way later than the companies that have high rate profitability [3].

There are some more factors that probably affect a company's financial statement's timeliness, such as company size and solvability [4]. But the focus of this research are the mechanisms of Good Corporate Governance and profitability because those variables are reflected in the phenomenon in the mining industry in the observed period.

2 Literature Review

2.1 Compliance Theory

Compliance theory urges the companies to submit their financial statements on time because it is their responsibility to do so and companies assume that submitting the report on time will be beneficial for the users [5]. According to [6], compliance theory categorized organizations' power into three types of power which are coercive, remunerative, and normative. Coercive power will threaten the lower level participants and this kind of power use to be applied in the jail or military organizations. Remunerative power will control the participant by giving them extrinsic reward such as wages, commission, and so on [7]. On the other hand, normative power controls the participant by giving them intrinsic rewards such as new challenges, attention from the higher level party, and positive attitude [7]

2.2 Good Corporate Governance and Timeliness of Financial Statements' Submission

There are four mechanisms of Good Corporate Governance such as audit committee, independent commissioner, managerial ownership, and institutional ownership. The main role of the audit committee is to improve the quality of the financial statements, enhance public trust, and decrease the possibility of reporting the financial statements late [8]. In Indonesia, the audit committee must be led by an independent commissioner [9]. Independent commissioners should not have any relation to the major shareholders, board of directors, and the commissioner [10]. The role of independent commissioners is to provide an objective and positive measurement to the management as the basis of decision making [11]. Managerial ownership is the percentage of shares owned by manager, director, and commissioner who are actively taking part in decision making [12]. Managers will build more sense of responsibility to run the company way better in order to achieve the company's objective since they own the company's share [13]. The percentage of shares owned by institution investors, such as insurance companies or banks, named as institutional ownership [14]. This ownership is assumed to be an effective control to the manager's decisions because the institution investors will supervise the activities of the company so that they can meet their needs [10], [11]. If the companies have all the mechanisms and run their job description well, it said that the companies will be able to report their financial statements on time.

2.3 Profitability and Timeliness of Financial Statements' Submission

Profitability defined as the measurement of companies' objective. It shows how the companies utilize their resources to gain the profit [15]. The ratio that measure profitability is Return on Assets (ROA) by divide the earn after tax to the total assets [16]. The higher percentage of ROA means that the companies been able to utilize their assets and gain profit. In that case, companies tend to report their financial statements on time [3].

3 Research Method

This research is a quantitative research and uses logistic regression as the analysis technique. The population chosen in this research is the mining sector companies that are listed in Indonesia Stock Exchange for the year 2014-2018. The samples selected by a purposive sampling method with these criterias: the mining companies listed in Indonesia Stock Exchange for the year 2014-2018 and published the completed annual financial statements. Based on the criteria obtained 190 samples from 38 companies.

The independent variables in this research are audit committee (X_1) that indicated by the amount of audit committee member in the company, independent commissioner (X_2) that indicated by the amount of independent commissioner in the company, managerial ownership (X_3) that indicated by the percentage of shares owns by the manager in the company, institutional ownership (X_4) that indicate by the percentage of shares owns by the institution investors, and profitability (X_5) that indicate by the percentage of Return on Assets. The dependent variable in this research is the timeliness of the annual financial statement's submission. The valuation of this variable uses a dummy variable that categorizes the timeliness into 1 and 0. The companies that submitted the financial statements on time represented by 1 and the companies that were late on submitted the financial statements represented by 0.

The hypothesis testing done by formulated the hypothesis 0 (H_0) as the hypothesis which states that the independent variables do not affect the dependent variable and alternative hypothesis (H_a) as the hypothesis which states that the independent variables affect dependent variables positively.

4 Result and Discussion

The first test done was Overall Model Fit to find out if there was reduction to the value of -2 Log Likelihood (-2LL) from block number=0 to block number=1.

Table 2. Overall Model Fit Block 1: Method = Enter

Iteration		-2 Log	Coefficients					
		Likelihood	Constant	KA	KOIN	MANJ	INST	ROA
Step 0	1	208.474	-.651	.444	.129	.006	-.384	4.294
	2	205.217	-1.169	.606	.160	.707	-.351	6.281
	3	205.050	-1.336	.651	.158	.939	-.305	6.908
	4	205.050	-1.346	-.653	.158	.952	-.301	6.952
	5	205.050	-1.346	-.653	.158	.952	-.301	6.952

The hypothesis of overall model have fitted the data. The independent variables, which are audit committee (KA), independent commissioner (KOIN), managerial ownership (MANJ), institutional ownership (INST), and profitability (ROA), proved to have the ability to fix the fit model and be able to show a better regression model.

Table 3. Nagelkerke R Square

Step	-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
1	205.050 _a	.140	.198

Determination coefficient test was done to find out how much the independent variables were able to describe the dependent variable. Based on Table 3, the value of Nagelkerke R Square 0.198 shows that independent variables in this research only have 19.80% ability to describe the variation of dependent variables. The rest 80.20% could be described by another independent variables outside this research

Table 4. Hosmer and Lemeshow Test

Step	Chi-Square	df	Sig.
1	7.128	8	.523

The Hosmer and Lemeshow Test was done to know if the data fitted the model or not. Table 4 shows the value 7.128 of chi-square and Sig. 0.523. It means that the logistic regression model have been fitted and there is no significant difference with the observation value. It could be said that the data deserve to be used for further analysis.

Table 5. Regression Coefficient Test (Wald Test)

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. For EXP(B)	
									Low Upper
Step 1a	KA	.653	.315	4.314	1	.038	1.922	1.037	3.561
	KOIN	.158	.236	.445	1	.505	1.171	.737	1.860
	MANJ	.952	1.397	.447	1	.490	2.592	.174	38.681
	INST	-.301	.884	.116	1	.733	.740	.131	4.188
	ROA	6.952	1.951	12.698	1	.000	1045.352	22.833	47875.747
	Constant	-1.346	1.215	1.227	1	.268	.260		

Regression coefficient test was done to know the relation between each independent variable and the dependent variable. According to the table above, here is the formulated logistic regression model:

(1)

$$\ln \frac{P}{1-P} = -1.346 + 0.653KA + 0.158KOIN + 0.952MANJ - 0.301INST + 6.952ROA + \epsilon$$

Based on Table 5 the significant value for the audit committee is 0.038 which means the probability rate of the audit committee is lower than 0.05. This means that H_{01} rejected and

H_{a1} accepted. It concludes that the audit committee positively and significantly affects the timeliness of annual financial statement's submission. The industry average for the audit committee's quantity in a company is 3 (three) people. If a company has at least three members of committee audit, it could be said that it helps the company to improve the company performance. This result supports the study conducted by [2], [17], and [18]. The Audit committee helps the auditor to hasten the process of financial statement auditing.

The significant value of independent commissioner is $0.505 > 0.05$ equals to the rejection of H_{a2} and acceptance of H_{02} . Thus, an independent commissioner has no effect on the financial statement's timeliness. This result supports previous research conducted by [18]. Even though the company has applied the principles of corporate governance, the amount of independent commissioner has nothing to do to help quicken the delivery of company's financial statements [18].

The significant value of managerial ownership is 0.491, higher than 0.05 which means that H_{03} accepted and H_{a3} rejected. It said that managerial ownership has no effect on the financial statement's timeliness. This result supports the research conducted by [17] and [13] which said that the existence of managerial ownership could not guarantee the financial statement be reported on time. However, this is not in accordance with the research conducted by [1] which said that the manager of the company will continue to improve the companies' performance in order to gain the higher profit, so that the financial statement will be able to be reported faster.

The significant value of institutional ownership is $0.733 > 0.05$. This means that H_{04} accepted and H_{a4} rejected. It concluded that institutional ownership has no effect on the timeliness of financial statements. Even though a lot of the companies have a high percentage of institutional ownership, not all of those companies were able to report their financial statement on time, while some companies with lower percentages were able to report their financial statement to the due date. This is in accordance to the research conducted by [1] but the result is opposing the result by [2] and [19] which said that institutional ownership has effect to the timeliness of financial statements' submission.

The significant value of profitability is 0.000 obviously lower than 0.05 that means H_{a5} accepted and H_{05} rejected. This concluded that profitability positively and significantly affected the timeliness of financial statement's submission. The industrial average of profitability in this research is 2.36%. This can be interpreted that the majority of the mining companies successfully attained profit and maintained to report their financial statements on time. This is in accordance with the study conducted by [20] and [21]. Their research said that profitability shows that the company has succeeded to obtain profits which send the good signal to the stakeholders and the shareholders.

5 Conclusion

It can be concluded that audit committee and profitability positively and significantly affect the timeliness of annual financial statement's submission, meanwhile independent commissioner, managerial ownership, and institutional ownership has no effect on the timeliness of financial statement's submission.

References

- [1] R. Amelia, "Pengaruh Mekanisme Corporate Governance Terhadap Ketepatan Waktu Penyampaian Laporan Keuangan Perusahaan," *Media Ris. Akunt.*, vol. 3, no. 2, pp. 43–65, 2017.
- [2] W. Salipadang, R. Jao, and Beauty, "Pengaruh Mekanisme Good Corporate Governance terhadap Ketepatan Waktu Penyampaian Laporan Keuangan dan Dampaknya terhadap Return Saham," *Din. Akuntansi, Keuang. dan Perbank.*, vol. 6, no. 1, pp. 83–101, 2017.
- [3] K. W. S. Saputra and I. W. Ramantha, "Pengaruh Profitabilitas Dan Ukuran Perusahaan Terhadap Ketepatan Waktu Pelaporan Keuangan Dengan Opini Audit Sebagai Pemoderasi," *E-J. Akunt. Univ. Udayana*, vol. 20, pp. 1592–1620, 2017.
- [4] E. Juniati, A. H. MS, and A. A. A, "Analisis Faktor Yang Mempengaruhi Keterlambatan Penyampaian Laporan Keuangan Pada Perusahaan Pertambangan Yang Terdaftar Di BEI Tahun 2011-2013," *JOM Fekon*, vol. 3, no. 1, pp. 2414–2428, 2016.
- [5] Pujiatmi and K. Ismawati, "Faktor yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan," *Ekon. Bisnis dan Kewirausahaan*, vol. 7, no. 1, pp. 43–76, 2018.
- [6] C. Dodge, "Compliance Theory of Organizations," *Springer Int. Publ.*, pp. 1–5, 2016.
- [7] R. Januar and D. W. Handayani, "Pengaruh Ekstrinsik Reward dan Intrinsik Reward Terhadap Employee Performance: Telaah Pada PT. XYZ," *Ultim. Manag.*, vol. 7, no. 1, pp. 25–38, 2015.
- [8] F. M. Alshrif, I. Subekti, and Y. Widya, "The Effect Of Audit Committee Characteristics On Timeliness Of Financial Reporting By Using Auditor Quality As The Moderating Variable (An Empirical Study From Indonesian Manufacturing Companies)," *Int. J. Account. Bus. Soc.*, vol. 24, no. 1, pp. 67–80, 2016.
- [9] I. P. S. Sanjaya, "The Influence of Audit Committee to Earnings Management," *J. Akunt. dan Investasi*, vol. 7, no. 1, pp. 97–112, 2006.
- [10] N. Soewarno, "The Effect of Good Corporate Governance Mechanism and Corporate Social Responsibility on Financial Performance with Earnings Mnagement as Mediating Variable," *Asian J. Account. Res.*, vol. 3, no. 1, pp. 41–60, 2018.
- [11] Suryato and D. R Meisa, "Good Corporate Governance, Capital Structure, and Firm's Values: Empirical Studies Food and Beverage Companies in Indonesia," *Eur. J. Accounting, Audit. Financ. Res.*, vol. 4, no. 11, pp. 35–49, 2016.
- [12] A. A. Dufriella and E. S. Utami, "Pengaruh Good Corporate Governance terhadap Ketepatan Waktu Penyampaian Laporan Keuangan (Studi Kasus Pada Perusahaan Manufaktur Di BEI)," *JRAMB*, vol. 6, no. 1, pp. 50–64, 2020.
- [13] R. Mardyana, "Effect Of Good Corporate Governance, Financial Distress, And Financial Performance On Timeliness Of Financial Statements Reporting," *J. Ilm. Mhs. FEB Univ. Brawijaya*, vol. 3, no. 1, pp. 1–25, 2014.
- [14] V. A. Tandean and Winnie, "The Effect of Good Corporate Governance on Tax Avoidance," *Asian J. Account. Res.*, vol. 1, no. 1, pp. 28–38, 2016.
- [15] H. W. Akani and R. L. T. Obiosa, "Effects of Financial Innovations on the Profitability of Deposit Money Banks in Nigeria," *Eur. J. Accounting, Audit. Financ. Res.*, vol. 8, no. 1, pp. 52–73, 2020.
- [16] U. T. Agburuga and E. A. L. Ibanichuka, "Managerial and Controlling Ownership , Profitability , Firm Size and Financial Leverage in Nigeria," *Int. J. Bus. Manag. Rev.*, vol. 4, no. 9, pp. 43–57, 2016.
- [17] L. Fujianti, "Analysis Market Reaction on Timeliness Reporting : Study on Indonesia Stock Exchange," *Int. J. Bus. Manag. Invent.*, vol. 5, no. 3, pp. 1–10, 2016.
- [18] M. Rivandi and M. M. Gea, "Pengaruh Mekanisme Corporate Governance Terhadap Ketepatan Waktu Pelaporan Keuangan (Studi empiris Pada Perusahaan Perbankan Milik Pemerintah Pusat)," *J. Akunt. dan Pajak*, vol. 19, no. 01, pp. 1–9, 2018.
- [19] I. B. K. Y. Mahendra and I. N. W. A. Putra, "Pengaruh Komisaris Independen, Kepemilikan Institusional, Profitabilitas, Likuiditas, Dan Ukuran Perusahaan Terhadap Ketepatan Waktu Publikasi Laporan Keuangan Tahunan," *E-Jurnal Akunt.*, vol. 9, no. 1, pp. 304–324, 2014.

- [20] E. Surachyati, E. Abubakar, and M. Daulay, "Analysis of Factors That Affect the Timeliness of Submission of the Financial Statements on Transportation Companies in Indonesia Stock Exchange," *Int. J. Res. Rev.*, vol. 6, no. January, pp. 190–201, 2019.
- [21] A. A. P. G. B. A. Susandya, I. A. N. Yulastuti, and G. B. B. Putra, "The Effect of Cooperative's Characteristic on Financial Reporting Timeliness," *Sriwij. Int. J. Dyn. Econ. Bus.*, vol. 2, no. 4, pp. 269–292, 2018.

Analysis Financial Distress Prediction With Model Altman Z-Score, Zmijewski, And Grover In The Sub Sector Retail Listed On The Indonesian Stock Exchange (Idx) 2014-2018 Period

Megalasmi Bellyra Helastica¹, V. Santi Paramita²
 {megalasmibellyrahelastica26@gmail.com¹, santi.pramit@gmail.com²}

Department of Management, Faculty of Economics and Business Universitas Jendral Achmad Yani, Indonesia¹, Department of Management, Faculty of Economics and Business Universitas Jendral Achmad Yani, Indonesia²

Abstract. Financial distress is a condition when a company experiences financial difficulties. Financial distress is an early warning for companies not to go bankrupt. Financial distress analysis is useful for investors, government, auditors, and company management. Financial distress can be predicted using the Altman Z-Score, Zmijewski, and Grover models. The research sample was 8 retail sub-sector companies listed on the Indonesia Stock Exchange for the period 2014-2018. The main objective of this research is to predict the financial distress of companies in the retail sub-sector and to analyze the level of prediction accuracy from the financial distress prediction model.

Keywords: Financial Distress, Bankruptcy, Altman Z-Score, Zmijewski, and Grover.

1. Introduction

The increase in the global economy has triggered intense competition businesses that have advantages service and product quality. The new realm of the trade industry in the era of globalization e-commerce is one of the industries whose growth is starting to grow rapidly in Indonesia. Indonesia has become one of the countries with the highest e-commerce growth in the world because many business actors have expanded their business by digitizing in the past few years (wartaekonomi.co.id, 2019). The growth of the e-commerce trade industry certainly has a direct impact on the retail trade industry sub-sector. Coordinating Minister for Economic Affairs Darmin Nasution stated that the closure of many retail outlets was due to the changing shopping style of society, where people currently prefer to shop online (Liputan6.com, 2019). In 2014 on February 11, in the plenary session of the Dewan Perwakilan Rakyat (DPR), the Rancangan Undang-Undang (RUU) was passed, where the bill was considered to be quite partial to the people's market, cooperatives, and small, medium, and micro-business actors. The government also regulates operations and implements zoning from retail, supermarkets, and supermarkets. These businesses are considered to be capable of disrupting and detrimental to the people's market, cooperatives, and small, medium and micro business actors so that the Trade Law is considered to limit the movement of modern retail (Kabarbisnis, 2014). This has increasingly influenced the growth of the retail industry.

Retail sales growth data tends to fluctuate and decline in 2012-2018. Based on the analysis of the financial statements of companies listed in the retail sub-sector on the IDX, 9 companies experienced a decrease in negative net income or a decline in financial conditions in their

operations for more than one year, this is following the characteristics of financial distress stated by Hofer (1980), Whitaker (1999), and Listyarini, et al. (2016) in [1]. Another indicator if a company experiences financial distress [2] is the company experiencing delisted from the capital market. Delisted is the delisting of the issuer's shares from the stock exchange, where the write-off is carried out based on the company's assessment.

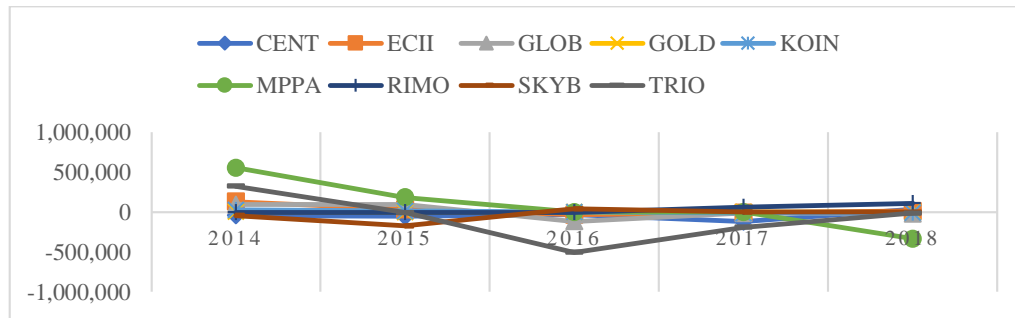


Fig 1. Companies in the Retail Sub-Sector Experiencing Negative Profits for More Than One Year for the 2014-2018 Period

Source: www.idx.co.id (data reprocessed, 2019)

Financial distress analysis is carried out that the company knows the early signs of bankruptcy. The earlier the company knows the sign, the better it is for management because management can make improvements directly [3]. Financial distress prediction research has often been conducted in Indonesia, including research conducted by [1], [2], [4], [5], [6], and [7]. Based on the description above, the problem in this study is "How financial distress prediction in the retail sub-sector listed on the Indonesia Stock Exchange (BEI) for the 2014-2018 period uses the Altman Z-Score, Zmijewski, and Grover models" and "Which prediction model is most accurate in predicting financial distress in the retail sub-sector listed on the Indonesia Stock Exchange (BEI) for the 2014-2018 period". This study seeks to predict corporate financial distress in the retail sub-sector and analyze the level of prediction accuracy from the financial distress prediction model.

The results of this study are expected to be used as material for the attention of various parties concerned because by knowing the company is experiencing financial distress, these parties can determine actions and decisions to improve the situation.

2 Review of Literature

2.1 Financial Distress

Financial distress is now a common occurrence in a competitive market environment. Financial distress is the time before the company goes bankrupt [9]. Financial distress also has several types of definitions according to Brigham & Gapenski (1997) in [2] namely, economic failure, business failure, technical insolvency, insolvency bankruptcy, and legal bankruptcy. Financial difficulties are a very important indicator for stakeholders such as investors, government, auditors, and company management.

2.2 Financial Distress Prediction Model

The financial distress prediction model is one of the techniques and tools used to predict the possibility of corporate bankruptcy in the future, by combining financial ratios [6]. Bankruptcy can be experienced by large or small companies so the company management must prevent potential bankruptcy [10]. Altman Z-Score, Zmijewski, and Grover models are 3 of the many other financial distress prediction models that can be used to predict bankruptcy in companies.

2.3 Bankruptcy

Company bankruptcy is usually characterized by difficulties to finance, production activities, difficulties in attracting loans from creditors, and refinancing [4]. Bankruptcy according to Peter and Yoseph (2011) in [1] is a company condition when it experiences insufficient funds to run its business. Bankruptcy can be caused by general factors, company external factors, and company internal factors [8]. In Indonesia bankruptcy is regulated in UU No.1 of 1998, which states that a debtor who has two or more creditors and cannot pay at least one overdue debt that cannot be collected, is declared bankrupt by an authorized court decision, either on his own request, or at the request of one or more creditors. This application can also be submitted by the prosecutor for the public interest.

3 Materials and Method

The sampling technique in this study was purposive sampling, so the research sample consisted of 8 companies from a total population of 9 retail sub-sector companies listed on the IDX for the 2014-2018 period. The data source of this research is a secondary data source, in the form of financial reports of the research object published by the Indonesia Stock Exchange (BEI). The variables used in this study are:

1. Altman Z-Score Model

The formula to use:

$$Z'' = 6.56 X_1 + 3.26 X_2 + 6.72 X_3 + 1.05 X_4$$

The financial ratios uses in the Altman Z-Score model are:

$Z'' = Z\text{-Score}$

$X_1 = \text{Working Capital} / \text{Total Assets}$

$X_2 = \text{Retained Earnings} / \text{Total Assets}$

$X_3 = \text{Earnings Before Interest and Taxes} / \text{Total Assets}$

$X_4 = \text{Book Value Equity} / \text{Total Liabilities}$ [11]

Or according to [10]

$X_1 = \text{Net Working Capital} / \text{Total Assets}$

$X_2 = \text{Retained Earnings} / \text{Total Assets}$

$X_3 = \text{EBIT} / \text{Total Assets}$

$X_4 = \text{Total Equity} / \text{Total Liability}$

The classification or category of healthy, gray area and bankrupt companies is based on the Altman Z-Score model, namely:

- a. If $Z'' < 1.1$, then the company is included in the category of financial distress/bankruptcy,
- b. If $1.1 < Z'' < 2.6$, then the company is included in the gray area category

- c. If $Z'' > 2.6$, then the company is included in the healthy category
2. Zmijewski Model
The formula used: [8]

$$X - \text{Score} = -4,3 - 4,5 X_1 + 5,7 X_2 - 0,004 X_3$$

The financial ratios uses in the Zmijewski model are:

X_1 = Return On Asset (EAT / Total Assets)

X_2 = Debt Ratio (Total Liabilities / Total Assets)

X_3 = Current Ratio (Current Assets / Current Liabilities)

The classification or category of healthy and bankrupt companies is based on the Zmijewski model, namely:

- a. If $X > 0$, then the company is included in the category of financial distress/bankruptcy,
 - b. If $X < 0$, then the company is included in the healthy category
3. Grover Model
The formula used: [6]

$$G\text{-Score} = 1,650 X_1 + 3,404 X_2 - 0,016ROA + 0,057$$

The financial ratios uses in the Grover model are:

X_1 = Working capital / Total assets

X_2 = Total assets / Earnings before interest and taxes

ROA = Net income / Total assets

The classification or category of healthy and bankrupt companies is based on the Grover model, namely:

- a. If $G \leq -0.02$, then the company is included in the category of financial distress/bankruptcy,
- b. If $G \geq 0.01$ then the company is included in the healthy category

The accuracy test of the financial distress prediction model in this study uses the Type II error. The level of e error is known if the financial distress prediction model predicts that the research sample experiences distress, while the actual condition of the company does not experience financial distress or delisted [12]. The following is the formula for testing the accuracy of the financial distress prediction model and the Type II error:

$$\text{Accuracy Level} = (\text{Number of Correct Predictions} / \text{Number of Samples}) \times 100\%$$

$$\text{Type II Error} = (\text{Number of Errors Type II} / \text{Number of Samples}) \times 100\%$$

4 Result and Discussion

Financial ratios are one of the methods developed to analyze financial distress in companies and the Altman Z-Score, Zmijewski, and Grover models are models compiled from various financial ratios.

Research [13] states that the liquidity ratio in the financial distress prediction model has a positive effect on financial distress. High liquidity results in higher Altman Z-Score, Zmijewski, and Grover values so that the company can be said to be healthier, for the leverage ratio is stated to have a negative effect on financial distress. High leverage results in the lower Altman Z-Score and Zmijewski values and companies that cannot make good use of their debt will be at risk of experiencing financial distress, and the profitability ratio according to [14] is stated to have a significant influence in predicting financial distress. Because of the higher the profitability, the smaller the company's chances of experiencing financial distress.

1. Altman Z-Score Model

The following is a table of financial distress prediction scores using the Altman Z-Score model in the retail sub-sector listed on the Indonesia Stock Exchange (BEI) in 2014-2018.

Table 1 Score Financial Distress Prediction Model Altman Z-Score

No	CODE	<i>Financial Distress Prediction</i>									
		2014		2015		2016		2017		2018	
1	CENT	2,13	GA	1,15	GA	3,81	H	1,87	GA	1,93	GA
2	ECII	6,3	H	5,15	H	4,56	H	4,68	H	4	H
3	GLOB	3,52	H	3,35	H	-12,99	B	-13,78	B	-5,16	B
4	KOIN	1,87	GA	1,36	GA	2,38	GA	0,97	B	0,57	B
5	MPPA	4,13	H	3,22	H	2,2	GA	-3,24	B	-2,14	B
6	RIMO	-5,05	B	-2,2	B	-1,9	B	7,2	H	4,7	H
7	SKYB	2,28	GA	2,16	GA	28,12	H	-7,74	B	30,4	H
8	TRIO	5,46	H	-1,13	B	-6,8	B	-5,06	B	-1,12	B

* Information: H = Healthy, GA = Grey Area, and B = Bankrupt

Financial distress prediction model Altman Z-Score in the retail sub-sector in 2014, there are 4 companies predicted to be in good health, 3 companies predicted to be in the gray area, and 1 company predicted to be in bankruptcy. In 2015, 3 companies are predicted to be in good health, 3 companies are predicted to be in a gray area, and 2 companies are predicted to be in bankruptcy. In 2016, 3 companies are predicted to be in good health, 2 companies in the gray area, and 3 companies in bankruptcy. In 2017, 2 companies are predicted to be in healthy condition, 1 company is in a gray area, and 5 companies are predicted to be bankrupt. Meanwhile, in 2018 3 companies are predicted to be in good health, 1 in a gray area and 5 companies are predicted to be in bankruptcy or financial difficulties. The greater the Z "score, the healthier the company or not experiencing financial distress.

2. Zmijewski model

The following is a table of financial distress prediction scores using the Zmijewski model in the retail sub-sector listed on the Indonesia Stock Exchange (BEI) in 2014-2018.

Table 4 Score Financial Distress Prediction Model Zmijewski

No	CODE	<i>Financial Distress Prediction</i>									
		2014		2015		2016		2017		2018	
1	CENT	-2,6233	H	-3,1832	H	-3,0009	H	-2,2489	H	-1,9519	H
2	ECII	-3,9821	H	-4,0113	H	-3,7978	H	-3,7595	H	-3,721	H
3	GLOB	-0,5739	H	-0,5739	H	60,4864	B	66,6004	B	-4,1832	H
4	KOIN	-0,0718	H	-0,5703	H	0,464	B	0,6288	B	0,7702	B
5	MPPA	-1,82	H	-1,25	H	-0,6973	H	1,1952	B	0,8818	B
6	RIMO	-1,232	H	15,8954	B	12,9077	B	-3,607	H	-3,4295	H
7	SKYB	-0,3485	H	9,5176	B	-9,7442	H	-4,4838	H	-3,8143	H
8	TRIO	0,0415	B	-4,2567	H	0,8906	B	-0,3215	H	-4,1878	H

* Information: H = Healthy and B = Bankrupt

Financial distress prediction using the Zmijewski model in 2014, 7 companies were in a healthy condition, and 1 company that was in a bankrupt condition. Meanwhile, in 2015, 6 companies were predicted to be in good health and 2 companies were in bankruptcy, in 2016 4 companies were predicted to be in good health and vice versa. In 2017, 5 companies are predicted to be in good health and 3 others are predicted to be in bankruptcy or financial difficulties. And in 2018, 6 companies are predicted to be in good health and 2 companies are predicted to be in bankruptcy. In Zmijewski's model the smaller the X score, the better the company's condition.

3. Grover Model

The following is a table of financial distress prediction scores using the Grover model in the retail sub-sector listed on the Indonesia Stock Exchange (BEI) in 2014-2018.

Table 5 Score Financial Distress Prediction Model Grover

No	CODE	<i>Financial Distress Prediction</i>									
		2014		2015		2016		2017		2018	
1	CENT	-0,1702	B	0,3626	H	0,0868	H	0,0522	H	0,2256	H
2	ECII	1,8318	H	1,1913	H	0,9864	H	1,0442	H	1,098	H
3	GLOB	0,8381	H	0,7547	H	-8,7132	B	-8,5942	B	0,0488	H
4	KOIN	0,5438	H	0,3655	H	0,8924	H	0,2259	H	0,1561	H
5	MPPA	0,7981	H	0,505	H	0,3361	H	-1,3436	B	-0,7432	B
6	RIMO	-2,1391	B	38,3297	H	27,0677	H	0,3039	H	-0,0665	B
7	SKYB	0,1959	H	1,148	H	3,7674	H	-25,2102	B	-37,0562	B
8	TRIO	1,4055	H	-6,8738	B	-18,0629	B	-3,9906	B	-4,6309	B

* Information: H = Healthy and B = Bankrupt

Financial distress prediction using the Grover model in 2014 is predicted to have 6 companies in good health and 2 of them in a bankruptcy state. Meanwhile, in 2015, 7 companies are predicted to be in good health and 1 company is in a bankrupt state. In 2016, 6 companies are predicted to be in good health and 2 companies are predicted to be bankrupt, while in 2017

4 companies are predicted to be in a condition and the rest are predicted to be bankrupt. And 2018 is the same as in 2017.

4. Accuracy Test of Financial Distress Prediction Model

The actual state of the entire study sample was not delisted. Test the accuracy of the financial distress prediction model:

Table 6 Accuracy-Test of Financial Distress Prediction Model

Calculation	<i>Financial Distress Prediction Model</i>		
	<i>Altman Z-Score</i>	<i>Zmijewski</i>	<i>Grover</i>
Level of Accuracy	15	28	27
Type II Error	25	12	13
Total	40	40	40

Calculation	<i>Financial Distress Prediction Model</i>		
	<i>Altman Z-Score</i>	<i>Zmijewski</i>	<i>Grover</i>
Level of Accuracy	37,5%	70,00%	67,50%
Type II Error	62,5%	30,00%	32,50%
Total	100,0%	100,00%	100,00%

Based on the accuracy test of the financial distress prediction model that has been carried out, it is known that the Zmijewski model is a model that has a high accuracy level of 70% and the smallest error rate is 30%, the Grover model is 67.5% with an error rate of 32.5%, and The Altman Z-Score model is 37.5% for the level of accuracy while the error rate is 62.5%.

5 Conclusion

Based on the analysis and discussion of the research results, the conclusions are:

1. According to the company's Altman Z-Score model, GLOB, KOIN, MPPA, and TRIO need to be careful because they are classified as bankrupt or financial difficulties for two consecutive years or more. Zmijewski's model predicts that KOIN and MPPA companies are in financial distress and according to Grover's model, the companies' MPPA, SKYB, and TRIO are in financial distress. Companies need to evaluate their performance during the current period to make decisions so that the company does not go bankrupt. Financial distress in companies certainly affects investors due to the reaction of the capital market, especially when the company is declared delisted.
2. The results of the study indicate that the Zmijewski model produces the best predictions with an accuracy rate of 70%. The second rank is Grover with 67.5%. The Altman Z-Score model is ranked last with an accuracy rate of 37.5%.

References

- [1] F. Saragih and A. Dewi, "Perbandingan Metode Springate dan Zmijewski dalam Memprediksi Kebangkrutan pada Perusahaan Ritel yang Terdaftar di Bursa Efek Indonesia," *Festiv. Ris. Ilm. Manaj. Akunt.*, vol. 6681, pp. 16–21, 2016.
- [2] K. A. R. I. Laksmiana and A. Darmawati, "Analisis Uji Akurasi Model Grover, Springate, dan Zmijewski dalam Memprediksi Kebankrutan Perusahaan Delisted di BEI," *J. Magister Manaj. Unram*, vol. 8, no. 1, pp. 62–72, 2019.
- [3] I. W. Siregar, "Pengaruh Prediksi Kebankrutan Model Altman terhadap Opini Audit Going Concern," 2015.
- [4] Fadrul and Ridawati, "Analysis of Method Used to Predict Financial Distress Potential in Pulp and Paper Companies of Indonesia," *Int. J. Econ. Dev. Res.*, vol. I, no. 1, pp. 57–69, 2020.
- [5] G. P. Tahu, "Predicting Financial Distress of Construction Companies in Indonesia: A Comparison of Altman Z-Score and Springate Methods," *IJSEGCE*, vol. 2, no. 2, pp. 7–12, 2019.
- [6] A. Aminian, H. Mousazade, and O. I. Khoshkho, "Investigate the Ability of Bankruptcy Prediction Models of Altman and Springate and Zmijewski and Grover in Tehran Stock Exchange," *Mediterr. J. Soc. Sci.*, vol. 7, no. 4, pp. 208–214, 2016.
- [7] A. Agarwal and I. Patni, "Bankruptcy Prediction Models : An Empirical Comparison," no. 6, pp. 131–139, 2019.
- [8] E. N. Huda, P. D. Paramita, and D. Amboningtyas, "Analisis Financial Distress dengan Menggunakan Model Altman, Springate dan Zmijewski pada Perusahaan Retail yang Terdaftar di BEI Tahun 2013-2017," *J. Manage.*, pp. 1–11, 2017.
- [9] A. Kamaluddin, N. Ishak, and N. F. Mohammed, "Financial Distress Prediction Through Cash Flow Ratios Analysis," *Int. J. Financ. Res.*, vol. 10, no. 3, pp. 63–76, 2019.
- [10] F. Metal, A. Pertapan, S. Hartono, I. Aryati, and D. Purnomo, "Bankruptcy Prediction in PT Blue Bird , Tbk 2011-2016 Using Altman Z-Score , Springate , and Zmijewski Model," *Int. Conf. Technol. Educ. Soc. 2018*, vol. 2018, no. 10, pp. 203–212, 2018.
- [11] W. Nurcahyanti, "Studi Komparatif Model Z-Score Altman, Springate dan Zmijewski dalam Mengindikasikan Kebangkrutan Perusahaan yang Terdaftar di BEI," *J. Akunt.*, 2015.
- [12] R. T. Hastuti, "Analisis Komparasi Model Prediksi Financial Distress Altman, Springate, Grover dan Ohlson pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2011-2013," *J. Ekon.*, vol. XX, no. 03, pp. 446–462, 2015.
- [13] H. E. Zulaecha and A. Mulvitasari, "Pengaruh Likuiditas, Leverage, Dan Sales Growth Terhadap Financial Distress," *J. Manaj. Bisnis*, vol. 8, no. 1, pp. 16–23, 2019.
- [14] O. Andre and S. Taqwa, "Pengaruh Profitabilitas , Likuiditas , dan Leverage Dalam Memprediksi Financial Distress (Studi Empiris Pada Perusahaan Aneka Industri yang Terdaftar di BEI Tahun 2006-2010)," *J. WRA*, vol. 2, no. 1, pp. 293–312, 2014.

Analysis of Factors Affecting the Performance of Fixed Income Mutual Funds in Indonesia (Study on RDPT Registered on OJK for the Period 2014-2018)

Ferby Wijaya Kusumawati¹, V. Santi Paramita²
 {ferbywijayak@gmail.com¹, santi.pramit@gmail.com²}

Management Department, Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia¹,
 Management Department, Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia²

Abstract. The aim of this research is to determine the influence of the past performance, fund size, inflation and interest rate toward fixed income mutual funds' performance in Indonesia on 2014-2018. This research used 95 fixed income mutual funds which listed and published by OJK and still active during the period on 2014-2018. This research uses a quantitative approach and use pooled regression to determine the effects between past performances, fund size, inflation and interest rate toward fixed income mutual funds' performance. The result of this research shows that partially past performance and interest rate are have a significantly positive influence and inflation have a significantly negative influence. Meanwhile fund size is partially has insignificant influence. While simultaneously, past performance, fund size, inflation and interest rate have a significant influence with the coefficient of determination is 97.9% while the rest is influenced by other variables not included in this research.

Keywords: Mutual Fund, Performance, Past Performance, Fund Size, Inflation, Interest Rates.

1 Introduction

The issue of an economic recession is being discussed, several countries have experienced a recession where the country's GDP has experienced negative growth [1]. However, amid in uncertainty in the world economy, Indonesia can be said to have had a fairly good and stable economic condition in recent years, as evidenced by the achievement of economic growth of 5.17% in 2018 and this trend of economic growth above 5% will continue [2]. One of the factors that can increase economic growth is infrastructure development [3]. Building infrastructure is the same as building the future of civilization. Through the acceleration of equitable infrastructure development, it is hoped that it can create strong connectivity between regions that will improve the quality of life of the people. Limited funding is the main problem for the government in carrying out its work program, therefore the government and *stakeholders* often work together in issuing policies to explore potential funding, including by facilitating licensing and encouraging the use of capital market instruments for infrastructure financing [4].

Capital Market defines as activities related to Public Offerings and Securities trading, Public Companies related to the Securities they issue, as well as institutions and professions related to Securities. The capital market has an important role in the economy of a country because the capital market carries out two functions, as a financing business and for people to invest in long-term

financial instruments [5]. Everyone is faced with many choices in determining the resources they have for consumption now and in the future. Investment is defined as a commitment to invest several funds today to obtain profits in the future [6].

The theory of modern portfolio investment is minimizing risk and increasing returns by diversifying investment, an investment instrument that applies this principle is Mutual Funds [7]. Mutual funds is a company that pools money from a group of people with investment goals to buy securities in money market or equity market instrument [8]. It embodies professional management, portfolio diversification and low transaction cost [9]. Mutual Funds are an alternative for the investor to invest, especially small investors who don't have much time and expertise to calculate the risk of their investment or the limited knowledge of investors [10]. Mutual funds offer higher long-term benefits than savings and time deposits, but it must be realized that basically, all investments have their respective risks [11].

Since January 2014 - June 2019, mutual funds have experienced very rapid growth, as seen from the number, NAV, and UP of Mutual Funds which have continued to increase every year, but if seen from the yield there are fluctuations and tend to decline. The choice of mutual funds can be done by knowing the performance of the mutual fund of their choice to invest in order to get optimal results. Mutual funds can be said to perform well if they have better market index performance [12]. By knowing the performance of the mutual fund that he will choose, it is hoped that investors will not suffer losses because they invest in mutual funds that are not performing well.

Mutual fund performance reflects the ability of a mutual fund product to generate returns, therefore the performance of a mutual fund is determined by the amount of return it receives. Mutual fund performance is influenced by various factors that determine whether a mutual fund is performing well or poorly. The first factor is Past Performance or past performance. The effect of past performance on current performance has been referred to as performance persistence [13]. The ability to generate mutual fund returns can be seen from their past performance and many investors believe that the management quality of managers can be seen through their past performance [12]. Belgacem (2011) in his research emphasizes that past performance is positively related to future performance, which means that past performance contains information about future performance. As well as the research results of Marna, et al (2017) and Desiyanti (2014) stated that there is persistence in mutual fund performance in Indonesia, which means that the past performance of mutual funds can be taken into consideration in the selection of mutual funds in Indonesia. The research conducted by Bitomo & Muharam (2016) states that past performance has no effect on the performance of fixed income mutual funds but has an effect on equity funds and the money market.

The purpose of this research is to determine what factors affect the performance of fixed income mutual funds in Indonesia by using variables Past Performance (X1), Fund Size (X2) Inflation (X3) and Interest Rates (X4). This research is expected to add to the knowledge of financial management, especially in the field of investment and portfolio management. So that science in the field of investment and portfolio management can continue to be updated / developed, especially from the variables studied.

2 Literature Review

2.1 Past Performance

The ability to generate mutual fund returns can be seen from their past performance and many investors believe that the management quality of managers can be seen through their past performance [12]. Belgacem (2011) in his research emphasizes that past performance is positively related to future performance, which means that past performance contains information about future performance. As well as the research results of Marna, dkk (2017) and Desiyanti (2014) stated that there is persistence in mutual fund performance in Indonesia, which means that the past performance of mutual funds can be taken into consideration in the selection of mutual funds in Indonesia. Then the research hypothesis is obtained:

H₁: Past Performance has a positive effect on the performance of fixed income mutual funds in Indonesia.

2.2 Fund Size

Mutual fund size is a reflection of the size of mutual funds based on managed funds which can be assessed from the amount of Total Net Asset [12]. The greater the TNA should have an impact on the flexibility of mutual fund services such as reducing the burden of dependency costs for its customers [17], and also large funds has better investment opportunities and more resource for research that leading to economic of scale [29]. In addition, according to Sukmaningrum & Mahfud, (2016), a larger size of mutual funds allows mutual funds to diversify their assets, so large size of mutual funds can provide good performance for mutual funds. This is following with what was stated by Dwiperkasa & Dharmastuti (2016), Wicaksono & Sampurno, (2017) and Pratama & Wirama (2018) which stated that the size of mutual funds has a positive and significant effect on mutual fund performance so that the greater the size of mutual funds that is reflected in the net asset value under management, the better the mutual fund's performance.

H₂: Fund Size *has* a positive effect on the performance of fixed income mutual funds in Indonesia.

2.3 Inflation

Inflation is a tendency for prices to rise continuously, the higher the price increase, the value of the currency will decrease and will affect the development of mutual funds [22]. The relative increase in inflation is a negative signal for investors. If there's a high inflation, it will reduces the investment assets of the investor. Inflation decrease risk aversion capacity among investors and they start switching themselves from high risk securities to low risk securities[30]. Inflation can increase the company's income and costs, if the increase in production value is higher than the increase in price that can be enjoyed by the company, then the company's profitability will decrease which will affect the company's stock price and impact the performance of mutual funds (Mustofa & Kusumawardhani, 2016). This supports the results of research conducted by and Rahmawati & Nuris (2018) which states that the inflation rate affects the performance of Fixed Income Funds and Pratama & Wirama (2018) which states that the inflation rate has a negative and significant effect on mutual fund performance.

H₃: Inflation *has* a negative effect on the performance of fixed income mutual funds in Indonesia.

2.4 Interest rates

When interest rates are increased, people tend to choose alternative instrument that provide higher interest rates. As a result, stocks and bonds are sold which causes the price of stocks, bonds or mutual funds to fall. Conversely, when interest rates are lowered, investors will look for instruments that provide a higher return than deposits, namely stocks and bonds, so that the demand for these instruments will increase and also increase the prices of stocks, bonds and mutual funds [32], thereby increasing returns and improving mutual fund performance. This is in line with the results of research by Hermawan & Wiagustini (2016) and Wiradiyasa (2016) which state that interest rates have a negative effect on mutual fund performance.

H₄: Interest rates have a negative effect on the performance of fixed income mutual funds in Indonesia.

2.5 Mutual Fund

The objective of a mutual fund is to obtain an optimal return. In achieving *return* this optimal, mutual funds cannot be separated from their performance evaluation. *Return* mutual fund is known as the Net Asset Value (NAV), which is key in assessing the performance of mutual funds. Assessing the performance of a mutual fund can use the *Sharpe Ratio*. The formula for the *Sharpe Ratio* is as follows (Tandelilin, 2017:500):

$$\hat{S}_p = \frac{\bar{R}_p - \bar{RF}}{\sigma_{TR}}$$

The appraisal is seen based on the performance obtained from the previous period, so that Past Performance can be calculated using the formula [12]:

$$\hat{S}_{p(t-1)} = \frac{\bar{R}_{p(t-1)} - \bar{RF}_{(t-1)}}{\sigma_{TR(t-1)}}$$

The size of a mutual fund is a reflection of the size of the funds raised by the mutual funds [20]. The formula for calculating the size of the mutual fund (*size fund*) is as follows (Gusni et al., 2018):

$$Fund\ Size = Ln\ Net\ Asset\ Value$$

Inflation is the tendency for prices to rise generally and continuously. The formula for calculating the inflation rate is as follows [27]:

$$Inflasi = \frac{IHK_{(t)} - IHK_{(t-1)}}{IHK_{(t-1)}} \times 100\%$$

Interest rates according to McTaggart (2003) in Hermawan & Wiagustini (2016) can be interpreted as the number of funds received by the lender and paid as a percentage of the loan amount. The interest rate can be *peroxide* as follows:

$$BI \text{ rate} = BI \text{ 7-day (Reverse)Repo Rate}$$

3 Methods

In this study, researchers used a quantitative research approach. The form of problem formulation used in this research is descriptive and associative problem formulation. The population in this study was Fixed Income Mutual Funds operating in 2014-2018, which information on NAV was available at OJK in rupiah denominations of 218 Fixed Income Fund. As for this study, researchers used a purposive sampling technique, where the samples taken by researchers used certain considerations. That way the researchers set a sample with the criteria for Fixed Income Mutual Funds that were actively operating continuously from 2014-2018 and obtained a sample of 95 Fixed Income Fund. In this test, before testing the hypothesis, first a descriptive analysis is carried out, then the Chow test, the test Hausmann, and the test Lagrange Multiplier. The testing of hypotheses and analytical determination (R^2) using panel data regression analysis by E-views 10th ver.

4 Result and Discussion

The average performance of fixed income mutual funds in Indonesia in 2014-2018 is -0.059, with the greatest performance having Sharpe index of 1,419 and the lowest with Sharpe index of -1,766. The average Past Performance of fixed income mutual funds in Indonesia in 2014-2018 was -0.052, with the largest performance having a Sharpe index the lowest with Sharpe index of 1.379 of -1,731. The average Fund Size for fixed income mutual funds in Indonesia in 2014-2018 was 25,506, with the largest size being 28,267 and the smallest being 22,536. The highest inflation rate in Indonesia in 2014-2018 was in 2014 at 6.42%, and the lowest inflation rate in 2018 was 3.2%. The highest interest rate in Indonesia in 2014-2018 was in the year 2014 at 7.54% and the lowest interest rates in 2017 amounted 4.56%.

4.1 Chow Test

Chow test is a test to select one of the models on panel data regression between *Common Effect Model* or *Fixed Effect Model* is most appropriate to use in estimating the model in this study. The chow test results indicate that this model has a probability F of 1.0000 greater than *alpha* 0.05, so that H_0 is accepted, which means that the chosen model is the *Common Effect Model*.

4.2 Hausmann Test

Hausmann test is a test to select one of the models on panel data regression between *Fixed Effect Model* or *Random Effect model* the most appropriate is used to estimate the model in this study. The

Haussmann test results indicate that this model has a *chi-square probability* of 1.0000 greater than *alpha* 0.05, so that H_0 is accepted, which means that the chosen model is the *Random Effect Model*.

4.3 Selected Estimation Model

Based on the three tests above, it can be seen that the model that the researcher uses the *Random Effect Model*. The following are the results of panel data regression using the approach *Random Effect Model*. Based on the table above, taking into account the numbers in the column *coefficient*, based on the table above, a panel data regression equation can be compiled using the *Random Effect Model* as follows:

$$\text{Performance RD} = -0.066617 + 1.046745 \text{ PP} - 0.002900 \text{ FS} - 4.128888 \text{ I} + 5.350077$$

4.4 Lagrange Multiplier Test

Lagrange Multiplier test is a test to select one of the models on panel data regression between whether the *Random Effect Model* or *Common Effect model* the most appropriate is used to estimate the model in this study. The Lagrange multiplier test results show that this model has a probability of *Brash-Pagan* 0.0000 smaller than *alpha* 0.05, so H_0 is rejected, which means that the chosen model is the *Random Effect Model*.

How much the ability of the independent variable understudy can explain the dependent variable can be seen through the value of *Adjusted R Square*. Value *Adjusted R Square* in this study amounted to 0.978962, which means that the independent variable understudy can explain 97.9% of the dependent variable, and the rest is explained by other variables not examined by the researcher.

Based t-test result, Past Performance has a significance level of $0.0000 < 0.05$, so H_0 is rejected. So we can concluded that Past Performance has a significant effect on the performance of fixed income mutual funds in Indonesia. Partially Fund Size has a significance level of $0.2216 > 0.05$, so H_0 is accepted. So it can be concluded that Fund Size does not have a significant effect on the performance of fixed income mutual funds in Indonesia. Partially inflation has a significance level of $0.0000 < 0.05$, so H_0 is rejected. So it can be concluded that inflation has a significant effect on the performance of fixed income mutual funds in Indonesia. Partially interest rate has a significance level of $0.0000 < 0.05$, so H_0 is rejected. So we can concluded that interest rate has a significant effect on the performance of fixed income mutual funds in Indonesia.

Based F-test result shows that simultaneously the independent variables Past Performance, Fund Size, inflation and interest rates significantly affect the performance of fixed income mutual funds because the significance value is $0.0000 < 0.05$, which means that H_0 is rejected, which indicates that the variable Past Performance, Fund Size, Inflation and interest rates simultaneously influence the performance of fixed income mutual funds in Indonesia.

4.5 The effect of past performance towards fixed income mutual funds performance

The results of this study are following the research hypothesis, which states that past performance of mutual funds has a positive effect on current mutual fund performance. This condition occurs because the past performance of mutual funds is used as a reference by investors before investing in RDPT products because this reflects the performance of the RDPT concerned in the future, where the better the performance of mutual funds in the past, it will give a tendency perform well again in the

future. The results of this study are in line with research conducted by Belgacem (2011) which confirms that past performance is positively related to future performance, which means that past performance contains information about future performance. The results of this study support the research results of Marna, et al (2017) and Desiyanti (2014) which state that there is persistence in mutual fund performance in Indonesia, which means that the past performance of mutual funds can be taken into consideration in the selection of mutual funds in Indonesia.

4.6 The effect of fund size towards fixed income mutual funds performance

The results of this study are not following the hypothesis proposed by the researcher, which states that mutual fund size has a positive effect on mutual fund performance. This is possible because investors do not use the size of the mutual fund as a benchmark in making investment decisions, where the size of the mutual fund is not considered by investors. In addition, smaller fund size tend to be able to manage their liquidity better, such as when the larger fund size experiences large-scale withdrawals by their investors, the mutual funds tend to experiences a liquidity difficulties which will decrease the return an will impact on its performance [24].. The results of this study are in line with research conducted by Hermawan & Wiagustini (2016) which states that the size of mutual funds has no effect on mutual fund performance, which means that the size of mutual funds does not have an impact on changes in mutual fund performance. The results of this study support the results of this study. conducted by Gusni et al. (2018) and Sukmaningrum & Mahfud (2016).

4.7 The effect of inflation towards fixed income mutual funds' performance

The results of this study are following the research hypothesis, which states that inflation has a negative effect on mutual fund performance. Because investors also think that the inflation rate can increase the company's income and costs, if the increase in production value is higher than the price increase that can be enjoyed by the company, then the company's profitability will decrease which will affect the company's stock price and impact the performance of mutual funds (Mustofa & Kusumawardhani, 2016). The results of this study support the results of research conducted by Rahmawati & Nuris (2018) dan Pratama & Wirama (2018).

4.8 The effect of interest rates towards fixed income mutual funds performance

These results are not in line with research conducted by Hermawan & Wiagustini (2016) and Wiradiyasa (2016) which states that interest rates negatively affect the performance of mutual funds, because the results of this study stated that the interest rate has a positive effect the performance of Fixed Income Funds. The results of this study are not following the research hypothesis. From the research results, there is no empirical evidence that the higher the interest rate, the lower the performance level of the fixed income mutual funds, this shows that in the research period interest rates do not directly influence investors' decisions to invest. This is possible, where increased interest rates do not cause investors to run to instruments other than Fixed Income Mutual Funds because investors still tend to invest their funds in this instrument, investors may still entrust their funds to be managed by their investment managers. Beside that, interest rates affect company profits and the company need to release their other bonds to get funds to cover their lack of funds that occur caused thee increase of interest rates. To attract the investors, the company will try to offer a high rate of return so that their bonds can be sold [33] because the increase of the interest rates indicate an increasing in borrowing costs, this implies that the risk faced by the investors also increase. Therefore,

when the interest rates increasing, investors tend to ask for a higher rate of return as a form of compensation for the risk that they bear [34]. With the large amount of the bond that have been sold, it will increased the yields that will make the performance of the Fixed Income Mutual Fund increasing. The results of this study support the results of Wibowo (2011) which states that interest rates have a significant positive effect on mutual fund performance.

5 Conclusion

Based on the results of the research that the researchers have conducted and the discussion described in the previous chapter, the following conclusions can be drawn:

1. The highest performance conditions during 2014-2018 were achieved by Simas Danamas Mantap Plus Mutual Funds and the lowest by Schroder Dana Andalan II Mutual Funds. The conditions were Past Performance highest in 2014-2018 occupied by Reksa Dana Simas Danamas Mantap Plus and the lowest by Mutual Fund Schroder Dana Andalan II. In addition, the Fund Size largest for 2014-2018 was owned by the Main Manulife Funds and the smallest during 2014-2018 by Mutual Fund PG Sejahtera. For conditions, the highest inflation was in 2014 while the lowest inflation was in 2018. Meanwhile, the highest interest rate was in 2014 and the lowest was in 2017.
2. Partial testing in this study states that the variable Past Performance has a positive effect, the variable *fund* size has no effect, the inflation variable has a negative effect and the interest rate variable has a positive effect on the performance of fixed income mutual funds in Indonesia in the 2014-2018 period.
3. Simultaneous testing in this study states that the variables Past Performance, Fund Size, inflation and interest rates together have an effect on the performance of fixed income mutual funds in Indonesia in the 2014-2018 period.

6 Suggestions

Based on the research that has been carried out, the researcher realizes that there are still many shortcomings and limitations possessed by researchers, both limited time, tools, knowledge and / or other resources, so to perfect this research allow the researcher to submit some suggestions that might be considered:

1. For further researchers, it is hoped that they can add other independent variables, both micro and macro, because this study only uses variables Past Performance, Fund Size, inflation and interest rate. In addition, mutual fund performance measurement can also use other performance indexes. In addition, the next researcher should add observation periods so that the research can be more *up to date*.
2. For investors, the results of this study can be used in making investment decisions, that investors must be more sensitive to economic changes that occur around them because the results of this study indicate that these changes can affect the performance of each fixed income mutual fund.

3. For investment managers, the results of this study are expected to be able to make MIs evaluate their performance in the previous period, and serve as a reference for improvement so that their performance in the future will be even better.

7 Acknowledgements

Acknowledgements. The researchers are very grateful for the support from everyone who help the researcher to complete this research especially FEB and Ka. LLPM Unjani, Dr. Ferikawita Magdalena S., S.E., M.si., and Eka Yulianti, S.E., M.Si as reviewers who gives many inputs for this research and also Frido Saritua Simatupang, S.E., M.Si.

References

- [1] R. Gumiwang, "Ekonomi Global Kian Lesu Apakah Indonesia Terancam Resesi," *Tirto.id*, 2019. [Online]. Available: <https://tirto.id/ekonomi-global-kian-lesu-apakah-indonesia-terancam-resesi-eg3y>.
- [2] Menko Perekonomian, "Mendorong Pertumbuhan Ekonomi melalui Infrastruktur," *ekon.go.id*, 2018. [Online]. Available: <https://ekon.go.id/berita/view/mendorong-pertumbuhan-ekonomi.4321.html>.
- [3] M. Lestari, "Ekonomi Dan Pemerataan Ekonomi Indonesia (Studi Pada Badan Pusat Statistik Tahun 2003-2017)," *J. Adm*, vol. 70, no. 1, 2019.
- [4] T. Hamdani, "Butuh Banyak Dana Segar, Kontribusi Pasar Modal Bangkitkan Perekonomian," *Koran SINDO*, 2017.
- [5] www.idx.co.id, "Pengantar Pasar Modal." [Online]. Available: <https://idx.co.id/investor/pengantar-pasar-modal/>. [Accessed: 23-Sep-2019].
- [6] E. Tandelilin, *Pasar Modal : Portofolio dan Investasi*, 1st ed. Yogyakarta: Kanisius, 2017.
- [7] R. Rachmawati, S. Wahyudi, I. Rini, and D. Pangestuti, "Funds Manager and Mutual Funds Characteristics on Mutual Funds Performance: Empirical Evidence of Equity Mutual Funds in Indonesia," *Int. J. Financ. Res.*, vol. 11, no. 2, pp. 77–87, 2020.
- [8] V. S. Paramita, F. M. Sembiring, and D. Safitri, "Measuring Selectivity and Market Timing Performance of Mutual Funds in Indonesia Using Single and Dual Beta Models," *KnE Soc. Sci.*, vol. 3, no. 10, pp. 1800–1809, 2018.
- [9] D. Chen, C.-L. Chuang, J.-R. Lin, and C.-L. Lan, "Market Timing and Stock Selection Ability of Mutual Fund Managers in Taiwan: Applying The Traditional and Conditional Approaches," *Int. Res. J. Appl. Financ.*, no. January, 2013.
- [10] T. Rustendi, "Analisis Kinerja Reksa Dana Pendapatan Tetap, Reksa Dana Saham, dan Reksa Dana Campuran (Studi di Bursa Efek Indonesia - BEI)," *J. Ekon. Manaj.*, vol. 3, no. 2, pp. 83–95, 2017.
- [11] I. Rini, D. Pangestuti, S. Wahyudi, R. Robiyanto, and K. Kunci, "Performance Evaluation of Equity Mutual Funds in Indonesia," *J. Keuang. dan Perbank.*, vol. 21, no. 4, pp. 527–542, 2017.
- [12] H. Bitomo and H. Muharam, "Analisis Faktor-Faktor Yan Mempengaruhi Kinerja Reksa Dana Di Indonesia (Studi Empiris Pada Reksa Dana Konvensional di Indonesia Periode 2012-2014)," *Diponegoro J. Manag.*, vol. 5, no. 2, pp. 1–14, 2016.
- [13] I. Kaur, "Effect of mutual funds characteristics on their performance and trading strategy: A dynamic panel approach Effect of mutual funds characteristics on their performance and trading strategy: A dynamic panel approach," *Cogent Econ. Financ.*, vol. 6, no. 1, pp. 1–17, 2018.

- [14] S. Ben Belgacem, "Predicting Tunisian mutual fund performance using dynamic panel data model," *J. Risk Financ.*, vol. 12, no. 3, pp. 208–225, 2011.
- [15] Y. Marna, R. Desiyanti, and Yulhelmi, "Analisis Kinerja Reksa Dana Di Indonesia," *UNES J. Soc. Econ. Res.*, vol. 2, p. 128, 2017.
- [16] R. Desiyanti, "Persistensi dan Konsistensi Kinerja Reksa Dana di Indonesia," *J. Kaji. Manaj. Bisnis*, vol. 3, no. 1, pp. 1–18, 2014.
- [17] J. D. M. S. Agung and I. W. P. Wirasedana, "Analisis kinerja reksa dana saham di indonesia," *E-Jurnal Akunt. Univ. Udayana*, vol. 7, no. 1, pp. 250–265, 2014.
- [18] B. Dwiperkasa and C. F. Dharmastuti, "Karakteristik reksa dana dan kinerja reksa dana saham di indonesia," *J. Manaj.*, vol. 13, no. 1, pp. 94–116, 2016.
- [19] M. P. Wicaksono and R. D. Sampurno, "Analisis Pengaruh Fund Age , Market Timing Ability , Stock Selection Skill , Portfolio Turnover Dan Fund Size Terhadap Kinerja Reksa Dana Syariah Periode 2013 - 2015," *Diponegoro J. Manag.*, vol. 6, pp. 1–11, 2017.
- [20] I. P. B. S. Pratama and D. G. Wirama, "E-Jurnal Akuntansi Universitas Udayana Pengaruh Inflasi , IHSG , Ukuran Dan Umur Pada Kinerja Reksa Dana," vol. 23, pp. 842–870, 2018.
- [21] F. Kusumastiti and M. N. H. Ryandono, "Pengaruh Risiko Sistematis, Market Timing Dan Ukuran Dana Terhadap Kinerja Reksa Dana Pendapatan Tetap Syariah Di Indonesia Periode 2014-2018," *J. Ekon. Syariah Teor. dan Terap.*, vol. 6, no. 12, pp. 2409–2421, 2019.
- [22] D. Hermawan and P. Wiagustini, "Pengaruh Inflasi, Suku Bunga, Ukuran Reksa Dana dan Umur Reksa Dana Terhadap Kinerja Reksa Dana," *E-Jurnal Manaj. Unud*, vol. 5, no. 5, pp. 3106–3133, 2016.
- [23] Gusni, Silviana, and F. Hamdani, "Factors Affecting Equity Mutual Fund Performance : Evidence from Indonesia," *Invest. Manag. Financ. Innov.*, vol. 15, no. 1, pp. 0–9, 2018.
- [24] G. Sukmaningrum and M. K. Mahfud, "Analisis Pengaruh Fund Cash Flow , Fund Size , Fund Longevity , Expense Ratio Dan Turnover Ratio Terhadap Kinerja Reksa Dana (Studi Kasus : Reksa Dana Pendapatan Tetap Periode Tahun 2011-2015)," vol. 5, no. 3, pp. 1–11, 2016.
- [25] S. A. Rahmawati and D. M. Nuris, "Pengaruh Faktor-Faktor Perekonomian Makro Terhadap Kinerja Reksadana Pendapatan Tetap Periode 2015-2017," *J. Nominal*, Vol. VII, No. 2, 2018.
- [26] A. Wibowo, "Pengaruh Variabel Makro Ekonomi Terhadap Kinerja Reksadana Pendapatan Tetap Di Indonesia," *J. Akuntansi, Manaj. Bisnis dan Sek. Publik*, vol. 7, no. 2, 2011.
- [27] C. Setiawan, N. Putu, and K. Wati, "Factors Affecting the Performance of Sharia Equity Funds in Indonesia," *Iran. J. Manag. Stud.*, vol. 12, no. 4, pp. 481–508, 2019.
- [28] I. Wiradiyasa, "Analisis Pengaruh Inflasi, Suku Bunga SBI, dan Kurs terhadap Kinerja Reksa Dana Syariah Indonesia," *J. Ilm. Mhs. FEB Univ. Brawijaya*, vol. 4, no. 1, 2016.
- [29] S. Babbar and S. Sehgal, "Mutual Fund Characteristics and Investment Performance in India," *Manag. Labour Stud.*, vol. 43, no. 1–2, pp. 1–30, 2018.
- [30] M. Garg, Shobhit, and S. Srivastava, "Appraising relationship of selected macro-economic variables on mutual funds," *Int. J. Sci. Technol. Res.*, vol. 9, no. 2, pp. 4676–4682, 2020.
- [31] F. S. Mustofa and A. Kusumawardhani, "Pengaruh Stock Selection Ability Dan Market Timing Ability Terhadap Kinerja Reksa Dana Syariah Saham Menggunakan Model Conditional Dan Unconditional Pada Periode 2009 – 2015," *Diponegoro J. Manag.*, vol. 5, pp. 1–10, 2016.
- [32] R. Pasaribu and D. Kowanda, "Pengaruh suku bunga sbi, tingkat inflasi, ihsg, dan bursa asing terhadap tingkat pengembalian reksa dana saham," *J. Akunt. dan Manaj.*, vol. 25, no. 1, 2014.
- [33] L. N. Listiawati and V. S. Paramita, "Pengaruh Tingkat Suku Bunga , Inflasi , Debt To Equity Ratio , Dan Ukuran Perusahaan Terhadap Yield Obligasi Pada," *J. Manaj.*, vol. 15, no. 1, pp. 33–51, 2016.
- [34] P. I. "Factors affecting performance of mutual funds in K. . (2015). Amunga, "Factors affecting performance of mutual funds in Kenya," University of Nairobi, 2015.

Analysis of The Impact Of Covid-19 on Consumer Behavior in E-Commerce Transactions in Indonesia

Mardhiyah Hayati¹, Yeni Susanti², Mad Heri³, Nindi Riyana Saputri⁴
 {Mardiyah.hayati@radenintan.ac.id¹, yenisusanti@radenintan.ac.id², madheri@stebilampung.ac.id³,
 nindiriyana@stebilampung.ac.id⁴}

Universitas Islam Negeri Raden Intan Lampung, Indonesia¹, Universitas Islam Negeri Raden Intan Lampung, Indonesia², Sekolah Tinggi Ekonomi dan Bisnis Islam Lampung, Indonesia³, Sekolah Tinggi Ekonomi dan Bisnis Islam Lampung, Indonesia⁴

Abstract. This study aims to determine the analysis of the impact of covid-19 on consumer behavior in e-commerce transactions in Indonesia. The data used to analyze this research is secondary data, where this data is obtained from several media on online pages that provide information about the economy that occurred during the Covid-19 pandemic in Indonesia especially on changes in consumer behavior in carrying out e-commerce transactions as a result of policies issued by the government such as social distancing including Work from Home (WFH) and dismissing teaching and learning activities until the implementation of PSBB with the aim of breaking the chain of covid-19 spread.

Keywords: COVID-19, Consumer Behavior and E-Commerce

1. Introduction

At the beginning of March 2020, the impact of the Corona virus (Covid-19) outbreak was not only detrimental in terms of public health around the world, but also affected the economies of countries around the world, including Indonesia. Indonesia started the battle to deal with the Corona Virus (Covid-19) which began to enter Indonesia. Corona virus (Covid-19) is an infectious disease caused by the most recently discovered corona virus. This new virus and disease were not previously known, until the outbreak of this virus began in Wuhan, China in December 2019 and is still ongoing today, and is increasingly spreading in almost all countries in the world.

According to data from the covid control group reported by merdeka.com, until the end of August 2020, Covid-19 cases in Indonesia had increased by 2,743 cases, bringing the total cases to 174,796 cases. Meanwhile, the number of recovered patients increased by 1,774 and the total number of patients recovered became 125,959. Meanwhile, 74 patients died and a total of 7,417 patients died[1]. This number is likely to continue to grow.

This has led to widespread anxiety in the community, especially with the increasing news that has been exposed to the public regarding the number of data on victims of death caused by this corona virus which is increasing from day to day without knowing when this corona pandemic will end. Several economic stimuli were launched, even President Joko Widodo asked all parties to carry out social distancing including Work from Home (WFH) and several regional heads decided to dismiss teaching and learning activities.

Based on year-on-year growth, Indonesia's largest source of economic growth in the first quarter of 2020 was in the information and communication sector at 0.53 percent. This is reasonable considering that with the advice not to leave the house, many people access jobs, entertainment and education through information technology. In line with this, the sales volume of PLN electricity to households has increased [2].

Social distancing that was enforced in the Covid-19 pandemic era caused consumers to be more careful in making purchase transactions in markets. So that to fulfill their daily needs, some consumers have begun to look to use online transactions (e-commerce), especially after it is known that the corona virus can stick to objects, money and so on. This is also one of the reasons why the use of digital money has increased recently because digital money cannot be held or touched so that it will not cause virus transmission, unlike cash (banknote and coin) that can be held and of course this will cause the spread of the virus.

Before Covid-19, e-commerce transactions were only an option. E-commerce is considered to be more efficient in terms of time and energy, because it can be done anywhere. Consumers do not need to go to sales outlets. But for now, can e-commerce transactions be a solution for consumers in this pandemic era.

2. Scope Of Paper

This paper describes the impact of the corona virus (covid-19) on consumer behavior in e-commerce transactions, in Indonesia.

3. Literature Review

3.1 Corona Virus (Covid-19)

According to the WHO website released by cncindonesia.com, the corona virus is a large family of viruses that can cause disease in animals or humans. In humans, corona is known to cause respiratory infections ranging from the common cold to more severe illnesses such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). The most recent corona virus found is the COVID-19 corona virus. This virus is an infectious disease and was only discovered in Wuhan, China in December 2019 which later became a worldwide epidemic.

The most common symptoms of COVID-19 are fever, fatigue and dry cough. Some patients may experience aches and pains, nasal congestion, runny nose, sore throat or diarrhea. These symptoms are mild and occur gradually. However, some people who are infected do not show any symptoms and don't feel well. Most people (about 80%) recover from illness without needing special treatment. About 1 in every 6 people who get COVID-19 becomes seriously ill and has difficulty breathing [3].

According to WHO Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness.

The best way to prevent and slow down transmission is be well informed about the COVID-19 virus, how it causes and how it spreads. Protect yourself and others from infection by washing your hands or using an alcohol based rub frequently and not touching your face. The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so it is important that you also practice respiratory etiquette (for example, by coughing into a flexed elbow) [4].

3.2 Consumer Behavior

According to economic theory, it is explained that humans are economic beings who always try to maximize their satisfaction and always act socially. According to Billson Simamora (2003: 2), consumers will always maximize their satisfaction as long as their financial capabilities allow. They have knowledge about product alternatives that can satisfy their needs [5]. Consumer behavior according to Setiadi, Nugroho J. (2003: 2) is an action that is directly involved in obtaining, consuming and consuming a product or service, including the decision process that precedes and follows it. [6], Meanwhile, according to Mothersbaugh and Hawkins in Indrawati, (2017): 2), *consumer behavior is the study of individuals, groups, or organizations and the processes they use to select ,secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society*[7].

Consumer behavior is the behavior shown by consumers in finding, exchanging, using, assessing, managing goods or services that are considered capable of satisfying their needs [8]. In understanding consumer behavior, it is necessary to understand who the consumer is, because in a different environment there will be research, needs, different incomes, attitudes and tastes.

In decision making, consumers generally have several stages in the decision-making process in buying a product, namely: [9]

- a) Introduction of needs
- b) Information Search
- c) Evaluation of products / brands
- d) Purchases
- e) Post Purchase Evaluation

3.3 E-commerce Transaction

Amir Harman in his book Net Ready: Strategies for Success in the Economy in Haris Faulidi Asnawi, (2004: 15) [10] defines in more detail that e-commerce is a type of electronic business mechanism that focuses on business-based transactions individuals using the internet as a medium of exchange of goods or services between two institutions (business-to-business) and between institutions and direct consumers (business-to-consumer).

The presence of the internet for business people is important, according to Djoko Purwanto (2006: 345 -346) [11], because it is useful in supporting business, namely:

- 1) Media promotion of products and services produced at relatively low cost and broad (global) reach.
- 2) Media online transactions (online shopping).
- 3) Simplify the payment system for transactions in online shopping.
- 4) Provide opportunities for the growth of new service businesses such as internet cafes, telematics consultants and website designers.
- 5) Provide convenience for faster delivery of information to various parties.
- 6) Provide teleconferencing capabilities between the parent company and subsidiaries located in several parts of the world.

According to Onno W. Purbo and Aang Arif Wahyudi, (2001: 5) the characteristics of business-to-business include [12]:

- 1) Trading partners who already know each other and have been in a relationship between them for a long time.
- 2) Repeated exchanges with the agreed data format.
- 3) One of the perpetrators does not have to wait for their other partners to send data.
- 4) A commonly used model is peer-to-peer where processing intelligence can be distributed across both businesses

Meanwhile, according to Onno W. Purbo and Aang Arif Wahyudi, business-to-consumer has the following characteristics:

- 1) Open to the public, where information is disseminated in general.
- 2) The service used is general.
- 3) Services provided are upon request.
- 4) Often a client-server approach is used.

4. Result And Discussion

Covid-19 is a disaster that has hit almost all countries on earth, including Indonesia. So many people have fallen victim to this virus. This makes people nervous and worried about being attacked by this deadly virus.

Many people have begun to limit their access outside the house, even if they are forced to leave the house, they do it with the Covid protocol, namely maintaining distance, wearing masks, and diligently washing their hands either with soap or using hand sanitizers.

The enormity of this virus attack not only causes an impact on the health sector, but also has an impact on the economic sector, for example the garment industry, which implements a system of reducing employee density by means of two working weeks and two weeks off to reduce the spread of the corona virus. Of course this has an impact on decreasing production so that companies can experience losses that lead to layoffs. The tourism and aviation sectors are also severely affected by this virus, lack of passengers due to social distancing policies, and non-food retail which also has no customer.

Other impacts are also felt by micro, small and medium enterprises (MSMEs). Apart from sluggish economic growth and acceptance, this is due to the decline in consumers visiting and making transactions on the products they produce. Many small shops have also closed because no

one is buying due to changes in consumer behavior in this pandemic era. Therefore, it is very important for retail stores and manufacturers to sell products through e-commerce platforms in order to be able to maintain their business.

Many ways are used to approach consumers, including the online shop mechanism or using the portal concept. Thus consumers will benefit, for example, buyers do not need to spend special time shopping outside the house by simply opening the desired e-commerce site at any time for 24 hours non-stop every day with a variety of choices, and can compare the products offered with products that are obtained in traditional markets. Consumers are starting to change their habits in making purchase transactions, namely by conducting e-commerce transactions, as an effort to avoid crowds in the market such as in offline transactions to prevent themselves and their families from being exposed to the corona virus.

E-commerce transactions make it easier for consumers to make transactions with merchants. As a result, in the era of the corona pandemic, many new businessmen have emerged who rely on transactions via online media. E-commerce, because it is considered not requiring very large funds, is more flexible in time and also this business can be run from home.

E-commerce transactions that are chosen by consumers in meeting their daily needs, make consumers feel more protected from the dangers of the corona virus, so that e-commerce transactions in the era of the corona pandemic have increased sharply. Even according to the Coordinating Minister for the Economy Airlangga Hartarto, released by tempo.co, said e-commerce transactions in Indonesia are currently increasing rapidly, reaching 400 percent. This increase is driven by the needs of people who depend on online transactions especially during the corona pandemic. "If you see, respondents who used digital platforms during Covid-19 were 51% social media, 45% online education, 42% e-commerce, 40% virtual meetings. , and e-banking 34%, "said Airlangga in a virtual conference, Friday, July 17, 2020. [13]

5. Conclusion

The corona virus pandemic (COVID-19) has an impact on shifting consumer behavior in e-commerce transactions. Previously before the corona outbreak occurred, e-commerce transactions were only an alternative choice in transactions when someone was busy and did not have time to go to the market / mall. However, at present, e-commerce transactions are transactions that are of great interest to many consumers, because these transactions are considered to be more capable of protecting consumers from the dangers of exposure to the corona virus. Consumers only need to make transactions from home. They do not have to meet many people who are likely to be a medium for spreading the corona virus.

References

- [1] MERDEKA, "Data Terkini Jumlah Korban Virus Corona di Indonesia," 2020. <https://www.merdeka.com/peristiwa/data-terkini-jumlah-korban-virus-corona-di-indonesia.html>.
- [2] B. P. (Ed) Jatmiko, "Perekonomian Indonesia Pasca-Pandemi Covid-19," 2020.

- <https://money.kompas.com/read/2020/05/10/091500226/perekonomian-indonesia-pasca-pandemi-covid-19>.
- [3] A. Budiansyah, "Mengetahui Apa itu Virus Corona dan Ciri-ciri Versi WHO," 2020. <https://www.cnbcindonesia.com/tech/20200330102940-37-148375/mengetahui-apa-itu-virus-corona-ciri-ciri-versi-who>.
 - [4] WHO, "Coronavirus," 2020. https://www.who.int/health-topics/coronavirus#tab=tab_1.
 - [5] B. Simamora, *Panduan Riset Perilaku Konsumen*. Jakarta: Gramedia Pustaka Utama, 2003.
 - [6] N. J. Setiadi, *Perilaku Konsumen*. Jakarta: Kencana Prenada Media Group, 2003.
 - [7] Indrawati, *Perilaku Konsumen Individu Dalam Mengadopsi Layanan Berbasis Teknologi Informasi dan Komunikasi*. Bandung: Refika Aditama, 2017.
 - [8] S. & D. S. Wibowo, *Ekonomi Mikro Islam*, Pertama. Bandung: Pustaka Setia, 2013.
 - [9] P. Anaroga, *Pengantar Bisnis Pengelola Dalam Era-Globalisasi*. Jakarta: Rineka Cipta, 2011.
 - [10] H. F. Asnawi, *Transaksi Bisnis E-Commerce Perspektif Islam*. Yogyakarta: Megistra Insani Press bekerjasama dengan MSI UII, 2004.
 - [11] D. Purwanto, *Komunikasi Bisnis*. Jakarta: Erlangga, 2006.
 - [12] O. W. & A. A. W. Purbo, *Mengetahui E-Commerce*. Jakarta: Elex Media Komputindo, 2001.
 - [13] Tempo.co, "Airlangga Hartarto: Transaksi E-Commerce Meningkat 400 persen," 2020. <https://www.msn.com/id-id/ekonomi/bisnis/airlangga-hartarto-transaksi-e-commerce-meningkat-400-persen/ar-BB16RjtX>.

The Effect Of Return On Assets, Current Ratio, Debt To Equity Ratio And Underwriter's Reputation On Underpricing During Initial Public Offering (IPO) On The Indonesia Stock Exchange In Period 2014-2018

Jenniari Shella Damanik¹, Ferikawita M. Sembiring²
{jenniarishella95@gmail.com¹, ferikawita.magdalena@lecture.unjani.ac.id²}

Management Department of Jenderal Achmad Yani University, Cimahi, Indonesia¹, Management Department of Jenderal Achmad Yani University, Cimahi, Indonesia²

Abstract. This research was aimed to find out the influence of financial and non-financial information to underpricing in companies that conducted Initial Public Offering. Variables used in this study are Return on Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), and Underwriter's Reputation. The population in this research was the companies that conduct IPO listed in the Indonesia Stock Exchange within 2014-2018 outside the companies from banking. The data analysis uses multiple regression method and the samples of this study use purposive sampling method with the number of samples are 85 companies. The result showed that Return on Assets (ROA) and Underwriter's Reputation have significantly influenced the underpricing, while other independent variables such as Debt to Equity Ratio (DER) and Current Ratio (CR) have not significantly influenced the underpricing. The result showed that simultaneously Return on Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER) and an Underwriter's Reputation have significantly influence the underpricing.

Keywords: Current Ratio (CR), Debt to Equity Ratio (DER), Initial Public Offering (IPO), Return on Assets (ROA), Underwriter's Reputation, Underpricing

1. Introduction

Along with developing the economy in Indonesia, a company needs to develop and maintain its existence. In developing business and financing the company's operational activities, a company's capital availability is what a company needs. There are two ways to get this capital, namely by utilizing existing sources within the company itself or by looking for other sources of capital that are outside the company[1].

Companies can use retained earnings as an additional source of funding from within the company. However, in developing a company, sometimes, this source of funding is still not sufficient. Therefore the company needs to seek the availability of additional sources of funds from outside the company[2]. External sources of funding can be in the form of selling stocks owned by the company and selling to investors in the capital market[3].

A capital market is where the supply and demand process for securities such as bonds and

stocks occurs[4]. The capital market is also an intermediary between issuers and investors. In capital market activities, these issuers and investors have different interests. Issuers see the capital market as an alternative source of obtaining additional funds. In contrast, the capital market is seen by investors as an alternative for investing and obtaining optimal profits[5]. Companies can use the capital market to increase outside funding by trading their stocks to the public to become a public company or what is often referred to as go public. Issuers see the capital market as an alternative source of obtaining additional funds. In contrast, the capital market is seen by investors as an alternative for investing and obtaining optimal profits[6].

However, before a company becomes a publicly listed company, the first thing the company needs to do is conduct an initial public offering (IPO). IPO itself is an activity carried out in the primary market to sell stocks for the first time to the public and then be traded on the secondary market. The price of stocks sold in the primary market results from an agreement between the issuer and the underwriter. This underwriter will later become a liaison between the company and the capital market. It takes much consideration in determining the price of stocks to be sold, this is because many cases occur in the failure of this IPO, which can harm the company (the issuer) and its underwriters[7]. This failure is usually because the company and underwriters have difficulty determining the offering price of stocks for sale on the primary market. Lack of information regarding relevant prices and company stocks that have never been traded causes stocks in the primary market to be lower than when traded in the secondary market or is often referred to as the underpricing phenomenon[8]. On the other hand, if the price of stocks sold in the primary market is higher than the selling price in the secondary market, it is known as overpricing[9].

This underpricing phenomenon will be beneficial for investors because investors will get an initial return. On the contrary, companies that do IPO do not expect underpricing because it will harm the company. After all, the company will not get maximum funds[9].

Table 1. Companies Participating in the Initial Public Offering (IPO) for the 2014-2018 Period

Year	Total Companies participating in the IPO	Under pricing	Over pricing	Consistent	Underpricing Percentage
2013	25	17	7	1	68%
2014	23	20	2	1	86,95%
2015	17	15	1	1	88,23%
2016	15	14	1	-	93,33%
2017	36	33	3	-	91,66%
2018	58	54	4	-	93,1%
Total	149	136	11	3	

Source: e-bursa.com, data processed (2019)

It can be seen in table 1.1. In this study, the research year is 2014-2018. 2014 was chosen as the initial year due to a decrease in companies conducting IPOs than the previous year; this was due to the election, which made companies refrain from conducting IPOs (www.cnnindonesia.com, 2014). The decline continued into 2016 due to global and domestic economic conditions affecting the capital market (kompas.com). From 2017 to 2018, there was an increase in Indonesia's macroeconomy, which encouraged companies to retake the floor on the Indonesia Stock Exchange (BEI) (Bisnis.com).

With the existence of phenomena and inconsistencies in previous research, the authors are interested in further research on **“The Effect Of Return On Assets, Current Ratio, Debt To Equity Ratio And Underwriter's Reputation On Underpricing During Initial Public Offering (IPO) On The Indonesia Stock Exchange In Period 2014-2018”**

2. Literature Review

2.1 Investment

Investment is a commitment to several funds or other resources that are carried out at this time, to obtain several benefits in the future[10]. Investment can be defined as long-term investment activity in an asset, hoping that it will benefit the future. Companies that require additional funds will use this investment by selling securities such as bonds or stocks to the capital market.

2.2 Capital Market

A capital market is a place where various parties, especially selling stocks and bonds, with the aim that the proceeds from the sale will be used as additional funds or to strengthen the company's capital[11].

2.3. Stock

Stocks are proof of ownership of capital/funds in a company. Stocks can also be interpreted as paper with an exact nominal value and company name followed by each holder's rights and obligations)[11].

2.4. Initial Public Offering (IPO)

Some stocks offered on the capital market for the first time to the general public are called the initial public offering or what is known as go public[12].

2.5. Underpricing

Underpricing is a condition in which the price of stocks traded at the time of offering on the primary market is lower than in the secondary market[13]. This underpricing can be calculated using the initial return.

2.6. Return on Asset

Return on assets is used to show a company's ability to generate profits using the total assets

owned by the company[14].

2.7. Current Ratio

The current ratio is a ratio to measure the ability of a company to pay short-term obligations or debts that are due. This shows how many current assets the company has to cover its short-term obligations that are due[15].

2.8. Debt to Equity Ratio

The debt to equity ratio is used to assess debt to equity. This ratio can be used to determine the company's capital, which is used as collateral[14].

2.9. Underwriter's Reputation

An underwriter is an underwriter for every company that will issue its stocks on the capital market. The issuer with an underwriter determines the share price set at the time of the IPO. The underwriter's job is to guarantee the sale of securities offered in a public offering as predicted[11].

The framework used in the research is as follows:

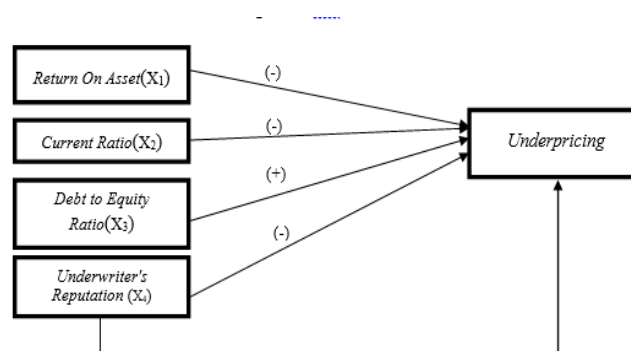


Fig.1. The Framework

Figure 2.1 explains the relationship between the independent variables (return on assets, current ratio, debt to equity ratio, and underwriter's reputation) to the dependent variable (underpricing) either partially or simultaneously.

3. Research Method

3.1 Research Approach

In this study, the authors used quantitative research methods because this study collected data in the form of numbers, then analyzed quantitatively using statistics. A quantitative method is a scientific approach to deciding on numbers and analysis using statistics[16].

3.2. Object of Research

The objects in this study are the return on assets, current ratio, debt to equity ratio, and the underwriters' reputation in companies that have gone public/initial public offering (IPO) and underpriced in the 2014-2018 period on the Indonesia Stock Exchange.

3.3. Population and Sample

This study's population were all companies that experienced underpricing during the IPO in 2014 - 2018, as many as 136 companies. Determination of the sample using a purposive sampling method. The sample selection criteria in this study are as follows:

1. Companies participating in the IPO on the Indonesia Stock Exchange in the 2014-2018 period
2. Companies that have financial statements one year before the IPO
3. Companies engaged in the non-financial sector and listed on the Indonesia Stock Exchange during the period 2014-2018. The reason why banking companies and other financial institutions are issued is because companies from these sectors have different financial ratios with companies from other sectors. The main difference is that the balance sheet and income statement components owned by banks are different from the balance sheet and profit and loss statements owned by non-bank companies.
4. Company data, mainly return on assets, does not have a negative value because it indicates that the company is experiencing a loss.

3.4. Type of Data

The research data used in this study is secondary data. In this study, researchers used cross-section data. The data is obtained from published company data and companies listed on the Indonesia Stock Exchange that conducted an initial public offering (IPO) in 2014-2018.

3.5. Data Collection

In this study, data collection techniques were carried out using documentation and literature study methods, namely collecting data by reviewing various literature. Researchers used historical data from the sites www.idx.co.id and www.e-bursa.com.

3.6. Operationalization of Research Variables

Table 2. Operationalization of Variables

Variable	Description	Indicator
Return on Asset (X1)	Return on assets is used to show a company's ability to generate profits using the company's total assets	$ROA = \frac{EAT}{Total Asset} \times 100\%$
Current Ratio (X2)	The current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due. This shows how many current assets the company has to	$CR = \frac{current assets}{current liabilities} \times 100\%$

Debt to Equity Ratio (X3)	cover its short-term obligations that are due The debt to equity ratio is used to assess debt to equity. This ratio can be used to determine the company's capital, which is used as collateral	$DER = \frac{\text{total liabilities}}{\text{total equity}}$
Underwriters Reputation(X4)	An underwriter is an underwriter for every company that will issue its stocks on the capital market.	The underwriter's reputation does not use a calculation formula, but instead uses a dummy assessment[17]: 1. If the underwriter has a good reputation then it is given a score of 1 2. If the underwriter does not have a good reputation then it is given a score of 0
Underpricing (Y)	Underpricing is a condition in which the price of stocks traded at the time of offering on the primary market is lower than in the secondary market	$UP = \frac{\text{closing price} - \text{offering price}}{\text{offering price}} \times 100\%$

4. Result And Discussion

4.1. Classic Assumption Test

Table 3. The Results of Classic Assumption Test

Testing Criteria	Method	Result	Information
Normality	Jarque Bera Probability	less than 0.05 (<0.05), namely 0.037	The data in this study were not normally distributed. [18] and[19] state that data that is more than 30 is said to be a large sample, so it can be assumed to be normally distributed.
Multicollinearity	VIF (Variance Inflation Factor)	All independent variables have VIF value <10 with tolerance limit > 0,1	There is no multicollinearity
Heteroscedasticity	Heteroskedasticity Test: White	The pro-chi-square value on obs * r-squared of 0.4677, where the result is more significant than 0.05 (> 0.05).	There is no heteroscedasticity

Autocorrelation	<i>Breusch-Godfrey Serial Correlation LM Test</i>	The prob chi-square value of the obs * r square of 0.4296 > 0.05	There is no autocorrelation
-----------------	---	--	-----------------------------

4.2. Multiple Linear Regression Analysis

Table 4. The Results Multiple Linear Regression

Variable	Coefficient	Std Error	T-Statistic	Prob	P-Value	Decision
C	50.01741	4.954270	10.09582	0.0000	0	-
ROA	-0.683084	0.291614	-2.342426	0.0216	0.0108	H0 rejected
CR	0.010186	0.012991	0.784073	0.4353	0.21765	H0 accepted
DER	0.004203	0.004560	0.921595	0.3595	0.17975	H0 accepted
RU	-19.36154	6.031696	-3.209966	0.0019	0.00095	H0 rejected
R-squared		0.202734				
Adjusted R-squared		0.162871				
F-statistic		5.085734				
Prob(F-statistic)		0.001056				

Table 4. shows the estimation results with the research model specifications stated in the regression equation as follows:

$$UP = 50.01741 + -0.683084ROA + 0.010186CR + 0.004203DER + -19.36154RU$$

The results of the multiple linear regression analysis indicate that:

1. The constant value of 50.01741 indicates that if all independent variables have a value of 0, then the value of the dependent variable is 50.01741.
2. The variable return on assets has a coefficient value of -0.683084. This means that each return on the asset has increased by 1%, assuming that other variables are constant so that the underpricing value will decrease by 0.683084.
3. The variable current ratio has a coefficient value of 0.010186. This means that each current ratio has increased by 1% with the assumption that other variables are constant, then the underpricing value will increase by 0.010186.
4. Debt to equity ratio variable has a coefficient value of 0.004203. This means that each debt to equity ratio has increased by 1 unit, assuming that the other variables are constant so that the underpricing value will increase by 0.004203 units.
5. Underwriter's reputation variable has a coefficient value of -19.36154. This means that each underwriter's reputation has increased by 1% with the assumption that other variables are constant, then the underpricing value will decrease by 19.36154.

4.3. Partial Hypothesis Test (T-Test)

1. Based on the test results shown in table 4.4, it shows that the return on assets has a p-value of 0.0108, where this value is less than 0.05 (<0.05). This shows that H_0 is rejected and H_a is accepted, which means that return on assets has a significant effect on underpricing.
2. Based on the test results shown in table 4.4 show that the current ratio has a p-value of 0.21765, where this value is more than 0.05 (>0.05). This shows that H_0 is accepted, and H_a is rejected, meaning that the current ratio does not affect underpricing.
3. Based on the test results shown in table 4.4, it shows that the debt to equity ratio has a p-value of 0.17975, where this value is more than 0.05 (>0.05). This shows that H_0 is accepted, and H_a is rejected, meaning that the debt to equity ratio does not affect underpricing.
4. Based on the test results shown in table 4.4 shows that the underwriter's reputation has a p-value of 0.00095, where this value is less than 0.05 (<0.05). This shows that H_0 is rejected and H_a is accepted, meaning that the underwriter's reputation significantly affects underpricing.

4.4. Simultaneous Hypothesis Test (F-Test)

Based on the test results on Table 4.4, it shows that in simultaneously the return on assets, current ratio, debt to equity ratio, and underwriter's reputation have an effect on the underpricing of companies conducting Initial Public Offerings (IPO) on Indonesian Stock Exchange for the 2014-2018 in period. This is indicated by a significance value of 0.001056, where the value is less than 0.05 (<0.05), which indicates that H_0 is rejected or accepts H_a .

4.5. Coefficient of Determination

Based on table 4.6, it can be seen through the adjusted square, which is 0.162871 or 16.29%. This shows that the contribution of return on assets, current ratio, debt to equity ratio, and underwriter's reputation simultaneously contributed 16.29% to underpricing. In comparison, the remaining 83.71% was influenced by other variables not examined in this study.

5. Conclusions and Suggestions

5.1. Conclusions

Based on the results of research on the factors that influence underpricing, such as return on assets, current ratio, debt to equity ratio, and the reputation of the underwriters in companies conducting initial public offerings (IPO), the following conclusions can be drawn:

1. *Return on assets negatively affects underpricing.*
2. *Current ratio does not affect underpricing.*
3. *Debt to equity ratio does not affect underpricing.*
4. Underwriter's reputation negatively affects underpricing.

5.2. Suggestions

Given the limitations of time and resources owned by researchers, researchers have suggestions that can be considered, among others, to perfect this research:

1. For companies that will conduct IPOs in the future, it is advisable to consider factors that will affect underpricing, such as return on assets and the underwriter's reputation in setting the initial public offering price.
2. For potential investors who will invest in companies that do IPO, the results of this study can be used as consideration for choosing IPO stocks that are feasible to buy because, according to the results of this study that the factors that influence underpricing are return on assets and underwriter's reputation. Thus, it is expected to optimize the returns obtained and minimize the risk of the investment made.
3. For future researchers who will examine the IPO, it is advisable to add financial and non-financial variables that may influence underpricing such as return on equity, debt to asset ratio, inflation, and auditor reputation.

References

- [1] F. N. Khasani, "Analisis Pengaruh Reputasi *Underwriter*, Reputasi Auditor, Umur Perusahaan, *Financial Leverage*, dan *Return On Asset* terhadap Tingkat *Underpricing* Saham (Studi pada Perusahaan yang Baru Listing yang Terdaftar Di BEI 2012-2017)," 2018.
- [2] Nurrohmah, "Pengaruh *Return On Asset*, *Earning Per Share*, dan *Debt To Equity Ratio* terhadap *Underpricing* Harga Saham Perusahaan yang Melakukan IPO (*Initial Public Offering*) di Bursa Efek Indonesia pada Tahun 2016," 2018.
- [3] Sopiyan, "*Sharia-Compliance Status* dan IPO *Underpricing* : Bukti Empiris Di Indonesia," 2019.
- [4] I. G. N. Adhi Partama and G. Gayatri, "Analisis Determinan *Underpricing* Saham di Bursa Efek Indonesia," *E-Jurnal Akunt.*, p. 2293, 2019, doi: 10.24843/eja.2019.v26.i03.p23.
- [5] H. Budi Kuncoro and R. V. Suryaputri, "Analisis Faktor-Faktor yang Mempengaruhi *Underpricing* Saham Pada Penawaran Umum Perdana Di BEI Periode 2015-2017," *J. Akunt. Trisakti*, vol. 6, no. 2, p. 263, 2019, doi: 10.25105/jat.v6i2.5573.
- [6] Nurazizah, "Analisis Faktor Faktor yang Mempengaruhi Tingkat *Underpricing* Pada Saat *Initial Public Offering* (IPO) Di Bursa Efek Indonesia," vol. 3, no. 3, 2019, doi: 10.31955/mea.vol4.iss1.pp157-167.
- [7] M. Waridatussulusi, "Pengaruh Faktor Keuangan dan Non-Keuangan terhadap Tingkat *Underpricing* Saham Pada Saat *Initial Public Offering* (IPO) Di Bursa Efek Indonesia Periode 2013-2017," 2018.
- [8] Kurnianto H, "Analisis Pengaruh Karakteristik Perusahaan, Reputasi *Underwriter* dan Pengungkapan Modal Intelektual terhadap Tingkat *Underpricing*," 2018.
- [9] J. Wibowo, "Pengaruh Likuiditas, Solvabilitas, Profitabilitas, dan Umur Perusahaan Terhadap Tingkat *Underpricing* pada Perusahaan IPO Di BEI Periode 2012-2016.," 2018.
- [10] E. Tandelilin, *Portofolio dan Investasi Teori dan Aplikasi*, vol. 7, no. 8. Yogyakarta: Kanisius, 2010.
- [11] I. Fahmi, *Pengantar Manajemen Keuangan (Teori dan Soal Jawab)*. Bandung: Alfabeta, 2015.
- [12] Jogiyanto, *Teori portofolio dan analisis investasi (edisi Kesebelas)*, 10th ed. Yogyakarta: BPFE, 2017.
- [13] Purwanto, S. W. Agustiningasih, S. F. Insani, and B. Wahyono, "Fenomena *Underpricing* pada Perusahaan yang *Go Public* di Indonesia," *Ekon. Bisnis dan Kewirausahaan*, vol. III, no. 1, pp. 1–23, 2014.
- [14] Kasmir, *Analisis Laporan Keuangan*. Depok: Rajagrafindo Persada, 2016.
- [15] R. Khairani, "Pengaruh *Current Ratio*, *Return On Assets* (ROA), dan *Debt To Equity Ratio* (DER) terhadap *Underpricing* Saham Pada Saat *Initial Public Offering* (IPO) Di Bursa Efek Indonesia (BEI)," 2018.

- 2017.
- [16] M. Kuncoro, *Mudah Memahami dan Menganalisis Indikator Ekonomi*. Yogyakarta: UPP STIM YKPN, 2013.
 - [17] A. A. G. Jayarendra and N. L. P. Wiagustini, "Pengaruh Reputasi *Underwriter*, Ukuran Perusahaan, Dan *Return On Equity* terhadap *Underpricing* Saat IPO Di BEI," *E-Jurnal Manaj.*, vol. 8, no. 8, pp. 4731–4758, 2019.
 - [18] T. Cahyono, *Statistika Terapan & Indikator Kesehatan - Tri Cahyono - Google Buku*. Sleman: Deepublish, 2018.
 - [19] M. Spiegel, *Statistik Edisi Ketiga Schaum's Easy Online*. Jakarta: Erlangga, 2004.

Supply Chain Coordination and Integration on Supply Chain Performance in Food Business

Yun Yun¹, Asep Kurniawan², Mochamad Vrans Romi³
 {yunyun@lecture.unjani.ac.id¹, asepkurniawan2010@gmail.com², vransromi@gmail.com³}

Universitas Jenderal Achmad Yani, West Java, Indonesia¹, Universitas Jenderal Achmad Yani, West Java, Indonesia², Universitas Jenderal Achmad Yani, West Java, Indonesia³

Abstract. The food supply chain is still experiencing obstacles, especially in the high level of damage or loss in the delivery of products to consumers, reaching 20%. Supply chain coordination and integration needs to be implemented so that connectivity from suppliers, manufacturers and distributors can carry out their roles properly to increase the value of food products. Problem in the foods production supply chain is the value received by each vendor in supply chain that is suppliers, manufacturers and distributor and retailer still unbalanced, especially at the upstream level, especially farmers or ranchers who are the starting point of the supply chain to get high value. This indicates that the performance of the supply chain for food products is still low, but it is necessary to pay attention to the performance of the companies that carry out these supply chain activities. This study aims to determine the effect of supply chain coordination and integration on supply chain performance through organizational performance. This research is a literature review, looking for solutions from various literatures both journals and books that support this study. The results of this study indicate the effect of supply chain coordination and integration to supply chain performance.

Keywords: Coordination, Supply Chain Integration, Supply Chain Performance,

1 Introduction

It is hoped that the empowerment of the Indonesian national economy will be able to align the structure of the national economy, accelerate national economic growth, reduce the level of open unemployment, reduce the level of poverty, dominate the real sector. And improve the distribution of community income. So that by achieving the target of business growth in Indonesia, it is hoped that it will be able to support the fields of education, health and ultimately be able to provide welfare for the Indonesian people.

Business organizations strive to gain a competitive advantage in the market. Currently, competition is not only competing between one company, but also competing between supply chain networks. So that the successful marketing of a product must be supported by a supply chain network ranging from suppliers to distributors who deliver products to consumers. An important dimension in the supply chain relates to how a business organization builds partnerships through supply chain coordination and integration. By coordinating the supply chain, supply chain performance can be improved.

Conflicts in supply chain networks often occur, where traditional manufacturers and retailers are involved in vertical and horizontal competition. Vertical competition occurs when a factory sells to wholesalers at above its marginal cost, so retailers sell for much more.

Meanwhile, horizontal competition occurs when manufacturers and retailers sell substitute products. So that there is a dual channel in the supply chain.

Supply chain coordination can be achieved by contracting to create optimal decisions from a centralized supply chain that is balanced with a centralized supply chain. Supply chain coordination strategies are studied from various literatures regarding return policies, sales policies, production sharing contracts [1]

Supply chain integration must consider the strategic, tactical and operational levels [2]. Supply chain integration takes into account three levels ranging from strategic, tactical and operational. So that in this study we want to see the key factors in the optimal implementation of the internal resources of the organization, vendors and customers of the product because supply chain integration has a close relationship between product design and implementation of supply chain integration[3].

in this research to address this problem of research, the current study explain the change of sourcing process in company to integration of supply chain[4] The problem in the competitiveness of food products in West Answers, one of which is due to the relatively expensive raw materials that must be purchased. In addition, the quality of existing food products is still lower than imported products. So that the scientific power from the price side becomes less. The high price of raw materials required is due to the relatively long supply chain of food products. In addition, food products that are easily damaged make shipments made to be carried out quickly. So can't run the process efficiently.

Tangible and intangible resources invested in supply chain networks can be integrated with information networks through supply chain partners. More specifically, formal and informal information routines require time and effort to develop possible integration of informational flows through the firm's supply chain. Investments in more specific assets and a long-term orientation in relation to the development of routine interactions [5].

In terms of supply chain management for agricultural products, there are various activities carried out starting from seedling activities, production and processing of agricultural products, cultivation of high-economic agricultural crops. Commodities that are widely planted as agricultural products include broccoli, cayenne pepper, chayote, corn. In terms of production by farmers, supervision to distribution of agricultural products produced. Products produced by farmers are then purchased by collectors / dealers [6].

Information technology really supports the creation of an effective integration of supply chain activities. The existence of company ICT is able to improve and improve the performance of its supply chain. Various studies on information and communication technology greatly support supply chain integration that can improve supply chain performance optimally[7].

Supply chain integration can provide benefits for small entrepreneurs, especially in the areas of food and beverages. The food and beverage industry requires a continuous supply of raw materials so that there needs to support consistent suppliers to supply these raw materials. One of the problems in food products is the breadth of the food supply chain from suppliers to consumers so that the costs incurred become inefficient. In addition, food products have a large capacity in distribution so that the product loss rate reaches 20% starting from suppliers to consumers [8]

So that the identification of problems in this study is to determine the dimensions of coordination and integration of the supply chain through the performance of the food product business.

2 Theoretical Study

2.1 Coordination

The existing coordination, especially in terms of information exchange, has gone well and is carried out continuously. The availability of complete information has a significant impact on supply chain performance. The parties in the supply chain not only share information, but also work together to find solutions to the problems at hand [9]

[10] stated that the coordination that exists along the *modern supply chain* today is not only a transactional relationship, but rather leads to a *mutual relationship*. The existence of coordination in the supply chain provides better benefits for each member of the supply chain which in turn can strengthen each member of the supply chain.

2.2 Supply Chain Integration

SCM focuses on the time-efficient movement of resources and the integration of various functions and pressures that adapt to resources [11] p. The background of integration is a state of interdependence. Dependence with parties outside the organization with an increasing portion makes the company must integrating activities with partners and the supply chain so as to be more effective in delivering products to the market [12]

The dimensions of Supply Chain Integration consist of: 1) Relationships with Customers, 2) Exchange of information through networks, 3) Use of Computerized Systems, 4) Sharing of Market Information, 5) Sharing of Product Availability Information, 6) Process of Order Fulfillment Management, 7) Level to customer satisfaction, 8) Evaluation of Customer Satisfaction

2.3 Supply Chain Performance

Supply chain performance has been conceptualized in various ways (Vaart and Donk in [7]). Supply chain performance has been translated into a measure of financial and operational performance that refers to suppliers and buyers. This shows that supply chain performance is very focused on buyers and suppliers. So that in the performance of the supply chain, it is supported how the upstream and downstream chains provide a fast and appropriate flow of material, money and information.

Suggest that measuring supply chain performance should need a close watch on the logistics performance of a company. It includes the level of fulfilment, the confirmed order level, response delays, supplies, and delay (Kleijnen and Smits, 2003 in [13]). It aims to analyze four dimensions: commercial performance reliability, flexibility / responsiveness, supply chain costs and commitment capital turnover.

Vendors in supply chain integration are an important part of building collaborations that improve supply chain performance so that there is a significant influence between supply chain coordination and integration on the performance of the supply chain for food products. Build a deep network of vendors that support flow that reduces barriers between partners in the supply chain [14]

3 Research Method

This study is a literature review, the data used are secondary data sourced from various literatures consisting of journals, books, the internet. The author examines various

phenomena discussed in journals and other literature related to the writings presented by the author. The study discussed is about the variables of supply chain coordination, supply chain integration, supply chain performance and business performance. This research use 60 journal about Supply chain coordination, supply chain integration and supply chain performance.

4 Results And Discussion

4.1 Supply Chain Coordination

Coordination in the food product *supply chain* is not just a transactional relationship, but rather leads to a *mutual relationship*. Member of the supply chain who coordinates to become a member of the supply chain with a closer relationship needs to pay attention to the added value of each member of the supply chain. Dimensions:

1. Simple information exchange between members of the supply chain. Simple information is important to share with supply chain members. The information that needs to be shared is related to information related to product flows.
2. Formulated information (ease of information, involvement of parties, intensity of information exchange is important to be applied in food products because it can have a positive effect on supply chain performance.
3. In the coordination that is carried out in the food product business, there is a need for cooperation in the form of partnerships by entering into cooperation contracts that can provide certainty regarding the supply and demand of food products.

4.2 Supply Chain Integration

The integration process includes the activities of obtaining, sharing, and combining strategic knowledge and information flows that connect and coordinate external parties of the organization that are directly related to the most efficient flow of products and information from food products . In my study, I carried out supply chain integration involving farmer groups or cooperatives so that farmers have better bargaining power. Supply Chain Integration Dimensions.

Relationships with Customers. Integration here is where the cooperative or farmer group is able to liaise the farmers with their customers.

1. Exchange of information through networks. An effective exchange of information is needed because food products are specific in the supply chain process
2. Use of Computerized Systems. Computerized systems make it easy to exchange information quickly.
3. Sharing of Market Information. Farmers need to know a picture of the demand for a food product
4. Sharing of Product availability information
5. Order Fulfillment management process
6. Level of Customer Complaints
7. Evaluation of Customer Satisfaction

4.3 Organizational Performance

Organizational performance as an achievement obtained by a company in one period is always identified with performance, be it employee performance or company performance.

Performance shows the results obtained based on the ability that has been sacrificed in one period. So that the achievements of an individual / company show their performance in one period. Organizational performance can be measured by the business performance and management performance of the organization.

4.4 Supply Chain Performance

Supply chain performance can be measured by the SCOR (*Supply Chain Operations Reference*) method . The SCOR model was developed in 1996 by the Supply Chain Council (SCC). It aims to analyze four dimensions: commercial performance reliability, flexibility/responsiveness, supply chain costs and commitment capital turnover.

4.5 Influence Between Variables

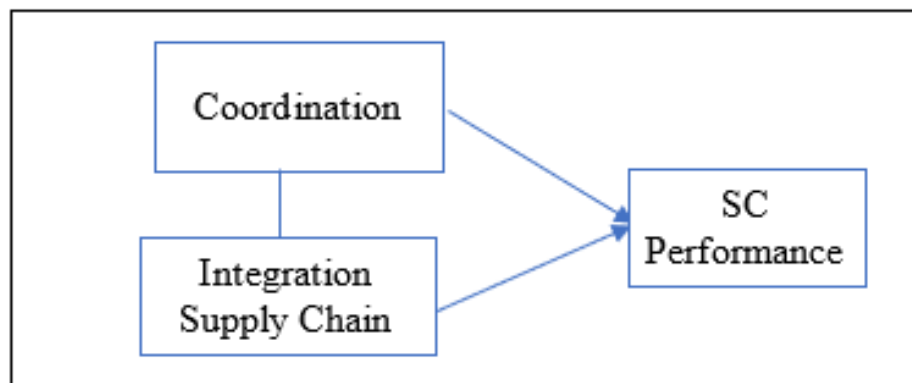


Fig 1. Modeling Supply Chain Performance influenced by Coordiantion and Integration Supply Chain

The model built by the author based on several previous studies for the effect of supply chain coordination and integration on supply chain performance through business performance, based on various references, can be described as follows.

4.6 Effect of supply chain coordination and integration on company performance

Partially, the performance of coordination affects the performance of the company apart from that. In addition, logistics integration affects company performance, but external integration is less influencing company performance that coordination between organizations has a significant effect on company performance.

Based on the analysis of several journals, the results show that there is a significant influence between coordination and integration of the supply chain on company / organizational performance. The existence of a positive relationship between coordination, integration and supply chain performance from several literatures shows that supply chain performance is influenced by coordination and integration[15]. The results of this study indicate that in the food supply chain it is very important to pay attention to how supply chain coordination and integration is concerned. Perishable food products require a fast and efficient supply chain to support the value optimization of these food products.

4.7 Effect of Supply Chain Performance on Business Performance

Based on previous research, there is a significant influence between the influence of supply chain performance on business performance. As the results of research conducted

Where a significant difference between the performance of the supply chain to performance effort.

4.8 Effect of supply chain coordination and integration on supply chain performance through company performance .

Based on analytical research in various journals, there is an influence between supply chain coordination and integration on supply chain performance through organizational performance. Some literature shows that suppliers greatly contribute to supporting supply chain performance. This is also shown if buyers measure the performance of the base chain based on competitive and internal factors [16]

5 Conclusion

Supply chain coordination can be measured by the dimensions of information exchange , formulated information and partnerships. Meanwhile, supply chain integration can be measured by) Relationship with Customers, 2) Exchange of information through networks, 3) Use of Computerized Systems, 4) Sharing of Market Information, 5) Sharing of Product Availability Information, 6) Process of Order Fulfillment management, 7) Level of Complaints Customers, 8) Evaluation of Customer Satisfaction. Organizational performance can be measured by business performance and management performance whereas supply chain performance can be measured by competitive performance and internal factors . Based on the discussion on points previously, there was the effect of supply chain coordination and integration on supply chain performance through organizational performance .

6 Advice

The next Research to do field research on the effect of coordination and integration of the supply chain against supply chain performance through the performance of the organization. So that we get more comprehensive results that directly discuss the phenomena in food products.

Reference

- [1] G. Xu, B. Dan, X. Zhang, and C. Liu, "Coordinating a dual-channel supply chain with risk-averse under a two-way revenue sharing contract," *Int. J. Prod. Econ.*, vol. 147, no. PART A, pp. 171–179, 2014.
- [2] R. Alfalla-Luque, J. A. Marin-Garcia, and C. Medina-Lopez, "An analysis of the direct and mediated effects of employee commitment and supply chain integration on organisational performance," *Int. J. Prod. Econ.*, vol. 162, pp. 242–257, 2015.
- [3] Y. Shou, Y. Li, Y. W. Park, and M. Kang, "The impact of product complexity and variety on supply chain integration," *Int. J. Phys. Distrib. Logist. Manag.*, vol. 47, no. 4, pp. 297–317, 2017.
- [4] M. Kang, K. Park, M. G. (Mark) Yang, and M. H. Haney, "Supply chain integration and coordination for international sourcing in the context of China's processing trade," *Ind. Manag.*

- Data Syst.*, vol. 118, no. 9, pp. 1730–1748, 2018.
- [5] A. Sainathan and H. Groenevelt, “Vendor managed inventory contracts – coordinating the supply chain while looking from the vendor’s perspective,” *Eur. J. Oper. Res.*, vol. 272, no. 1, pp. 249–260, 2019.
 - [6] Y. Yun, “PENGARUH KOORDINASI DAN INTEGRASI RANTAI PASOKAN TERHADAP KINERJA RANTAI PASOKAN MELALUI KINERJA ORGANISASI PADA USAHA PANGAN,” 2017, pp. 107–117.
 - [7] J. Zhang, G. Liu, Q. Zhang, and Z. Bai, “Coordinating a supply chain for deteriorating items with a revenue sharing and cooperative investment contract,” *Omega (United Kingdom)*, vol. 56, pp. 37–49, 2015.
 - [8] E. D. Ratnamurni and Y. Yun, “Competitive Advantage Model Through Integration of Supply Chains and Information Technology in SMEs in Cimahi City Competitive Advantage Model Through Integration of Supply Chains and Information Technology in SMEs in Cimahi City,” no. April, 2020.
 - [9] T. M. Simatupang and R. Sridharan, “An integrative framework for supply chain collaboration,” *Int. J. Logist. Manag.*, vol. 16, no. 2, pp. 257–274, 2005.
 - [10] N. I. Arvitrida, A. A. Tako, D. A. Robertson, and S. Robinson, “Duration of Collaboration from a Market Perspective: An Agent-based Modeling Approach,” *Oper. Supply Chain Manag. An Int. J.*, pp. 149–159, 2017.
 - [11] G. J. Plenert, *Supply Chain Optimization through Segmentation and Analytics*. CRC Press, 2014.
 - [12] A. Das, R. Narasimhan, and S. Talluri, “Supplier integration-Finding an optimal configuration,” *J. Oper. Manag.*, vol. 24, no. 5, pp. 563–582, 2006.
 - [13] A. Yunani, “Competitiveness as mediating variable in measuring supply chain performance,” *Int. J. Econ. Policy Emerg. Econ.*, vol. 10, no. 3, pp. 248–263, 2017.
 - [14] K. Sungbae and M. Taesoo, “Supply chain integration and collaboration for improving supply chain performance: A dynamic capability theory perspective,” *Proc. Annu. Hawaii Int. Conf. Syst. Sci.*, vol. 2016-March, pp. 307–316, 2016.
 - [15] D. Prajogo and J. Olhager, “Supply chain integration and performance: The effects of long-term relationships, information technology and sharing, and logistics integration,” *Int. J. Prod. Econ.*, vol. 135, no. 1, pp. 514–522, 2012.
 - [16] X. Zhang, D. P. Van Donk, and T. van der Vaart, “The different impact of inter-organizational and intra-organizational ICT on supply chain performance,” *Int. J. Oper. Prod. Manag.*, vol. 36, no. 7, pp. 803–824, 2016.

How Indonesia Harmonize the International Trademark System

Bayu Sujadmiko¹, Desi Churul Aini², Muhammad Febriyan Saputra³
 {bayu.sujadmiko@unila.ac.id¹, desy.churulaini@fh.unila.ac.id², muhammadfebriyan@yahoo.co.id³}

University of Lampung, Lampung, Indonesia¹, University of Lampung, Lampung, Indonesia²,
 University of Lampung, Lampung, Indonesia³

Abstract. World Intellectual Property Organization or commonly abbreviated as WIPO is an international organization that provides services, policies, information and cooperation in the field of intellectual property. At WIPO, trademarks can be registered through a system called the Madrid System or what is known as the International Trademark System. Indonesia itself is relatively new in implementing and following the provisions of the 1989 Madrid Protocol, namely on 30 September. In 2017, with the issuance of Government Regulation Number 92 of 2017 and starting to be implemented on January 2, 2018. The problem in this research is how to implement The International Trademark System in Indonesia. The method used is normative juridical. The implementation of The International Trademark System in Indonesia can be seen from changes in various aspects such as 1) legal aspects, 2) organizational aspects, 3) administrative aspects, 4) automation aspects, 5) education, through organizing seminars and technical guidance to interested parties.

Keywords: The International Trademark System, Trademark, World Intellectual Property Organization (WIPO).

1 Introduction

Trademark is a form of Intellectual Property Rights (IPR) which has an essential role in a product. The function of the trademark is as a means of trade promotion through advertising which is one way to attract consumers in expanding the product market. Trademarks also function as a liaison between goods and services with producers as a form of guarantee for the business reputation results in trade.[1] Besides, a trademark can be used as a characteristic to differentiate a product from another. A trademark can be used as a source of wealth that is commercially valuable, and often marks can increase the price of a product to high. [2] The high reputation and the massive attractiveness of the trademark in society will create the value of the trademark even higher.

The high trademark value in a particular product causes small traders who do not have their trademark, trying to find ways to remain competitive with the product. This market competition then triggers the emergence of various detrimental actions for the parties involved, such as plagiarism or imitating famous products in terms of packaging, logos and trademarks. According to the United States Trade Representative (USTR) Special 301 Report in 2019, Indonesia is one of the ten countries with the highest number of cases of intellectual

property rights violations along with China, India, Algeria, Kuwait, Saudi Arabia, Russia, Ukraine, Argentina, Chile, and Venezuela. [3] The number of cases of plagiarism or imitating other products will harm the parties concerned so that a regulation is needed to protect intellectual property rights such as trademarks.

Protection of trademarks at the international level is stated in the Paris Convention for The Protection of Industrial Property 1883, and Trade-Related Aspects of Intellectual Property Right (TRIPS) 1995. At the national level, protection of well-known trademarks is contained in Law No. 20 of 2016 concerning Trademarks and Geographical Indications and Regulation of the Minister of Law and Human Rights No. 67 of 2016 concerning Trademark Registration. National laws and international laws governing trademarks confirm that to avoid plagiarism or imitating other products, trademarks must be registered with national channels, namely through related government agencies as well as through international channels, namely through the World Intellectual Property Organization (WIPO).

World Intellectual Property Organization or commonly abbreviated as WIPO is an international organization that provides services, policies, information, and cooperation on intellectual property. WIPO was formed in 1967 through the WIPO Convention, and currently, WIPO has 193 members. The mission of WIPO is to lead the development of a balanced and effective international intellectual property system by providing innovation and creativity for the common good. [4] At WIPO, trademarks can be registered through a system called the Madrid System or known as The International Trademark System. The Madrid System was formed based on two agreements, namely the Madrid Agreement Concerning The International Registration of Marks 1891 and The Protocol to that Agreement 1989. The cost required for trademark registration includes a basic fee of 653 Swiss francs or 903 Swiss francs for colour marks, plus additional fees depending on which trademarks want to be protected, and how many classes of goods and services will be protected. [5] Trademark registration through The International Trademark System can simplify trademark protection, because trademarks that have been registered will be automatically registered in several countries, thus simplifying and saving expenses. [6]

Indonesia itself is relatively new in implementing and acceding to the provisions of the 1989 Madrid Protocol, namely on September 30, 2017, with the issuance of Government Regulation No. 92 of 2017 and began to be implemented on January 2, 2018. [7] Therefore, the authors are interested in conducting further analysis on "Implementation of The International Trademark System in Indonesia". The problem that will be discussed is how is the implementation of The International Trademark System in Indonesia?

2 Method

This study uses a sociolegal approach and a statute approach as a qualitative research. The socio legal approach is used to examine the construction of functions, roles and communication processes of actors in issuing a policy, especially the mechanism regarding the registration process, recording and recognition of intellectual property. Meanwhile, the statutory approach is used to map the basis for government authority in accepting an international instrument into national law. National laws relating to intellectual property will be analyzed and harmonized with international policies and strategic steps that will be taken by the Indonesian government to protect these rights.

This research was conducted in the ministry of law and human rights, especially at the director general of trademark and also at several multinational companies by means of interviews. Literature studies and case studies were also carried out in this research to see how the process of registration and dispute resolution was carried out by the parties.

3 Discussion

3.1 Regulation of Trademark Registration in The International Trademark System

Many countries, especially countries adhering to the civil law system [8], adhere to the first to file principle, namely that the right to a mark will be given to the owner who first applies for trademark registration. [9] This principle will encourage a trademark to be registered in order to grant rights to the mark. Besides, a trademark also adheres to a territorial principle that protection only applies in the country where the implementation for registration of a mark is filed. [10]

The existence of a territorial principle is considered inefficient because a trademark has to be registered in each country that wants protection, so a regulation is needed that can make trademark registration easier. The International Trademark System or also known as the Madrid System is an arrangement for registering and managing trademarks around the world by submitting a single implementation which can be valid in up to 122 countries. [11] The International Trademark System will make it easier and help trademark owners to protect their trademarks from various violations. However, this system does not replace the substance of the national trademark law in each country, but only as an alternative administrative procedure to be given to trademark owners who wish to register their trademarks abroad. In other words, this international route can be used side by side with the existing way of registering overseas marks. [12] In The International Trademark System, Applicants can choose for themselves in which countries the trademark wants to be protected by filling in the trademark implementation form and extending the protection to new areas that have not been selected. [13]. The mechanism of trademark registration in The International Trademark System or Madrid System can be described as follows: [14]



Fig. 1

Under this scheme, the trademark registration mechanism in The International Trademark System starts from the applicant submitting an implementation for international trademark registration to the trademark office of the country of origin. The trademark office of the

country of origin will conduct a substantive examination of the implementation for registration of a mark. After validation and certification, international implementation for trademark registration is sent to WIPO. WIPO will conduct formalities check on the implementation. If approved, the mark will be registered in the international register and published in the WIPO Mark Sheet. The international registration certificate for marks sent by WIPO will be forwarded to the trademark office of the destination country. [15]

The trademark office of the destination country will decide within a time limit of 12 to 18 months in accordance with applicable law. WIPO will record the decision of the trademark office in an international register and then announce it to the applicant. If the trademark office refuses to protect the mark, either in total or in part, this decision will not affect the decision of the trademark office of another country. The applicant can oppose the decision to refuse the relevant trademark office in accordance with the law. If the implementation is accepted, the trademark office of the destination country will issue a statement regarding the granting of protection for the mark. International trademark registration is valid for ten years. The trademark owner can renew the registration at the end of the period every ten years to WIPO, which will take effect in the destination countries. [16]

Detailed trademark registration is regulated in article 3 Madrid Agreement Concerning The International Registration of Marks 1891 and article 3 The Protocol to that Agreement 1989 which states that every international implementation for trademark registration must state the date, filing number and date of filing for international registration of marks in accordance with the description in the national register. If the mark contains a colour that is characteristic of it, the applicant must attach a colour or a mixture of colours to his implementation. The applicant must show the goods or services as well as the classes according to the classifications stipulated by the Nice Agreement on the International Classification of Goods and Services for the Purpose of Registration of Marks. The international bureau will determine the classification of goods or services if the applicant does not provide an indication as stipulated. The national office will control the granting of class indications by the applicant, and in the event of disagreement between the national office and the international bureau, the final opinion will prevail. [17]

The Madrid Agreement on the International Registration of Marks 1891 and the Protocol to the Treaty 1989 also guide on matters relating to the registration of marks, namely as follows:

a) Refusal of Implementation

The trademark office of the destination country has the right to refuse registration or registration of a trademark registration for reasons that are contained in the Paris Convention. However, an implementation cannot be refused, a law that allows registration of a limited number of classes, goods or services. The trademark office wishing to exercise this right must notify the International Bureau with the reasons attached within 18 months. The International Bureau will send one of the notification notices to international registries. If the trademark office of the destination country does not notify the International Bureau of the reasons for refusing registration, the right to refuse the implementation may not be granted. [18]

b) Renewal of international trademark registration

Each registration can be renewed ten years from the previous expiration period, paying only the basic fee and / or additional and supplementary fees if required. This update may not cause changes in registration to the latest form. Six months before the end of the protection period, the trademark owner will send an unofficial notification by the International Bureau. The trademark owner will provide a grace period of six months for

renewal of international registration by paying a supplementary fee in accordance with applicable regulations. [19]

c) International trademark registration fees

The trademark office of the country of origin can determine the fees required by the applicant for international registration or registration of trademarks. Registration of marks at the International Bureau is subject to an international fee which includes a basic fee, an additional fee for each class, and a supplementary fee for each request for extended coverage. [20]

The international trademark registration fee includes a basic fee of 653 Swiss francs or 903 Swiss francs for colour marks, plus additional fees depending on the area requested and the many classes of goods and / or services to be protected. Additional costs are also as needed after the trademark is registered, the owner wants to expand the geographic area, update or renew the trademark portfolio. [21] Supplementary fees will be reimbursed for “individual fees” [22] for countries that are already members of the Madrid agreement and the Madrid protocol. [23]

For example, if an applicant wants register a trademark without colour elements in Indonesia and the United States on March 7, 2020, for one class of goods, the total cost that should be paid 1,185 Swiss francs (653 basic costs + 144 (one class in Indonesia) + 388 (one class in the United States). The registration fees for all these countries are submitted to WIPO through the trademark office of the member country. [24]

3.2 Implementation of the International Trademark System in Indonesia

The implementation of The International Trademark System or also called Madrid System is still relatively new in Indonesia with the access to the 1989 Madrid Protocol on September 30, 2017, with the issuance of Government Regulation No. 92 of 2017 and began to be implemented on January 2, 2018. [25] The objectives for Indonesia to access the Madrid Protocol, namely: [26]

- 1) From a juridical perspective, Indonesia is committed to increasing trade cooperation with several countries that require acceding to the Madrid Protocol.
- 2) From an economic perspective, free trade makes Indonesia need reliable protection internationally, making it easier for trademark owners to develop their goods and / or services.

The International Trademark System in its implementation has many advantages compared to the national system registration system, which include: [27]

- 1) The International Trademark System makes national trademark registration more practical;

Table. 1 Comparison of National and International Trademark Registration Mechanisms [28]

International route	National route
1) registered through one office of the original mark	1) register through many trademark offices
2) registered in one language, namely English	2) register with multiple languages
3) registered in 1 currency namely Swiss Francs	3) register with multiple currencies

4) only through local agents in case of rejection	4) appointed multiple agents
5) results in one international registration	5) results in many national registrations
6) requires only one update	6) needs many updates
7) changes are recorded through the international bureau	7) changes are recorded through the respective national trademark offices

- 2) registration fee is more efficient because only one payment is required;
- 3) The registration time is shorter because only through international bureaus can a mark be registered in many countries;
- 4) There is a database of registered trademarks through The International Trademark System which can be accessed in detail and boldly on the WIPO website;
- 5) The trademark office will have revenue from the Individual Fee of the trademark registration;

As for the implementation of The International Trademark System there are several deficiency, namely: [29]

- 1) reliance on the principle (central attack) in the implementation of The International Trademark System to trademark registration;
- 2) For middle to lower trademark owners, this system is relatively expensive because there is an Individual Fee in each destination country;
- 3) There is a complete cancellation of the registration implementation if there is a cancellation of one class of goods or services in one implementation;
- 4) Limited protection in the country of destination due to more specific conditions in the country of origin.

Carlo Cotrone, an intellectual property expert who argues that harmonization of trademark law in which each jurisdiction is made substantially the same is impossible. The aim of the International Trademark System isn't judged to be the harmonization of law, but the "internationalization" of national law. That is, The International Trademark System must create a system whereby national legal entities can work concurrently (at least substantially) with the system. [30]

The existence of international registration depends on the first five years of basic registration. [31] If the basic registration does not exist before the end of that period (either because of a central attack or for other reasons depending on Article 6 (3) of the Madrid Protocol), the international registration will be cancelled. Furthermore, the scope of protection is limited to those imposed by the country of origin of the registrant. So, if membership in the country of origin cancels the registration, it will cancel the registration in other destination countries as well. This dependence, in Cotrone's view, violates the principle of national treatment by preventing applicants from obtaining the protection provided by local registrants. Thus, offering limits on trademark protection only makes individual national registrations more attractive so that individual countries can not only extend trademark protection but can also cancel marks based on its choice. [32]

The International Trademark System treats registrants differently depending on where they are from and which country they designate for protection. This system is more supportive

of the laws of the country of origin than the parties appointed. This can be seen as a disadvantage for international applicants and as unfair treatment of a country's legal system, given the balance this system seeks to achieve. On the one hand, The International Trademark System must create an efficient administration system to serve trademark owners. However, on the other hand, the system cannot create creativity with the integrity of a party's legal system. In fact, The International Trademark System should support multiple systems side by side without substantial modification. [33]

The author states that Cotrone's statement is untrue. This system in replacement is not the substance of the national trademark law in each country, but only as an alternative administrative procedure to be given to trademark owners who want to mark overseas. In other words, this international route can be used side by side with the existing overseas trademark registration system. [34]

Since the accession of the Madrid Protocol in 1989, the International Trademark System has had many impacts on registration in Indonesia, both unfavourable and detrimental. The benefits include: [35]

- 1) Guaranteed credibility of Indonesia in the eyes of the world as a country that protects marks;
- 2) Increase investment from other countries in producing goods and / or services in Indonesia;
- 3) Increase non-tax state income through Individual Contribution obtained from the applicant country;
- 4) Owners of domestic product trademarks to save their trademarks so that they can compete at the international level.

The Madrid Protocol 1989 accession also did not escape the disadvantages of its implementation in Indonesia, which include: [36]

- 1) Lack of information regarding the mark in the destination country because there is no direct link to the local trademark office;
- 2) The existence of the principle of a central attack makes the owner disadvantaged because the country of origin rejects the proposed registration, the registration in other destination countries will also be cancelled;
- 3) Only shares that affect the change in ownership rights that can be made by the party having the right to apply for an international mark;
- 4) The loss of revenue from the IPR Consultant due to the registration of a trademark is carried out directly at the Trademark Office through the International Bureau. [37]

Apart from getting advantages and disadvantages, the effectiveness of the accession of The International Trademark System in Indonesia can also be seen through the implementation of the Madrid System in various aspects, namely: [38]

- 1) Legal aspects, the promulgation of Government Regulation No. 22 of 2018 and the publication of regulations regarding the Madrid System in Law No. 20 of 2016 concerning Trademarks and Geographical Indications, so that it makes registration simpler and the registration process shorter;
- 2) Organizational aspects, completion of the waiting list (backlog), the addition of the number of examiners, and orders for the Madrid Unit in Indonesia as the party responsible for implementing the Madrid System;

- 3) Administrative aspects, operational procedures with the Madrid System, so that operational procedures are in accordance with the role of the Director-General of Intellectual Property as offices of countries of origin and offices of destination countries;
- 4) Automation aspects, through the development of the DGIP information technology system with the Industrial Property Automation System (IPAS), namely the system used by Madrid Union member countries for trademark registration, so that administrative activities can be carried out automatically;
- 5) Aspects of education, seminars through holding and technical guidance to interested parties.

Judging from the effectiveness of the implementation of the International Trademark System in Indonesia, it is argued that based on readiness and theory, having access to the International Trademark System has been implemented very well in Indonesia against the current trademark registration system. This can be seen from the changes in several aspects in accordance with The International Trademark System. Implementing this system does have its advantages and disadvantages. However, the author argues that the deficiencies in this system are not as many as the advantages obtained in the current implementation of The International Trademark System to trademark registration. So Indonesia's decision to accede to the 1989 Madrid Protocol is right, because this can make it easier for trademark owners and ensure Indonesia's credibility in the world.

4 Conclusion

Judging from the effectiveness of the implementation of The International Trademark System in Indonesia, the authors argue that based on the readiness and theory aspects, the effectiveness of the accession of The International Trademark System has been very well implemented in Indonesia for the current trademark registration system. This can be seen in its implementation in various aspects such as:

- 1) Legal aspects, through the promulgation of Government Regulation No. 22 of 2018 and the publication of the rules regarding the Madrid System in Law No. 20 of 2016 concerning Trademarks and Geographical Indications, so that it makes registration requirements simpler and the registration process shorter;
- 1) Organizational aspects, through completing the waiting list (backlog), increasing the number of examiners, and establishing a Madrid Unit in Indonesia as the party responsible for implementing the Madrid System;
- 2) Administrative aspects, through adjustments to operational procedures with the Madrid System, so that standard operating procedures are in accordance with the role of the Director-General of Intellectual Property as the office of the country of origin and the office of the country of destination;
- 3) Automation aspects, through the development of the DGIP information technology system with the use of the Industrial Property Automation System (IPAS), namely the system used by Madrid Union member countries for trademark registration, so that administrative activities can be carried out automatically;
- 4) Educational aspect, through holding seminars and technical guidance to interested parties.

However, the implementation of The International Trademark System has several disadvantages, including:

- 1) Lack of information regarding the mark in the destination country because there is no direct link to the local trademark office;
- 2) The central attack principle causes the trademark owner to suffer losses because of the country of origin rejects the registration of a proposed mark, the registration in other destination countries will also be cancelled;
- 3) There are restrictions on changes in ownership rights that can only be made by parties who have the right to apply for international marks;
- 4) The loss of revenue from the IPR Consultant because the registration of a mark is carried out directly to the Trademark Office through the International Bureau.

However, the implementation of The International Trademark System in the trademark registration system has also provided benefits for Indonesia, such as:

- 1) Guaranteed credibility of Indonesia in the eyes of the world as a country that protects marks;
- 2) Increased investment from other countries in producing goods and / or services in Indonesia;
- 3) Increase non-tax state revenue through individual fees obtained from the applicant country;
- 4) Make it easier for domestic product trademark owners to register their trademarks so that they can compete at the international level.

Therefore, according to the author, Indonesia's decision to accede to the 1989 Madrid Protocol is the right step to guarantee Indonesia's credibility in the world and help local trademark owners develop their trademarks to an international level.

References

- [1] Madrid Agreement Concerning The International Registration of Marks (1891)
- [2] Protocol Relating to The Madrid Agreement Concerning The International Registration of Marks (1989)
- [3] Government Regulation No. 22/2018 concerning International Mark Registration Under the Protocol Related to the Madrid Agreement on International Registration of Marks
- [4] United States Trade Representative (USTR) Special 301 Report in (2019)
- [5] Madrid Protocol Handbook
- [6] Agung Indriyanto.: Implementasi Protokol Madrid di Indonesia. Vol. 14. Edition 5. Directorate General of Intellectual Property (2017)
- [7] Ariandika Herviandi, Etty Susilowati, and Rinitami Njatrijani.: Optimalisasi Perlindungan Hukum Terhadap Pendaftaran Merek Dagang di Negara Lain. Vol. 6. Number 1. Diponegoro Law Journal (2017)
- [8] Deity Yuningsih.: The Legal Protection of Trademark Rights in the Judge's Decision of Indonesia. Vol. 61. Journal of Law, Policy, and Globalization (2017)
- [9] Irna Nurhayati and Agustina Merdekawati.: Relevansi Keikutsertaan Indonesia Dalam International Registration Of Marks Madrid System Melalui Ratifikasi Madrid Protocol Terhadap Potensi Peningkatan Daya Saing Bangsa Indonesia Di Bidang Perdagangan Internasional. Volume 20. Number 3. Mimbar Hukum (2008)

- [10]I Made Dwi Prasetya and I Gede Putra Ariana.: Pengaturan Merek Produk Makanan (Berdasarkan Undang-Undang No. 20 Tahun 2016 Tentang Merek). Vol. 7. Number 1. Kertha Semaya: Journal Ilmu Hukum (2019)
- [11]Jisia Mamahit.: Perlindungan Hukum Atas Merek pada Perdagangan Barang dan Jasa. Vol. I. No.3. Lex Privatum (2013)
- [12]Nurul Hidayati and Naomi Yuli Ester S.: Urgensi Perlindungan Merek Melalui Protokol Madrid (Trademark Protection Urgency Through The Madrid Protocol). Vol. 14. No.2. Jurnal Indonesia Legislasi (2017)
- [13]Peter Wilner.: Madrid Protocol: A Voluntary Model for the Internationalization of Trademark Law. Vol. 13. Number 3. De Paul Journal of Art, Technology and Intellectual Property Law (2016)
- [14]Trias Palupi Kurnianingrum.: Pentingnya Ratifikasi Madrid Protocol Dalam Menghadapi Perdagangan Bebas Di Era Globalisasi. Vol. 7. No.2. Jurnal Penelitian Politik (2010)
- [15]WIPO.: Protecting Your Brand Abroad. No. 1039E. WIPO publications (2013)
- [16]Directorate General of Intellectual Property.: Pemanfaatan Sistem Madrid Untuk Pendaftaran Internasional Merek. Accessed from [https://dgip.go.id/peman\]-sistem-madrid-untuk-pend-Registration-internasional-merek](https://dgip.go.id/peman]-sistem-madrid-untuk-pend-Registration-internasional-merek).
- [17]The Union of Chambers and Commodity Exchanges of Turkey (TOBB). Introduce for the Madrid System. Accessed from <http://abm.tobb.org.tr/haberler/fikrimulkiyet/1>.
- [18]WIPO.: About WIPO. Accessed from <https://www.wipo.int/about-wipo/en/>.
- [19]WIPO.: Fees and Payments - Madrid System. Accessed from <https://www.wipo.int/finance/en/madrid.html>.
- [20]WIPO.: How the Madrid System Works: The International Trademark Registration Process. Accessed from https://www.wipo.int/madrid/en/how_madrid_works.html.
- [21]WIPO.: Madrid system. Accessed from <https://www.wipo.int/madrid/en/>.
- [22]WIPO.: Madrid Union members. Accessed from <https://www.wipo.int/madrid/en/members/>.

Empowerment of Islamic Communities through Agribusiness Efforts to Improve the Economic Welfare of the Pekalongan Community in East Lampung Regency

Bayu Prafitri¹, Khomsahrial Romli², Hasan Mukmin³, Fitri Yanti⁴
 {bayuprafitri2104@gmail.com¹, khomsahrial@gmail.com², hasanmukmin@radenintan.ac.id³,
 fitriyanti@radenintan.ac.id⁴}

Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia¹, Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia², Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia³, Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia⁴

Abstract. The development of an Islamic community in the form of empowerment is a way in which society is able to move and act to change a condition through the development of agribusiness in Pekalongan, East Lampung as a form of Islamic Business in increasing competitiveness through comparative advantage, contributing, and job opportunities as well as a significant source of income for the community through agribusiness in increasing the economic income of the people of Pekalongan District, East Lampung Regency. Community development in empowerment is an effort to improve the community's economy and in accordance with the social values of the community. This research is a field research (field research) with a descriptive approach. The instruments used were interview guidelines and observation guidelines. The data analysis techniques used were data reduction, presenting data and drawing conclusions and verification. The results of this study indicate that the empowerment of the Islamic community in improving the community economy in Pekalongan, East Lampung 1) Developing agribusiness technology, 2), building cooperation, empowerment carried out in accordance with Islamic Business which is designed to put more emphasis on the efforts of economic empowerment of the Ummah.

Keywords: Islamic Community Empowerment, Technology Agribusiness.

1 Introduction

Community development in the form of empowerment is a way of how society is able to move and act to change an existing condition for the better and more empowered.[1] Meanwhile, one of the keywords at this time that is often echoed by all levels of society is the word increase in human resources. This word has a more specific meaning regarding how to improve the condition of the existing society for the better in the future.

Community development in the desired empowerment process is to be able to develop the ability of individuals or social groups from weak or less empowered communities to become independent communities that have the ability to be able to develop them optimally and have an impact on increasing the community's economy, so that people who are less capable and less developed as well as people who do not have a job must be empowered according to their

abilities, as an effort to improve the economic welfare of people who are based on agribusiness, including the following:

- a. Economic improvement, especially food sufficiency
- b. Increased welfare
- c. Freedom and guaranteed security [2].

The importance of development with an agribusiness approach is due to several reasons, namely: increasing competitiveness through comparative advantage, it is the main regional economic sector that contributes, and employment opportunities and is a significant new source of growth.

Utilizing the potential of the area in Pekalongan, East Lampung with quite prospective opportunities, which is through community empowerment through agribusiness, which is a series of agricultural potential activities as a tourist attraction, both potential in the form of natural landscapes, agricultural areas, as well as the uniqueness and diversity of production activities and agricultural technology. as well as the culture of the farming community and have an impact on increasing community income which is one of the biggest centers of agribusiness in Indonesia.

Based on the description of the background of the problem above, problems can be identified by looking at the development of agribusiness businesses that have been running to date, but there are still many youths of productive age and some people who do not work or are unemployed in Pekalongan, East Lampung.

From the background and some of the problem identification above, the researcher focuses on this dissertation on the Islamic Community Empowerment Strategy through Horticultural Plant Business and Its Implications for Community Economic Welfare in Pekalongan District, East Lampung Regency.

Based on the identification and focus of the above problems, the authors formulate the problem is How to Empower Islamic Communities through Agribusiness Efforts in improving the economic welfare of the community in Pekalongan District, East Lampung Regency

2 Theoretical Framework

Community development in the form of empowerment is a way and an effort of how society is able to move and act to change an existing condition to be better and more empowered and able to develop self-capacity as a way in which community empowerment is focused on power over their lives [3]. To realize community development systematically, planned manner to achieve better social, economic, and quality conditions of life. According to Jim Ife, [4],

Etymologically according to Nanih Machendrawati [5]. Development means empowering, strengthening, fostering, and prospering. In terms of terminology, the development of an Islamic community means a concerted and planned effort to prosper Muslims in all aspects of their lives according to the Koran and Sunnah's demands, whereas lexically, empowerment means strengthening. Technically, the term empowerment can be equated or at least equated with the term development; even these two terms, to some extent, are interchangeable or interchangeable.

According to Suharto 5 (five) empowerment programs, namely providing motivation, increasing awareness and capacity training, self-management, resource mobility, network development and development. Thus empowering farmers is very important to do because it

touches the majority of Indonesia's population. And indirectly this will improve the economy of the Indonesian people, especially farmers.[6].

Sunyoto Usman in organizing and Community Development said that community empowerment is a process in the framework of strengthening what is commonly called community self-reliance or independence.

Empowerment is an effort or effort to further empower the "power" possessed by humans in the form of competency, authority and responsibility in order to improve performance in farming.[7]. Richard West [8] defines accommodation as the ability to adjust, modify, or regulate one's behavior in response to others.

In this case the development of empowerment activities carried out by providing support, motivation, increasing awareness and capacity training, self-management, resource mobility, network development and development. Thus community empowerment in the field of agribusiness can develop and be able to improve the economic welfare of the community and this is very important to do because it touches the majority of Indonesia's population who are farming communities. Albert and Hahnel, as quoted by Eddy Sugiarto [9], divide welfare theory into three parts, namely; Classical utilitarian, Neoclassical welfare theory, and New contraction approach. as Shil [10] in Piotr Sztompka's book asserts that: *"Humans cannot live without tradition. although they often feel dissatisfied with their traditions."*

Edi Suharto explained that community development in empowerment includes:

1. Empowerment is carried out to the community by means of training, and has objectives including developing individual community skills in carrying it out. The approach in this case focuses on task activities or micro approaches.
2. Community development in empowerment activities through the efforts made by groups in seeing and identifying problems that arise in the community and can be used as means or activities for community guidance or training carried out by groups to increase capacity and awareness, this approach is often called the approach. mezzo.
3. Development of empowerment activities in this approach model is a broader market system that leads to changes in the community environment and is directed towards social planning and social activities as a form of development in society, this approach is often referred to as a macro approach.[11].

3 Research Method

This type of research is classified as field research when viewed from the place where the research was conducted. Field research, namely research using information obtained from research objectives, hereinafter referred to as informants or respondents through data collection instruments such as questionnaires, interviews, observations and so on. Where the author will collect data by going directly to the field which is the object of research to study intensively about the various problems being studied in depth [13].

4 Result and Discussion

Empowerment is very important for the community and most of the poor are farmers, therefore empowerment is needed so that farmers can be independent and have potential that

can be developed. Every society, has the potential that can be developed, meaning that no society is completely powerless so every society has the potential to progress if we want to develop it. Community development focuses on providing support, motivation, awareness raising and capacity training, self-management, resource mobility, network building and development.

Community development in the process of empowering agribusiness businesses in Pekalongan sub-district, East Lampung that is carried out in increasing the economic welfare of the community through agribusiness efforts is all types of activities or businesses that are carried out and programmed by farmer groups to their members, in the form of things that are carried out starting from identifying member problems to implementing empowerment. Empowerment used by the pekalongan community: in community empowerment is 1) developing agribusiness technology and marketing in the digital era, 2) Forging strong partnerships with all group members and from this empowerment is able to increase community income results and reduce unemployment in adolescents at productive age.

5 Conclusion

Based on the results of the research that community empowerment is being carried out more focused on the development of agribusiness technology through a wider global market reach as well as strong cooperation among members, who have the same goal of improving the economic welfare of the community with the knowledge and skills to develop horticultural business effectively. and efficient in a more modern way.

Average daily income earned by farmers and horticultural plant sellers has also increased and varies greatly depending on the size of the capital used by members or the community in developing horticultural agribusiness enterprises in pekalongan, East Lampung.

Welfare in Pekalongan based on assets and income level is certainly in the welfare category by looking at the conditions of residence and business owned.

References

- [1] James A.: Christenson & Jerry W. Robinson, Jr Ames, *Community Development In Perspective:* (Lowa : State University Pres (2017)
- [2] Suparjan, Hempri S.: *Community Development from Development to Empowerment* (Yogyakarta:Aditya Media (2013)
- [3] Adi Fahrudin, Ph. D.: *Empowerment, Participation and Strengthening Community Capacity* (Bandung: Humaniora (2012)
- [4] Albert and Hahnel.: *Traditional Welfare Theory*, See Eddy Sugiarto, *Socio-Economic Welfare Theory, and Its Measurement*, pp.263-269. Executive (2005)
- [5] Journal: Volume IV, No II, (August 2007)Shils in Szompka, *Sociology of Social Change*, pp. 74. (Yogyakarta: Prenanda media group (2007)
- [6] Arif Budimanta and Bambang Rudito.: *Community Development Management Methods and Techniques*, pp. 33. Jakarta: CSD (2008)
- [7] Masdar Hilmy.: *Initiating a Multiculturalism-Based Education Paradigm*. Ulummuna Journal; Volume VII, Issue 12 Number 2 pp. 333 (July-December 2003)
- [8] Piotr Sztompka.: *Sociology of Social Change*, pp.60-70.Jakarta: Prenada Media Group (2011)

- [9] Richard West and Lynn H. Turner.: Introduction to Communication Theory. pp.27. Jakarta: Salemba Humanika (2009)
- [10] Abu Hurairah.: Community Organizing and Development Models and Strategy for Community-Based Development,, (Bandung: Humaniora, 2012)
- [12] Sukino, Sukino.: Building Agriculture with Empowerment of Farmers, (Yogyakarta: Pustak Baru Press, 2013)
- [13] Abudin Nata, Islamic Studies Methodology (Jakarta: Raja Grafindo Persada, 2000)

How to The Prospect of The Supply Chain Performance Stability and Implication of The Sustainability of Indonesia's Vanilla Origin Commodities?

Marthinus Boxy¹, Nur Endah Retno Wuryandari², Dudi Permana³
 {logistic01boxy@gmail.com¹, nurendah.retno@gmail.com², dudi.permana@mercubuana.ac.id³}

Student of Universitas Mercu Buana, Jakarta¹, Universitas Dian Nusantara, Jakarta², Universitas Mercu Buana, Jakarta³

Abstract: The movement of Indonesian vanilla commodity supply has a good impact, in the background, Indonesia is the second supplier after Madagascar. The purpose of this study is to evaluate the performance of the supply chain to improve and stabilize the supply chain of Indonesian vanilla commodities. Supply chain performance measurements are evaluated with the Analytical Hierarchy Process (AHP) compiled through the principle of Supply Chain Operation Reference (SCOR). The research sample of 11 respondents consisted of researchers/practitioners where we discussed brainstorming and weighting the questionnaire. Description of supply chain flow is analyzed based on the principle of Van Der Vorst, while the evaluation of supply chain performance through SCOR-AHP, also this study evaluates supply chain risk along with its priority implications. The results have expressed 3 supply chain sustainability policy schemes, namely agribusiness partnerships, bioprocess, and price stability. The scheme is applied to supply chain actors, namely farmers, collectors, and SMEs.

Keyword: Supply Chain Performance; SCOR-AHP; Agribusiness Policy; Bioprocess Policy; Price Stability Policy

1. Introduction

The importance of food supply while the development and innovation required to achieve optimization and sustainability. Achievement of agricultural development, according to the Minister of Agriculture of RI, Gross Domestic Product (GDP) maintains the 5th largest global position from Rp 994 trillion to Rp 1,462 trillion [1]. That means that a significant increase in agricultural production in the country.

One excels at developing agricultural commodities is the spice commodity means vanilla. Vanilla from Indonesia has become the world's flagship, known as Java Vanilla Beans. Where the quality level can reach 2.75%. It is superior to other vanilla export countries. The comparison of the drying quality of the moisture content is presented in table 1.

Table 1. Comparison of Vanilla Commodity Levels

Country	Level Test Results
---------	--------------------

Indonesia	2,75%
Madagascar	1,91 - 1,98%
Tahiti	1,55 - 2,02%
Mexico	1,89 - 1,98%
Srilangka	1,48%

Source: Data processed (2020)

Drying the vanilla commodity is processed through a fermentation stage starting from wet long pods to drying according to the moisture content level. A good water content level is also influenced by the geographical location of the cultivation. The best quality habitat for vanilla is in the latitude zone of 0-10 degrees. Meanwhile, Madagascar is at a latitude of 20 degrees south latitude and Indonesia stretches 6 degrees north to 11 south latitude [2]. In addition, the selling price of vanilla is getting better in the local market and the export market. The price of vanilla commodity is sold in the local market at IDR 5,000,000 per kilogram, while the export market reaches USD 600 per kilogram [3], this opportunity has the potential to increase the welfare of farmers in developing their agricultural investment in vanilla commodities. In addition, vanilla commodity exports increased from USD 14.41 million in 2015 to USD 62.08 million in the 2016 period [4].

Based on data from the Ministry of Trade of the Republic of Indonesia (Ministry of Trade), the realization of the trade in commodity types of spices in 2014 to 2018 (table 2)

Table 2. Realization of Export-Import of Indonesian Spice Commodities

Description	2014	2015	2016	2017	2018
Export	1835.1	2196	1896.5	1964.7	1551.8
Import	671.7	458.2	541.2	704.5	793.6

Source: Badan Pusat Statistik (2019)

The high export of spices is dominated in the markets of Pakistan, Europe and other countries, while the level of enthusiasts for Indonesian vanilla exports is more in the domain of markets in Europe, America and other countries. This is predicted from the demand for vanilla to America to reach 8 tons per month [5]. In addition, there is a nickname that is unique to a commodity from Indonesia, namely Java Vanilla Beans, where there is a different flavor of vanilla which is used as a mixture of the restaurant and beverage industry [1].

The realization of the vanilla trade commodity from Indonesia is in second place. With a compound annual growth rate of 4.7% in the coming 2018 to 2027 [6]. In order to maintain and increase the glory of the world's vanilla commodity, this study aims to measure the supply chain performance of the vanilla farmer groups in Indonesia. Researchers assess and evaluate each performance attribute in the supply chain. This is at the same time to determine the method for increasing the ranking of Indonesian vanilla exports in the world class.

Table 3: Realization of Global Supply of Vanilla Commodities

Country	2012	2013	2014	2015	2016
Madagascar	10653	44671	118249	208470	408349
Indonesia	5367	7279	8512	17718	70859
Mauritius	945	1301	4795	22376	49028
Germany	17417	27160	31459	37629	45433
France	20124	29677	32389	32913	44384

Sources: FAO statistics (2019)

2. Literatur Review

The formation of a supply chain aims to focus on collaboration and development of relationships between supply chain actors, namely suppliers and producers as well as consumers through evaluation of each supply chain work attribute [7]. The assessment of the supply chain work relationship attributes can be measured with several appropriate methods in its use, one of which is the Supply Chain Operation Reference (SCOR) approach. The SCOR approach model optimizes and compares the most important performance attributes as improvements to support increased supply chain performance [8], then analyzes and projects the stability of the supply chain in accordance with environmental conditions and the application of the performance assessment [9].

3. Research Method

The sample is determined purposively, namely respondents who are experts in the field of academics and practitioners of agriculture and similar fields of science. Data collection methods are based on literature study, documentation, observation and questionnaire weighting.

Analytical methods of performance evaluation are 3 process approaches, namely Van Der Vors (supply chain object description) [10], Brainstorming and SCOR-AHP (as a process of weighting performance and problem solving). Meanwhile, the evaluation of indicators is applied One-Way ANOVA (as a measure of the level of risk process and Interpretation Factorials Analysis (as the most important indicator implication).

Emphasizing the problems and objectives of this study, the authors reviewed the pre-survey of 70 farmer respondents throughout Indonesia. The results showed that the variable attributes had met the requirements where the percentage was above 60% and was declared worthy of research. The main problems studied are how the supply chain structure and how the system implies the stability of supply chain performance in a sustainable manner.

4. Research Result

Testing Hypothesis Pathway in Hypothetic Models py1, py2, py3, p31, p32, p21. Path coefficients in the hypothetical model of the study are py1, py2, py3, p31, p32, p21, in determining the magnitude of the path in a hypothetical model the study is obtained by determining the magnitude of the path coefficient value, and then the path coefficient significance test is continued.

4.1 Instrument Testing

The test instrument is processed as sterilization data to be analyzed. This test is divided into 3, namely the Credibility Test (as a reference for experts in their field), the Consistency Test (as consistency in each AHP hierarchy), and the Reliability-Validity Test (as an indicator questionnaire test). The results show that all tests are declared significant where the calculated value is in accordance with the specified standard

4.2 Descriptive Van Der Vorst

Supply chain management is structured by moving products in the form of materials (commodities) to processed products consumed by consumers. The resource cycle is obtained from supply chain actors, both farmers (seeds and equipment) to collectors/MSMEs (commodity supply). The chain network structure starts with the farmers and then the collectors and SMEs receive the commodity products. Traders will sell with large parties to manufacturers while MSMEs process commodities in small quantities and sell them to the restaurant industry. Then the manufacturing process on a large scale and distributed in packages to consumers.

Farmers' business activities cooperate with providers of vanilla cultivation needs, in addition to agreeing on sales contracts with collectors and MSMEs. Meanwhile, collectors work together in contracts with manufacturers to send / export superior commodities and process them as a mixture of products. The SME industry processes commodities that are sold on a contract basis or freely to the food serving industry or consumers.

4.3 Analysis SCOR-AHP

The stages of this analysis process are in 3 hierarchical levels, namely supply chain drivers, supply chain parameters and performance along with supply chain indicators [11] & [12]. The measurement results based on the statements of 11 respondent experts are presented in Figure 1.

The first level of the planning element has a greater priority while the second hierarchy is the quantity element and the third hierarchy is the reliability element with the derivative of the performance attribute indicator is the accuracy of the quantity of delivery that is more important.

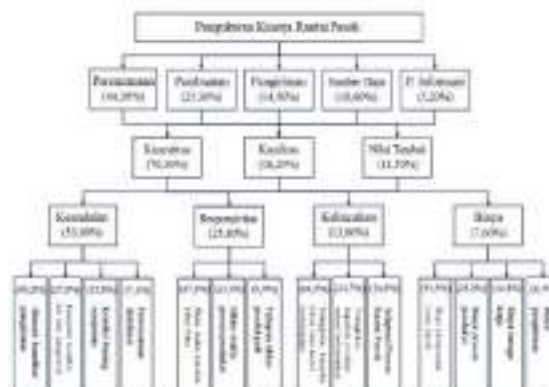


Fig. 1. Weight Results SCOR-AHP
Source: Data processed (2020)

4.4. Risk Process Process Evaluation

Referring to research [13] & [14] that the development of supply chain performance needs to be evaluated on the risks that arise in a supply chain process. Evaluation is assessed through three supply chain actors, namely farmers, collectors, and MSMEs.

Table 5: Estimated Earnings ANOVA

Supplier Object	P-Value	Homogeneity
Farmers	0,024*	0,000**
Collector	0,589*	0,790**
MSMEs	0,353*	0,000**

*) Significance level < 0,05

**) Significance level < 0,05

Source: Data processed (2020)

The farmer sector is evaluated through a 3-stage planning, cultivation and finalization process. The result of the greatest risk level is in the finalization process ($\mu=645$) and significant. Meanwhile, the collector evaluation sector is studied through 3 stages, namely planning, procurement and delivery. The results show the procurement process is the greatest level of risk ($\mu=6409$) and insignificant. In addition, the evaluation of MSME actors is processed through 4 stages of the process, namely planning, procurement, processing and finalization. Where the results show the procurement process has the greatest risk impact ($\mu=5848,67$) and insignificant.

4.5 Evaluation Building a Supply Chain Stability Policy Scheme

Referring to the SCOR-AHP results, we hereby build a supply chain stability policy scheme through 3 schemes. The first scheme is to empower and expand agribusiness in the vanilla field simultaneously [15]; [3]; and [16]. The second scheme is to anticipate and revitalize bioprocesses and standardize agricultural performance [17]; [18]; [19]; and [20]. The third scheme is Stabilizing Selling Prices and Mitigating Post-Harvest Risks on Vanilla Commodities [21][22]. All were evaluated statistically; which indicators were appropriate to be applied by each actor.

Table 6: Estimation Simulation Indicator Schema

Selected Indicator	σ^2	Corr
--------------------	------------	------

Farmers Sector

P-value		0,873**
Component Transformation Matrix		0,926*
Indicator PT2	22,794	0,759
Indicator PT3	14,166	0,732
Indicator PT5	6,785	0,690
Indicator PT7	2,899	0,770

Collector Sector

P-value		0,008**
Component Transformation Matrix		0,874*
Indicator PG1	37,26	0,974

SME sector

P-value		0,125**
Component Transformation Matrix		0,773*
Indicator UK3	20,979	0,944
Indicator UK6	2,479	0,786

*) Positive if > 0.5

**) Significance if > 0.05

Source: Data processed (2020)

The implications for the farmer sector of the scheme consist of seven indicators but selected are PT2 and PT3, PT5 and PT7. While the sector of the eight scheme indicators, but the selected indicator is PG1. Besides that, the SME sector out of 8 policy indicators, two indicators were chosen, namely UK3 and UK6. The comparison of correlation and statistical estimation can be seen in table 6.

5. Expert Discussion Group

5.1. Expert Discussion On Sustainability of Vanilla Commodity Supply Chain Performance

Referring to the results of the SCOR-AHP weighting, it is concluded that 11 in the relevant fields lead to a supply quantity planning system while also improving the quality and accelerating the production period. Supply chain drivers must prioritize planning as the right first step where every agricultural activity needs to consider a feasibility study of management both resources, energy, costs, and the methods needed when carrying out activities. The experts recommend the supply chain policy scheme so that improvements are made at each stage of the vulnerable supply chain process. The scheme is in accordance with table 6 that is implemented by the three supply chain actors and prioritized indicators that are vulnerable (selected).

Based on the results of the scheme reference and the conclusion of the discussion, the farmer sector is the indicator as a policy implemented by farmers is to form farmer groups in each region and integrate them (PT1); mobilizing millions of vanilla cultivation through green houses in each region where the selling price gain is concentrated (PT2); dedicating to farmers a tissue culture process that produces quality and accelerated harvests (PT3); dedicating a process of how good and correct cultivation procedures focus on the right growing period of vanilla (PT4); designing a selling price system with a focus on the Break Event Point (BEP) and the full costing method so that there is a balance (PT6); and harvest failure control system by separating premium vanilla commodity based on the type of product processed (PT7).

Meanwhile, the collector sector is based on supply chain criteria and its problems. The indicators of discussion results are integrating the working partners of the collectors' stakeholders by building a reliable coordination system (PG1); implementing an optimal and economic inventory system that controls every time an order is made to farmers (PG2); developing a performance system for collectors by strengthening information systems and transparency of business activities that increase the integrity of business relationships (PG3); controlling the quality control system for commodities that have been supplied by farmers (PG4); designing performance procedures for wholesalers so that the collectors' business management system (PG5) is directed; designing a pricing system that focuses on BEP and Full Costing methods so as to balance marginal commodities (PG6); mitigate the control of commodity defects by categorizing based on class and processing (PG7).

The MSME sector indicator policy is based on the schematic literacy reference and the conclusions of the discussion of experts. So each indicator is to integrate SME stakeholder work partners by prioritizing optimal relations and coordination (UK1); implementing a digital marketing system for processed products so as to increase business revenue (UK2); designing variants of processed vanilla products based on the trend of consumer interest (UK3); designing a control system for the quality control of commodities that have been supplied by farmers, both physically and by commodity categories that affect the quality of processed products (UK4); revitalizing the safety system for commodity production, from processing to packaging that maintains product quality (UK5); maximizing performance by focusing on procedures that guide MSME business management (UK6); designing a product pricing system with a focus on BEP and Full Costing methods so that there is a balance in the percentage of marginal marketing (UK7); mitigating and designing a production failure control system that focuses on processing premium products (UK8).

5.2 Expert Discussion of Risk Management in Supply Chain Processes

Referring to the ANOVA test results, the farmer sector at the fermentation stage has a high level of risk processing. Therefore, the focus of control being considered by farmers is to revitalize the fermentation process for vanilla commodity. Based on the control reference [15] and the conclusion of the expert discussion, the first factor is labor, and then the process method and depending on the tools used. So, the labor factor because of discussion of biotechnology, agriculture and government experts suggests gathering and exchanging ideas on past fermentation failures and simple control. While the process method experts recommend a fermentation procedure with a stable temperature by designing a fermentation machine in accordance with the bioprocess procedure.

In the collector sector, based on statistical test results, the procurement process is riskier. So, the focus of the problem is anticipating price fluctuations and demand. According to the discussion results of agribusiness and supply chain experts, the first control is the intensity of demand in order to create a product line (commodity) based on class level; secondly the availability of commodities by strengthening coordination and proper supply systems; thirdly, price stability by revitalizing sales margins.

The MSME sector is based on the results of the analysis and conclusions of discussions with agribusiness and supply chain experts, the procurement process is riskier. Therefore, the focus of the problem is the mitigation of business procurement activities.

The controls are, first, the factor of price fluctuation by designing digital transactions and equalizing the marginal sales of MSMEs; secondly, material imbalance, namely by cooperating and coordinating with stakeholders and designing an economic supply system; the third is the fulfillment of production capacity, namely by predicting market demand trends, and implementing a continuous production system.

6. Conclusion

Drawing conclusions referring to the results and discussion of this research is the first to evaluate the performance of the supply chain for each sector. Therefore, we recommend three schemes, namely agribusiness empowerment, bioprocess revitalization, and risk stabilization and selling price. The three schemes are presented along with the indicators in the three supply chain actors, the results of the simulation of selected indicators of the farmer sector (1 indicator), collectors (1 indicator) and MSME (2 indicators). The two-supply chain performance risk evaluations in the process are farmers (finalization process), collectors (procurement process) and MSMEs (procurement process). Based on the results of discussions and applied indicators, it is necessary to have technical implementation, especially selected indicators so that the realization of supply chain sustainability.

References

- [1] Saptana, E. Suryan, and E. Darmawati, "Rice Supply Chain Performance , Dynamic and Price Determination In Central Java," *Anal. Kebijak. Pertan.*, vol. 17, no. 1, pp. 39–58, 2019.
- [2] A. Raharjo and M. Ridlo, "Mengembalikan Kemasyhuran Vanili Jawa, Emas Hijau Primadona Dunia," *Liputan 6*, 2019.
- [3] L. H. Aramyan, A. G. J. M. O. Lansink, J. G. A. J. Van Der Vorst, and O. Van Kooten, "Performance measurement in agri-food supply chains: A case study," *Supply Chain Manag.*, vol. 12, no. 4, pp. 304–315, 2007.
- [4] Kementerian Pertanian, "Mengembalikan Kejayaan Rempah Nusantara, Negara Alokasikan Anggaran 5,5 T," *Kementerian Pertanian*, 2019.
- [5] Bantolo, "Vanili Indonesia Tembus Pasar Eropa dan AS," *Bantolo*, no. April, 2019.
- [6] L. C. Nawangsari and A. H. Sutawijaya, "A framework of green contruction supply chain," *Int. J. Supply Chain Manag.*, vol. 8, no. 1, pp. 162–169, 2019.

- [7] M. De Fazio, "Agriculture and Sustainability of the Welfare: The Role of the Short Supply Chain," *Agric. Agric. Sci. Procedia*, vol. 8, pp. 461–466, 2016.
- [8] A. APICS, "Benchmark your Supply Chain; Close Performance Gaps, American Production and Inventory Control Society," *Apics org*, no. April, 2019.
- [9] F. R. Lima-Junior and L. C. R. Carpinetti, "Quantitative models for supply chain performance evaluation: A literature review," *Comput. Ind. Eng.*, vol. 113, pp. 333–346, 2017.
- [10] W. Times, "New Investments Expected To Boost The Vanilla Bean Market at 4.7% Volume CAGR between 2018-2027," *Wiketimes.co.uk*, 2019.
- [11] C. K. Dissanayake and J. A. Cross, "Systematic mechanism for identifying the relative impact of supply chain performance areas on the overall supply chain performance using SCOR model and SEM," *Int. J. Prod. Econ.*, vol. 201, pp. 102–115, 2018.
- [12] M. Moazzam, P. Akhtar, E. Garnevska, and N. E. Marr, "Measuring agri-food supply chain performance and risk through a new analytical framework: a case study of New Zealand dairy," *Prod. Plan. Control*, vol. 29, no. 15, pp. 1258–1274, 2018.
- [13] A. R. Pamungkassari, M. Marimin, and I. Yuliasih, "Analisis Kinerja, Nilai Tambah Dan Mitigasi Risiko Rantai Pasok Agroindustri Bawang Merah," *J. Teknol. Ind. Pertan.*, vol. 28, no. 1, pp. 61–74, 2018.
- [14] B. Gaudenzi and A. Borghesi, "Managing risks in the supply chain using the AHP method," *Int. J. Logist. Manag.*, vol. 17, no. 1, pp. 114–136, 2006.
- [15] R. Elizabeth, "Peningkatan Daya Saing Tanaman Pangan Melalui Akselerasi Agroindustri dan Pemberdayaan Kelembagaan Pertanian," *J. Pemikir. Masy. Ilm. Berwawasan Agribisnis*, vol. 5, no. 2, pp. 379–394, 2019.
- [16] S. E. Pratama and H. J. Nadapdap, "Strategi Pengembangan Agribisnis Teh PT Perkebunan Tambi Kabupaten Wonosobo," *J. Penelit. Pertan. Terap.*, vol. 19, no. 1, p. 19, 2019.
- [17] N. A. Putri, Z. Najah, Zulmaneri, and T. Hidayat, "Perancangan sop (standar operating procedure) proses produksi amplang di sentra industri kecil hasil pertanian dan kelautan (sikhpk) teritip, balikpapan," *J. Teknol. dan Ind. pangan*, vol. 4, no. 2, pp. 57–64, 2019.
- [18] S. K. Dermoredjo, "Analisis Kebijakan Pengembangan Padi, Jagung, Dan Kedelai Di Indonesia Dalam Menghadapi Perdagangan Bebas Asean Policy Analysis For Indonesia's Rice, Maize And Soybean Development In Dealing With Asean Free Trade," *Anal. Kebijak. Pertan.*, vol. 12, no. 1, pp. 51–68, 2014.
- [19] Z. Abbas, S. M. Khan, J. Alam, S. W. Khan, and A. M. Abbasi, "Medicinal plants used by inhabitants of the Shigar Valley, Baltistan region of Karakorum range-Pakistan," *J. Ethnobiol. Ethnomed.*, vol. 13, no. 1, pp. 1–15, 2017.
- [20] L. Nóbrega, P. Gonçalves, P. Pedreiras, and J. Pereira, "An IoT-based solution for intelligent farming," *Sensors (Switzerland)*, vol. 19, no. 3, pp. 1–24, 2019.
- [21] K. Suradisastra, "Strategi Pemberdayaan Kelembagaan Petani," *Forum Penelit. Agro Ekon.*, vol. 26, no. 2, p. 82, 2016.
- [22] X. Qiao, "Study on the Abnormal Fluctuation of Chinese Agri-Food Price and the Prevention Measures," no. 1, pp. 10–16, 2019.

Management and Assistance Village Fund Allocation towards Welfare

Femei Purnamasari¹, Dharmayani²

{femeipurnamasari@radenintan.ac.id¹, dharmayani@radenintan.ac.id²}

UIN Raden Intan Lampung, Indonesia¹, UIN Raden Intan Lampung, Indonesia²

Abstract. Village Fund Allocation (ADD) is one of the most important aspects of a village to carry out government programs, including programs for the welfare of community. The purpose of this study is to determine the ADD management towards the welfare improvement of the local community and as a reference and guideline in making decisions taken for the ADD program[1]. This is a field research which uses Miles model analysis and Huberman with deductive thinking method. In the end, the management of ADD has been going well. The promoting factor for improving the welfare of the community in this study is community participation in planning, policy support from the government, the quality of human resources. While the inhibiting factors are low synchronization between planning at the Village and District levels, the limited amount of Village Fund Allocation (ADD) and the lack intensity of socialization to the community, and the low level of education of village officers which can slow down the Village Fund Allocation management (ADD)[2]. The role of legal assistance for ADD recipients is more as facilitator and legal advisor for ADD recipients and village officers, also minimizes the cheating level for ADD recipients and implementers.

Keywords: Village Fund Allocation, Management, Assistance, Welfare

1 Introduction

Village Fund Allocation (ADD) is one of the most important aspects of a village to carry out government programs, including programs for the welfare of the people in the area.

Based on law No. 6 of 2014 concerning villages, ADD must acknowledge this as a pilot project, especially regarding the delegation of authority to the village government for the implementation of the village fund budget where the management of these funds is quite large[3]. So that managed village funds can become like 'bait' which makes village officers entangled in a spiral of social conflicts and interests that eventually enter the realm of law.

This is a dilemma for village officers in managing village funds, with various forms of non-crime that lead to criminal acts of corruption, for example, embezzlement, budget abuse, abuse of authority, illegal fees, budget markups, fictitious reports, budget cuts and bribery[4]. Then we can also find various other modes of utilizing village funds in private coffers. Collecting or cutting village funds by sub-district and district officials with various activity gaps so that village officials become targets for this error. There are many expressions of disappointment with village assistants, including legal assistance that has not been maximally utilized its roles and functions at the village, sub-district and even district-city levels[5]

In addition to the lack of curiosity and ignorance of village assistants and village legal assistants, this paper can seek to see that there are various conflicts of interest to utilize village funds for hidden group and personal interests with various hidden agendas or no transparency

of managed village funds, so that the role of legal assistants is a dilemma. On one hand its role is so important in assisting villages and sub-districts, but on the other hand it becomes a frightening specter due to reduced budgets. This side then arises various conflicts of interest that lead to disharmony between the government and village assistants, and legal assistants in several villages and districts.

Based on this phenomenon, the main focus in this research is what the impact of the implementation of the 2020 village fund allocation program on improving the welfare of the community in South Lampung Regency is and how the implementation and impact of the ADD 2020 program on improving community welfare in an Islamic economic perspective is.

2. Theoretical Framework

2.1 Village Fund Allocation Program (ADD)

The ADD program objectives, as stated in the ADD program technical instructions, are[6]:

1. Improve the implementation of village government in implementing government, development and community services according to their authority.
2. Increase the capacity of community institutions in the village in planning, implementing and controlling development in a participatory manner in accordance with the potential of the village.
3. Increasing income distribution, job opportunities and business opportunities for rural communities.
4. Encouraging increased self-help and community cooperation.

The ADD program is a package of activities that aims to help the village government, which has the following management principles, namely:

1. ADD financial management is an integral part of village finances in the village budget.
2. All activities funded by ADD are planned, implemented and evaluated openly by involving all elements of the village community.
3. All activities must be accounted for administratively, technically and legally.
4. ADD is implemented using the principles of being thrifty, directed and controlled.

2.2 Village Fund Allocation (ADD)

Village fund allocation is intended to finance village government programs in carrying out government activities, development, and empowerment of village communities. The objectives of village fund allocation are:

1. Reducing poverty and reducing inequality.
2. Improve development planning and budgeting at the village level and community empowerment.
3. Increasing rural infrastructure development.
4. Increasing the security of socio-cultural religious values in the context of realizing an increase in social welfare.
5. Improve services to rural communities in order to increase social and economic activities of the community.
6. Encouraging increased empowerment and community cooperation.
7. Increase village and village community income through BUMK Village Owned Enterprises. (Chabibsoleh, HeruRocmansjah, Op.Cit. P. 62).

30% (thirty percent) of the allocation of village funds received by the village is used for operational costs for running the village government and the BPD, while 70% (seventy percent) is used for empowering village communities. Of the 30% (thirty percent) of the village fund allocation is used for operational implementation of the village government and BPD such as: village operational costs, BPD operational costs, operational costs of the village fund allocation organizing team. Of the 70% (seventy percent) used for the community, such as: development of village economic facilities and infrastructure, empowerment in the fields of education, health and gender main management, community economic empowerment, especially to alleviate poverty and financial support for the head of village community institutions. BUMK, business groups according to the economic potential of the village community, as well as financial assistance to institutions in the village such as LPMD, RT, RW, PKK, Karang Taruna, Limnas and so on[2].

2.3 The Concept of Community Welfare

Community welfare is a condition showing the state of community life which can be seen from the standard of community life. (Badrudin, Rudy, Regional Autonomy, Yogyakarta: UUP STIM YKPN 2021, p. 146). According to Sudarsono, people's welfare is in a good economic condition due to the enactment of regulations in the economy that regulate the activities of all parties and the distribution of community income as a result of these economic activities (Sudarsono, PengantarEkonomiMikro, (Jakarta: LP3ES, 1982).

Community welfare can be measured from indicators. Welfare indicators are a measure of reaching a society where the community can be said to be prosperous or not according to several experts (Bappenas, Central Bureau of Statistics, Income Level, Expenditure Composition, Education, Health, Housing).

2.4 ADD Legal Assistance

In providing legal assistance for the implementation of village funds, the role is very important and there is an understanding of legal assistance by the village head and village officials, so that legal assistants can optimize their role in providing further intervention and prevention of things that will lead to criminal acts of corruption and misconduct.[7] the use of ADD so that it is not limited to the authority given, Where the implementation of village funds must refer to regulations and laws.

3. Methodology

3.1 Population and Sample

The researcher uses qualitative data in the form of concepts or abstract meanings (primary data and secondary data). The primary data were obtained from the results of interviews using questions to the community or village officials regarding the implementation of community welfare improvement programs. Secondary data is a source of research data obtained indirectly through intermediary media (obtained or recorded by other parties) and is complementary in nature. Secondary data is in the form of library sources that can support research writing and is obtained from relevant literature on the problem, as a basis for understanding the object of research and for analyzing appropriately.

The population in this study was village officers, community leaders, and related communities. Sampling was 137 respondents based on the consideration that this number was sufficient with a sampling error rate of 15% and a confidence level of 85% (Bungin, 2001, p.129). Sampling was obtained using the formula proposed by Husein Umar (2003, p.59). He argues that to calculate the size of the sample can be done using the Slovin technique, namely the formula (Johan Santoso and NugrohoAlamjayaSutjipo 2013, p. 6):

$$n = \frac{N}{1 + N (e)^2}$$

Note :

n = Member/unit of sample

N = Number of population

e = tolerated error (0.15 or 15%)

3.2 Data Collecting Technique

Methods used in this research are observation, interview, documentation. In this research, observation used the non-participatory type of observation where the observer is not involved in the activity being observed. The form of interview used is free and guided interviews. Free interview is an interview process in which the interview does not directly lead to questions and answers on issues of the research focus (Nasution, p. 64). Determining the source of data for the interviewee was done purposively, that is, selected with certain considerations and goals for people who are considered to know the social situation especially those related to the welfare of the community around the Rejosari Mataram village. While in documentation, the researcher collects data in the form of notes, archives, and so on relating to matters relating to this research in the form of data on public officials and related parties.

3.3 Data Processing Technique

After conducting the research, the data collected through interview will be analyzed with the following steps; they are editing, classification, interpretation, data analysis techniques. The method of data management and analysis used by researchers is qualitative analysis. In qualitative research, new research steps are clearly known after the research is completed. Data analysis is the process of systematically searching and compiling data obtained from interviews, field notes, and other materials, so that they can be easily understood, and the findings can be shared with others (Sugiyono, Op.Cit, p. 2). Data analysis in this field used the Miles and Huberman model. Miles and Huberman argued that activities in qualitative data analysis were carried out interactively and continued to completion, so that the data was saturated. Activities in data analysis are namely data reduction, display data, conclusion drawing / verification. The data analysis steps are shown in Figure 1:

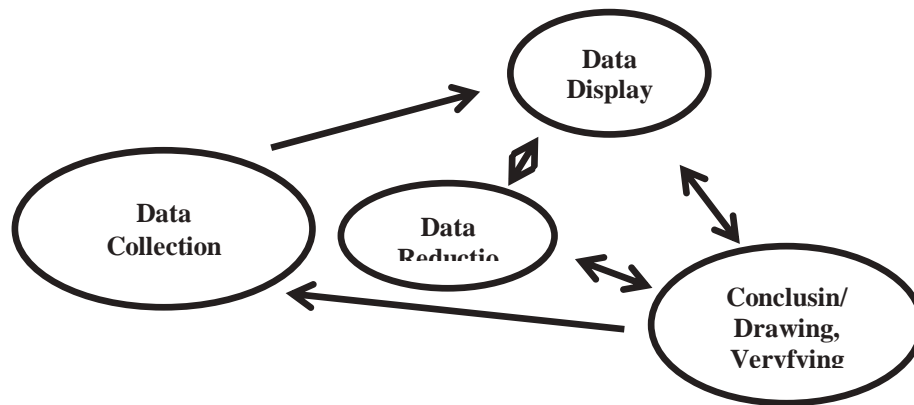


Fig. 1. Component in Data Analysis

4. Result and Discussion

4.1 How is the Management of Village Fund Allocation towards Community Welfare in South Lampung?

There are several steps in ADD management in order to achieve community welfare. They are planning, implementation, business arrangement, reports and accountability. Village Fund Allocation (ADD) management planning in physical development can be seen from the planning procedure that involves the community and community leaders involved in planning, by giving the community the authority to provide ideas / thoughts to determine development, such as development, roads, construction of puskesmas facilities, repairing fences, constructing drilling wells, repairing facilities and infrastructure, which prioritize the interests of the community first for the management of Village Fund Allocation (ADD) can be done properly. The management of the Village Fund Allocation (ADD) in the physical development of Fajar Baru Village has gone well. The existing planning process has been carried out properly, in this case the village government involves all elements of society in Fajar Baru Village who are influential in the village such as community leaders, traditional institutions, religious leaders, RT and the community in terms of contributing ideas, thoughts and energy, so that the planning process can run according to the aspirations of the community.

Implementation of Village Fund Allocation (ADD) management in the physical development of Fajar Baru Village carried out from 2017 to now has gone well and is in accordance with the planning discussed even though the funds owned by the village government are very limited. The problems that exist are lack of supervision by the Activity Implementation Team (TPK). While for business arrangement, Village Fund Allocation (ADD) management efforts in village physical development has been based on government procedures and regulations. the Village Fund Allocation (ADD) management report in the physical development of the Village has been reported to the community and BPD.

Apart from being constrained by insufficient ADD funds, the funds obtained are only focused on village operations, village apparatus spending and the Village Consultative Body

(BPD), this is for village apparatus spending by 60% and for economic activities it can only be seen from the percentage of use of village fund allocations. 35% -45%, like Rejomulyo Village 40%. Among the 20 hamlets in Jati Agung Subdistrict, the best among other villages is Fajar Baru hamlet both administratively and in field management, both in the distribution of village fund allocations for each post, such as physical development, assistance from community institutions, economic empowerment community and village operations are in accordance with government regulations as it should be.

4.2 Community Welfare

Community welfare can be measured through several indicators, welfare indicators are a measure of the achievement of a community where people can be said to be prosperous or not as indicators, namely: education level, health level, community income level, community expenditure composition, and community housing level which is the benchmark. community welfare in the ADD program. So based on this, it can be seen from table 2 below:

Tabel 2 Welfare Indicator before and after ADD

Indicator	Before ADD	After ADD	Information
Education Level	50%	60%	Increased
Health Level	Medical Delivery 85%	Hand 95%	Increased
Community Income Level	Rp.1.000.000-1.500.000	Rp.1.000.000-1.800.000	Increased
Community Expenditure	Rp. 800.000	Rp. 800.000	Has not increased
Housing Level	60%	75%	15% increase
Sewer Infrastructure	45 %	90%	increased 45%

Source: processed primary data

The impact of the ADD program in the Mataram rejosari in the field of education has not been felt by the surrounding community, because the allocation of these funds has not been allocated to education. With the construction of culverts and clean water sanitation, health sanitation will be healthier and will bring prosperity to the community at the health level. While the existence of this ADD does not have a positive impact on people's income, this is because the ADD program and management in Jati Agung Subdistrict, Fajar Baru Village lacks community economic empowerment programs. Community economic empowerment programs in the form of farmer groups, handicrafts by PKK mothers exist, but the management has not been well managed so that economically it has not been able to empower the community as a whole.

When viewed from the housing indicator, residents are not said to be prosperous because the building area does not meet the welfare category. Some of the indicators that have been described have shown that ADD has a positive impact on the surrounding community, such as not having to use river water anymore to fulfill clean water needs, even though it has not been able to meet 100% of clean water needs. From the explanation above, it can be seen that the

objectives of the village fund allocation program in Rejosari Mataram Subdistrict can be said to be achieved, namely increasing infrastructure development, and increasing the practice of socio-cultural values. Meanwhile, the increase in village and community income has not been achieved as a whole, due to constraints on insufficient funds and the mismatch of programs arranged by the local village government. The village administration has not prioritized productive economic activities as one of the programs from the allocation of village funds, village officials have prioritized the construction of culverts, roads, and clean water sanitation which is very lacking so that it becomes the need of the local community.

4.3 How is Legal Assistance towards Efforts to Improve the Welfare of Village Communities in South Lampung Regency?

First, there is legal assistance for ADD recipients so that ADD recipients avoid things that will lead to ADD abuse.

The two legal assistants here play more roles as facilitators and legal advisors for ADD recipients and their devices, the three legal assistants here also play a role in minimizing the level of cheating for ADD recipients and implementers themselves

5. Conclusion

In accordance with the mandate of the Law on Village Fund Allocation Management for the welfare of the people of South Lampung, the planning for the management of Village Fund Allocation (ADD) in the physical development of FajarBaru Village has gone well. The existing planning process has been carried out properly. In this case the village government involves all elements of society in the village who are influential in the village such as community leaders, traditional institutions, religious leaders, RT and the community.

The Supporting Factors in the implementation of Village Fund Allocation management in this study include community participation in planning, policy support from the government around the RejosariMataram village, the quality of human resources, implementation and responsibility for providing ideas / thoughts and energy, as well as policy support from the government. South Lampung Regency by issuing a regulation in the form of a guidebook for implementing the management of Village Fund Allocation (ADD). While the inhibiting factors in managing the Village Fund Allocation (ADD) in the physical development of JatiAgung Subdistrict, namely the low synchronization between planning at the village and sub-district levels, the limited amount of Village Fund Allocation (ADD) and lack of intensity of socialization to the community, and the low level of educational equipment which can slow down the management of Village Fund Allocation (ADD).

Whereas in the implementation of legal assistance for ADD recipients, so that ADD recipients avoid things that will lead to abuse and here the assistance plays a more role as a facilitator and legal advisor for ADD recipients and their devices, and minimizes the level of cheating for ADD recipients and implementers themselves. Whereas community involvement in this case is in accordance with the Law, following the growth of the village itself based on diversity, participation, genuine autonomy, democracy and community empowerment to manage and build their respective villages.

References

- [1] Z. Nahrudin, "AKUNTABILITAS DAN TRANSPARANSI PENGELOLAAN DANA ALOKASI DESA DI DESA PAO-PAO KECAMATAN TANETE RILAU KABUPATEN BARRU," *Otoritas J. Ilmu Pemerintah.*, 2014.
- [2] J. Nusantara, A. Rosid, and Sudarmaji, "Penerapan Transparansi dan Akuntabilitas Penggunaan Dana Desa Melalui Sistem WEB Laporan Keuangan Berbasis Web," in *Senadimas*, 2019.
- [3] S. Syamsi, "PARTISIPASI MASYARAKAT DALAM MENGONTROL PENGGUNAAN ANGGARAN DANA DESA," *J. Ilmu Sos. dan Ilmu Polit. Univ. Tribhuwana Tungadewi*, 2014.
- [4] A. M. Purnomo, "PEMBERDAYAAN SOSIAL DALAM PENGEMBANGAN EKOWISATA DI PEKON KILUAN NEGRI, KABUPATEN TANGGAMUS, PROVINSI LAMPUNG," *J. Kesejaht. Sos.*, 2018.
- [5] S. Mada, L. Kalangi, and H. Gamaliel, "Pengaruh Kompetensi Aparat Pengelola Dana Desa, Komitmen Organisasi Pemerintah Desa, dan Partisipasi Masyarakat Terhadap Akuntabilitas Pengelolaan Dana Desa Di Kabupaten Gorontalo," *J. Ris. Akunt. DAN Audit. "GOODWILL,"* 2017.
- [6] A. S. Dewanta, "Otonomi dan Pembangunan Daerah," *Unisia*, 2004.
- [7] Buku Pintar Dana Desa, "Buku Pintar Dana Desa," *Buku Pint. Dana Desa*, 2017.

Thomas, 2013. *Pengelolaan Alokasi Dana Desa Dalam Upaya Meningkatkan Pembangunan di Desa Sejawang Kecamatan Sesayap Kabupaten Tana Tidung*. eJournal Universitas Mulawarman, 2013, 1(1): 51-64.

Undang-undang Nomor 32 Tahun 2004 tentang *Pemerintahan Daerah*.

Sharia Banking Sustainability: Instrument Development of Islamic Banking Sustainability

Basrowi¹ & Tulus Suryanto²
 {basrowi2018@gmail.com¹, tulus@radenintan.ac.id²}

Sekolah Tinggi Ekonomi dan Bisnis Islam Lampung, Indonesia¹, Faculty of Economics and Islamic Business, Universitas Islam Negeri (UIN) Raden Intan Lampung, Indonesia²

Abstract. Until now, there is no instrument that can be used to measure the sustainability of Islamic banks. In fact, in the midst of very tight competition with conventional banks and financial technology which is developing at a fast pace, a measuring tool is needed to determine how far Islamic banks are able to compete towards sustainability. The purpose of this research is to develop an instrument that can measure the level of sustainability of Islamic banks in terms of business, investment, Human resource management (HRM), and reporting. The method used is the development of an instrument that includes steps for reading theory, developing a grid, content analysis, empirical testing, analysis and drawing conclusions. The instrument was tested on as many as 250 customers of BRI sharia banks, BNI Sharia, and Bank Sharia Mandiri. Data analysis using factor analysis method. The results of the calibration analysis show that the instrument is feasible to be tested on a wider scope, in order to obtain greater consistency.

Keywords: Sustainability, Islamic bank, instrument, measurement.

1 Introduction

The Islamic banking industry in Indonesia is undergoing fundamental changes due to a number of driving factors such as market liberalization, stakeholder expectations, and environmental risks. This has resulted in the development of the Islamic banking market experiencing an unprecedented pace. Going forward, the Islamic banking industry must continue to look for ways to increase sustainability and profitability while balancing the demands of regulatory changes. This shows the importance of sustainability in ensuring the long-term survival of the bank [1][2].

Banks in realizing sustainable development should not only move on rhetoric, but must really strive to realize sustainable development as a decision-making strategy [3]. Banking in financial reports for the public must include economic, environmental and social information. The report is intended to help audiences make informed decisions. This is motivated by the demands of stakeholders and shareholders including regulators, society, customers, and employees. Disclosure of corporate sustainability is a means of communicating with stakeholders about the company's economic, environmental and social performance. A sustainability report shows the company's responsiveness to social problems and can also serve as a signal that the company wants to position itself in the perspective of a wider community [1].

The banking industry has started to respond to this pressure by adopting the pillars of sustainability and disclosing social and environmental reports. They have a responsibility in

the sustainable development process [4]. Banks play a key role in society and an important one for economic development [5]. Thus, they bear a big responsibility for sustainable development. Some experts argue that the financial or banking sector should play an important role in the transformation of a more sustainable economic system in order to reduce the negative effects from the external side [6].

Currently, the sustainability of the banking industry has a very important meaning. The approach used also covers broader and deeper things. Moreover, currently the sustainability of the bank is gaining new momentum, driven by encouragement from governments around the world, and the growing body of evidence that supports banking finance in a sustainable manner [7].

Data from the Global Sustainable Investment Alliance (WF Banking, 2017) states that sustainable, responsible and impactful investment assets amounted to \$ 22.89 trillion worldwide, in 2016. This is an increase of 25 percent compared to 2014, which previously increased 61 percent from 2012 [7].

However, even though the amount of growth in the banking industry is striking, there is a long way to go. For example, according to research results from the United Nations Environment Program, green bonds accumulated are still less than one percent of total bond issues. Moreover, only 10 percent of bank loans are considered 'green' according to existing national standards [7].

Advanced ways of measuring banking sustainability throughout the financial system will be critical to overall progress on the sustainability agenda. Ultimately, it is highly relevant both from a policy-based perspective in understanding how the sustainable finance agenda is evolving

2 Literature Review

Adams & Narayanan (2007) considers that the issue of sustainability is one of the most important issues for industry around the world. Sustainability consists of two major concepts, namely (1) the concept of needs, in particular the essential needs of the world's poor, which must be given top priority, and (2) the idea of limits imposed by the state of technology and social organization of the ability of the environment to meet present and future needs [8].

Company sustainability shows the inclusion of social and environmental concerns in business operations and interacting with stakeholders (Roca & Searcy, 2012). From an organizational perspective, sustainability is defined as an effort to meet the needs of a company's direct and indirect stakeholders without sacrificing the ability to meet the needs of future stakeholders [9].

Sustainable business efforts are carried out to minimize various obstacles and challenges for the company. Sustainable development is a business model that manages triple bottom line where the company manages five main fulcrums (5Ps), namely finance (profit), planet, prosperity and peace, partnerships and social environmental impacts and social welfare (people) [10] are equally different from conventional ways where companies only think in terms of finances without thinking about the effects on the environment and social life [11]. Several previous studies have linked triple bottom line with corporate sustainability [12] where the method is not only safe for the surrounding environment, but also has good quality to succeed in a competitive international market.

Sustainability human resources management (HRM) is a design option for working relationships and as a contribution to the development of a sustainable company. The company believes that sustainability is more than just economical and environmentally

friendly. But also about other aspects such as employee development, work ability, employee health and welfare, employee participation, and fairness. There are four dimensions of sustainable HRM, namely justice and welfare, transparent HR practices, profitability, and employee welfare. Four broader areas of responsibility were also identified, namely legal and ethical, managerial, social and economic [13].

Financial sustainability studies the contract design problems faced by organizations or companies in the scope of financial lending by taking into account the outreach, sustainability, and impact of loans on lending targets. Sustainable finance aims to encourage financial service institutions to implement more environmentally friendly financial practices by 'greening' their customer base and prioritizing financial transactions for environmentally friendly business projects.

Altuntas and Turker (2012) analyze how sustainable supply chains are strategically conceptualized and practiced [14]. Value-based bankers are increasingly aware of the importance of the real economy, social cohesion and the natural human ecosystem. These three things are at the core of the sustainable banking business model. The focus on investment sustainability moves to regulation in the banking sector. Customers can also find out the sustainability of their investment, through internet technology. Banks must be able to provide infestation grow application services, as robots that are able to monitor financial benefits and wider social effects [7].

The dimension of sustainability includes the nature of bank services which are highly dependent on the production and processing of information and social networks. Corporate social responsibility, increased interconnectivity, increased homogeneity, decreased diversity, human culture, institutions, practices and technology [15].

Sustainability report is a form of corporate responsibility to the public, so that the public will also provide an assessment of the company's performance. Continuous reporting as a type of non-financial report is a practice of measuring, disclosing and being accountable to stakeholders for organizational performance [16]. Sustainable reporting shows a movement towards increasing transparency and business in relation to accountability to a higher level [17].

Wass et.al. (2014) suggest the use of three indicators when measuring banking sustainability, namely: interpretation, information structuring, and influence. Other experts see that the sustainability of banking can be seen from: 1) equality (justice), 2) dynamics (changes due to the changing environment and society, to trigger uncertainty and the need for prudence, 3) integration (combining finance and the environment), 4) normativity (sustainable development as a social construction as a form of normative choice) [3].

3 Methods

The method used in the development of Islamic banking sustainability instruments is to use standardized instruments by calibrating the instruments that have been developed, based on empirical trial data in order to obtain measuring instruments that have high validity and have a high level of reliability. The results of the development of this measuring instrument can be re-measured by other researchers in other places at different times. This measuring tool can be used by all researchers, because it has a high level of validity and reliability.

The population in this study are customers of the 3 largest Islamic banks in Indonesia which are registered at BI. In conducting this research, data collection was carried out through the distribution of survey instruments using goggle form to obtain the latest information

availability. This research is based on construct, content, and empirical analysis to measure the quality of sustainability disclosure.

Construct and content analysis refers to existing theories, as well as dimensions and indicators that have been proposed by experts. Empirical analysis was performed using factor analysis.

For this purpose, the information provided by the customer when filling out the instrument is the customer's perception of the sustainability of the Islamic bank in the future, based on the quality of services provided. Through a survey it was possible for researchers to take 3 commercial Islamic banks in operation. The three selected banks, namely BRI Sharia, BNI Sharia, and Bank Sharia Mandiri, all of which inform their stakeholders about sustainable performance. They finance environmental protection and operate on a social responsibility basis. Finally, we obtained a dataset consisting of balanced instrument calibration survey data from customers of 3 commercial Islamic banks.

Indicators in the preparation of bank sustainability instruments are divided into three groups of indicators, namely disclosure of financial sustainability, disclosure of consumption and energy savings, and disclosure of product responsibility.

Table 1. Sharia Banking Institution Sustainability Indicators

Dimension	Indicators	Sub-indicators	Item Number
Sharia business sustainability	Radical resource productivity	Reducing or abandoning the use of natural resources in the production process;	1
		Eliminates dependence on energy or non-renewable resources	2
	Investment in Natural capital	Running energy or resources while maintaining the environment in sharia	3
		Using resources in sharia	4
	Ecological redesign	Using a closed-loop production system	5
		Doing recycling	6
	Service and flow economy	Sharia product leasing	7
		Reducing Waste in sharia	8
	Responsible consumption	Sharia product promotion	9
		Sharia Consumer Education	10
Sharia HRM Sustainability	Justice	Sustainable justice according to sharia	11
		Opportunities for employees to participate in a sustainable manner according to sharia	12
	Transparent HR practices	Increase work capacity in a transparent manner according to sharia	13
		transparent employee development	14
	Profitability	The role of HR in generating profits according to sharia	15
		Sustainable HR competencies according to sharia	16
	Employee welfare	sustainable employee welfare according to sharia	17

Dimension	Indicators	Sub-indicators	Item Number
		Sustainable employee health according to sharia	18
Sharia Financial Sustainability	Roadmap of financial sustainability	Current position	19
		The position to be aimed at in sharia	20
		Strategy towards sharia economy	21
	Operational Sustainability	Sharia economic general policies	22
Sharia investment sustainability	Financial sustainability	Funds for social: the poor, the disabled, the elderly, the children in the children's house, charity activities, own foundation according to sharia	23
		The amount of funds allocated in sharia	24
		Sharia Donation Value	25
	Consumption and energy savings	Sharia environmental credit risk assessment procedures	26
		Initiatives to provide sustainability products and services according to sharia	27
		support for businesses that adopt environmentally friendly practices according to sharia	28
		Energy Consumption and Disclosure of Savings Environmental strategies for Islamic banks	29
	Product responsibility	Raw materials for halal products	30
		The production process becomes finished goods pages	31
		Product recycling in maintaining environmental sustainability according to sharia	32
	Economic Indicators	Direct economic value according to sharia	33
		Economic value is distributed according to sharia	34
		Islamic market development	35
		Muslim community investment	36
	Environment Indicators	Halal material	37
		Energy kosher	38
		Water	39
		Emission	40
		Recycle on page basis	41
	Social indicators	Indirect Impact	42
		Muslim employment	43

Dimension	Indicators	Sub-indicators	Item Number
		Islamic economics education and training	44

Source: Theory Reading Results

In analysing the data that has been collected, factor analysis is used.

4 Results

The determinant of correlation matrix $2.685E-14$, the determinant number of the matrix is close to zero, meaning that there is sufficient correlation between variables. The determinant value of the correlation matrix whose elements resemble the identity matrix will have a determinant value of one.

Table 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.731
Approx. Chi-Square	7296.561
Bartlett's Test of Sphericity	Degree of freedom. 946
Sig.	.000
Correlation Matrix	
a. Determinant = $2.685E-014$	

Source: 2020 data analysis results

The KMO value is an identity of the comparison of the distance between the correlation coefficient and the partial correlation coefficient. If the sum of the squares of the partial correlation coefficient between all pairs of variables is small compared to the sum of squares of the correlation coefficient, the value of KMO will be close to one.

A small KMO value indicates that the factor analysis is not appropriate, based on the output above the KMO value = 0.731. Bartlett's test shows the number 422.301 with a significance of $0.000 < \alpha (0.05)$, this shows that the correlation matrix being tested is not an identity matrix.

In the anti-image matrices table above, especially in the anti-image correlation section, you can see a number of numbers that form a diagonal (marked 'a' and have been given a circle) which indicates the magnitude of the MSA value of a variable. The MSA value is the value of the comparison of the distance between the correlation coefficient and the partial correlation coefficient. To be able to do factor analysis, the MSA value must be greater than 0.5. Based on the anti-image matrices output above all MSA values are > 0.5 so we can continue the discussion. If the MSA value < 0.5 means enough discussion here.

In the Communalities table, the Initial value is the variable variant before extracting. All initials have a value of 1, this means that prior to extraction, the variable 100% forms this factor, because the factor before extraction is the same as the variable. Thus there are still 44 items.

Table 3. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.110	13.887	13.887	6.110	13.887	13.887	4.294	9.759	9.759
2	4.799	10.907	24.794	4.799	10.907	24.794	3.346	7.604	17.364
3	4.099	9.315	34.109	4.099	9.315	34.109	3.078	6.994	24.358
4	3.365	7.648	41.756	3.365	7.648	41.756	2.893	6.574	30.932
5	2.811	6.388	48.145	2.811	6.388	48.145	2.844	6.463	37.395
6	2.255	5.124	53.268	2.255	5.124	53.268	2.768	6.292	43.687
7	2.049	4.657	57.926	2.049	4.657	57.926	2.601	5.912	49.599
8	1.850	4.205	62.131	1.850	4.205	62.131	2.532	5.756	55.354
9	1.730	3.932	66.063	1.730	3.932	66.063	2.248	5.110	60.464
10	1.469	3.338	69.402	1.469	3.338	69.402	2.074	4.715	65.178
11	1.243	2.826	72.228	1.243	2.826	72.228	1.978	4.497	69.675
12	1.134	2.578	74.806	1.134	2.578	74.806	1.951	4.435	74.110
13	1.059	2.406	77.212	1.059	2.406	77.212	1.365	3.102	77.212
14	.796	1.808	79.020						

Source: 2020 data analysis results

Based on the Total Variance Explained output, information can be obtained that the number of factors formed is 13 factors, namely the first factor has an eigenvalue = 9,759, the second factor has an eigenvalue = 7,604, and the third factor has an eigenvalue = 6,994. The total sum of all eigenvalues = 77,212 or equal to the sum of the total variants.

The percentage of variance by factor 1 is 13,887 ($6.110 / 44$) $\times 100\% = 13,887\%$. The percentage of variance by factor 2 is 24,794 ($4.799 / 44$) $\times 100\% = 24,794\%$. The percentage of variance by factor 3 is 34,109 ($4.099 / 44$) $\times 100\% = 34,109\%$ and so on.

Based on the output, it is obtained thirteen factors, each of which has a percentage of variance of 13,887; 10,907; 9,315 and so on, so that the total percentage of variance of the three factors is 77,212%. Thus 77,212% of all variables can be explained by the thirteen formed factors. This instrument is able to raise 77.22% of its hidden dimensions. The remaining 32.78% cannot be manifested through this instrument.

The Component Matrix diagram shows the distribution of the variables that have been extracted into factors that are formed based on their loading factors.

Variables are included in the factors that have the largest loading factor. The loading factor shows the closeness of a variable to the formed factors. The greater the loading factor value, the more significantly the variable can be included in one of the factors that are formed, and vice versa.

In some cases, it can be found that a variable has the same relative closeness with several factors, so it needs to be rotated. The Rotated Component Matrix table shows the distribution of the variables that have been extracted into the factors that have been formed based on the loading factor after the rotation process is carried out. The loading factor value may change after rotation.

Variables that have a loading factor value <0.400 are considered to have a weak contribution to the formed factors, so they must be reduced from the factors that are formed.

Based on the output of the Component Matrix above, it can be seen that: instrument items that enter factor 1, namely items number 6, 7, 5, and 8. Instrument items that enter factor 2, namely item items number 19, 18, 20, and 17. Instrument items that fall into factor 3, namely items number 11, 10, 12, and 9. Instrument items included in factor 4, namely items number 23, 22, 24, and 21. Instrument items that are included in factor 5, namely items number 14, 15, 13, and 16. Instrument items included in factor 6, namely items number 42, 43, 44, and 38. Instrument items included in factor 7, namely items number 27, 26, 28, and 25.

Instrument items included in factor 8, namely items number 1, 2, and 3. Instrument items included in factor 9, namely items no. 40, 39, and 41. Instrument items included in factor 10, namely items number 32, 31, and 33. Instrument items that were included in the 11th factor were items number 36, 35, and 37. Instrument items that are included in factor 12, namely items number 30 and 29. Instrument items that are included in factor 13, namely item number 34.

Table 4. Formed factors

Factor	Eigenvalue	Item number	Loading factor
1	9,759	Item_6	0,906
		Item_7	0,885
		Item_5	0,874
		Item_8	0,784
		Item_4	0,769
2	7.604	Item_19	0,898
		Item_18	0,858
		Item_20	0,760
		Item_17	0,751
3	6,994	Item_11	0,890
		Item_10	0,841
		Item_12	0,765
		Item_9	0,620
4	6,574	Item_23	0,820
		Item_22	0,786
		Item_24	0,772
		Item_21	0,740
5	6.463	Item_14	0,831
		Item_15	0,802
		Item_13	0,735
		Item_16	0,610
6	6.292	Item_42	0,858
		Item_43	0,857
		Item_44	0,820
		Item_38	0,462
7	5,912	Item_27	0,870
		Item_26	0,840
		Item_28	0,722
		Item_25	0,558
8	5,756	Item_1	0,884
		Item_2	0,834
		Item_3	0,728
9	5.110	Item_40	0,808
		Item_39	0,804
		Item_41	0,490
10	4,715	Item_32	0,808
		Item_32	0,804
		Item_33	0,490
11	4,497	Item_36	0,854

Factor	Eigenvalue	Item number	Loading factor
		Item_35	0,809
		Item_37	0,470
12	4,435	Item_30	0,847
		Item_29	0,821
13	3.102	Item_34	0,807

Source: 2020 data analysis results

5 Conclusions

Based on the results of the analysis, there are thirteen factors that can be used to measure the sustainability of Islamic banking. The most dominant factor is the factor that has the greatest eigenvalue value.

While the item items that are able to predict or describe the problem, there are 44 item items from 44 item items made by the researcher. Thus, there are no items that are reduced (excluded) because none of them have a factor loading value smaller than 0.4. The results of the calibration analysis show that the instrument is feasible to be tested on a wider scope, in order to obtain greater consistency

The basic thing that needs to be understood is that the factors which are stated as dominant factors do not mean that these factors have the greatest influence on the sustainability of Islamic banking. To analyse the dimensions that have the most influence on banking sustainability, it is necessary to carry out further analysis which is a causal analysis such as path analysis or structural equation models.

6 Acknowledgements

Thanks to the Chairperson of the College of Economics and Islamic Business (STEBI) Lampung, Indonesia who has facilitated this research until it is complete and worthy of publication.

References

- [1] N. A. Harun, A. A. Rashid, and B. Alrazi, *Handbook on the Economic, Finance and Management Outlooks*. Malaysia: PAK Publishing Group, 2013.
- [2] P. Utami, "Digital Banking Reflection and Zakat Accountability Sharia Banking in Indonesia," *East. J. Econ. Financ.*, vol. 4, no. 1, pp. 31–40, 2019.
- [3] T. Waas, J. Hugé, A. Verbruggen, and T. Wright, "Sustainable development: A bird's eye view," *Sustainability*, vol. 3, no. 10, pp. 1637–1661, 2011.
- [4] F. Özçelik and B. A. Öztürk, "Türkiye'de Bankaların Sürdürülebilirlik Performanslarının Gri İlişkisel Analiz Yöntemiyle Değerlendirilmesi," *Muhasebe ve Finans. Derg.*, no. 63, pp. 189–210, 2014.
- [5] B. Scholtens and S. van't Klooster, "Sustainability and bank risk," *Palgrave Commun.*, vol. 5, no. 1, pp. 1–8, 2019.
- [6] E. Kemp-Benedict, "Investing in a Green Transition," *Ecol. Econ.*, vol. 153, no. September 2017, pp. 218–236, 2018.
- [7] World Financial Banking, "Sustainable banks: Growing Strong," *worldfinance.com*,

- 2017.
- [8] C. A. Adams and N. Kuasirikun, "A comparative analysis of corporate reporting on ethical issues by UK and German chemical and pharmaceutical companies," *Eur. Account. Rev.*, vol. 9, no. 1, pp. 53–79, 2000.
 - [9] F. K. Turan, N. M. Scala, M. Besterfield-Sacre, and K. L. Needy, "An Analytic Network Process (ANP) Approach to the Project Portfolio Management for Organizational Sustainability," *IIE Annu. Conf. Proc.*, pp. 308–313, 2009.
 - [10] J. Elkington, *Cannibals with forks: the triple bottom line of twenty-first century business*. Capstone, 1997.
 - [11] Y. Wibisono, *Membedah Konsep & Aplikasi CSR (Corporate Social Responsibility)*. Jakarta: Gramedia, 2007.
 - [12] D. K. Nayyira, "Apa yang dimaksud dengan Bisnis Berkelanjutan atau Sustainable Business. dictio.id. URL: <https://www.dictio.id/t/apa-yang-dimaksud-dengan-bisnis-berkelanjutan-atau-sustainable-business/15047>," *www.dictio.id*, 2018. [Online]. Available: <https://www.dictio.id/t/apa-yang-dimaksud-dengan-bisnis-berkelanjutan-atau-sustainable-business/15047>.
 - [13] C. Voegtlin and M. Greenwood, "Corporate social responsibility and human resource management: A systematic review and conceptual analysis," *Hum. Resour. Manag. Rev.*, vol. 26, no. 3, pp. 181–197, 2016.
 - [14] C. Altuntaş and D. Türker, "Sürdürülebilir tedarik zincirleri: sürdürülebilirlik raporlarının içerik analizi," *Dokuz Eylül Üniversitesi Sos. Bilim. Enstitüsü Derg.*, vol. 14, no. 3, pp. 39–64, 2012.
 - [15] T. Homer-Dixon *et al.*, "Synchronous failure: The emerging causal architecture of global crisis," *Ecol. Soc.*, vol. 20, no. 3, 2015.
 - [16] H. Fauzi, G. Svensson, and A. A. Rahman, "'Triple bottom line' as 'sustainable corporate performance': A proposition for the future," *Sustainability*, vol. 2, no. 5, pp. 1345–1360, 2010.
 - [17] A. Jackson, K. Boswell, and D. Davis, "Sustainability and Triple Bottom Line Reporting – What is it all about?," *Int. J. Business, Humanit. Technol.*, vol. 1, no. 3, pp. 55–59, 2011.

The Leadership Management of the Principal of Madrasa in Improving Teacher Performance at Madrasah Ibtidaiyah of East Lampung Regency

Cipto Handoko¹, Nirva Diana², Rifda Elfiah³, Guntur Cahaya Kesuma⁴
 {Ciptohandoko25@gmail.com¹, nirvadiana@radenintan.ac.id², rifdaelfiah@radenintan.ac.id³,
 gunturcahayakesuma@radenintan.ac.id⁴}

Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia¹, Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia², Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia³, Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia⁴

Abstract. One of the factors that heavily influence the improvement of teacher performance at madrasa is leadership management. The pre-surveys conducted at MIM Banarjojo, MII Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency in terms of planning, organizing, movement, supervision, and evaluation showed good results. However, the performances of the teachers at the three madrasas were in the moderate category which means that the teachers had not optimally performed their duties and functions. This study was a qualitative study that employed the phenomenological approach. The data collecting techniques employed were observation, interview, and documentation. Based on the results of the study, the principals of the madrasas had performed good leadership management in improving teacher performances through planning, organizing, movement, supervision, and evaluation. It was indicated by the good results of teacher performances at the three madrasas. Thus, the better the leadership management, the better the teacher performances.

Keywords: Leadership management, principal of madrasa, teacher performance.

1. Introduction

Leadership management at madrasas is one of the most important factors in improving teacher performance. Hari Sudrajat states that the leadership management of madrasas' principals must at least be in line with the main tasks and functions of the principals as the head of education, namely (1) planning in terms of setting the direction of the school as an educational institution by formulating the vision, mission, goals, and achievement strategies, (2) organizing in terms of creating an organizational structure, assigning the staff, and assigning the duties and functions of each staff, (3) mobilizing the staff in terms of motivating them through internal marketing and giving examples of external marketing, (4) supervising in terms of supervising, controlling, and guiding all school staff and residents, (5) evaluating the process and results of education as the basis of education and quality growth, performing problem-solving analytically, systematically, and creatively, and avoiding and overcoming conflicts [1].

Furthermore, Supardi explains that teacher performance indicators consist of the ability to develop learning plans, the ability to carry out learning, the ability to carry out interpersonal relationships, the ability to evaluate learning outcomes, the ability to carry out enrichment programs, the ability to carry out the remedial program [2].

Based on the surveys conducted by the researchers at the three madrasas, the leadership management at MIM Banarjojo, MII Sumberrejo, and MI Ma'arif 5 Sekampung was in a good category although certain areas needed to be improved. For instance, the leadership management of the principal of MIM Banarjojo in evaluating was in the moderate category, the leadership management of the principal of MII Sumberrejo in mobilizing, supervising, and evaluating was in the moderate category, and similarly, the leadership management of the principal of MI Ma'arif 5 Sekampung in mobilizing, supervising, and evaluating was in the moderate category. Based on those problems, efforts are needed to optimally improve teacher performances. Furthermore, how are the management efforts of the principals at the three madrasas through the planning, organizing, mobilizing, supervising, and evaluating to improve teacher performance?

The researchers focused this research on the efforts of the principals of the madrasas in improving teacher performance with the following research sub-focus:

- a. The planning of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- b. The organization of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- c. The mobilization of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- d. The supervision of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- e. The evaluation of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.

The general formulation of the problem was "How is leadership management of the principals of the madrasas in improving teacher performance at *madrasah ibtidaiyah* (primary schools) in East Lampung Regency?" the details of the formulation of problems were as follows:

- a. How is the planning of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency?
- b. How is the organization of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency?
- c. How is the mobilization of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency?
- d. How is the supervision of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency?

- e. How is the evaluation of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency?

The objectives of the study were:

- a. To uncover and analyze the planning of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- b. To uncover and analyze the organization of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- c. To uncover and analyze the mobilization done by the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.
- d. To uncover and analyze the supervision of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.

To uncover and analyze the evaluations of the principals in improving teacher performance at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency.

2 Theoretical Framework

Susilo Martayo states that management is an effort to determine, interpret, and achieve organizational goals by carrying out the functions of planning, organizing, staffing, directing and leadership, and supervising [3].

The principal of the madrasa, as the manager of the institution, must be able to carry out his function as a manager. The management functions are planning, organizing, implementing, coordinating, directing, supervising, and monitoring [4].

Raiser argues that management is the utilization of physical and human resources through coordinative efforts that can be accomplished by performing the functions of planning, organizing, staffing, directing, and controlling [5].

According to Terry, management is a typical process consisting of planning, organizing, mobilizing, and supervising carried out to set and achieve targets that have been determined through the use of humans and other sources [6]. Syafarudin states that management functions cover the planning, organizing, motivating, supervising, evaluating [7].

Teacher performance is the real quality and quantity of work achieved by teachers in carrying out their duties in line with the given responsibilities by developing the learning programs, implementing the learning, conducting evaluations, and evaluating the evaluations. The teacher performance measurement can be seen from the sense of responsibility in carrying out the tasks, mandates, profession, and moral responsibilities. All of those factors can be seen through the obedience and loyalty in carrying out professional duties inside and outside of the school [8].

Sutomo and Prihatin explain that teachers are managers of teaching and learning activities. They also serve as instructional designers, instructors, and evaluators of learning outcomes as well as supervisors of all teaching and learning activities [9].

Sa'ud states that teacher performance in the teaching and learning process consists of at least four competencies, namely (1) planning the teaching and learning process, (2) implementing and managing the teaching and learning process, (3) assessing the progress of the teaching and learning process, and (4) mastering the subject matter[10].

Rachmawati and Daryanto state that the manifestation of teacher performance is the teachers' activities in the learning process in terms of planning the learning, implementing the learning activities, and assessing the learning outcomes. Teacher performance can also be shown from how much the required competencies are met [11].

Therefore, the teacher performance indicators are:

- a. Planning
- b. Implementing
- c. Assessment/evaluating
- d. Building a relationship with students
- e. Performing enrichment programs
- f. Conducting remedial programs

3. Methods

This research employed qualitative research with a phenomenological approach. Its purpose is to uncover the phenomena and try to find out the events, opinions, existing issues, and phenomena shown by the objects of research. The data was collected through interviews, observations, and documentation.

4. Result and Discussion

It was found out that the principals' leadership management at MI Muhammadiyah Banarjojo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency was in the good category indicated by the results of the performance of the three madrasahs. The principals' leadership management in improving teacher performance was done by:

- a. Planning by formulating the vision, mission, and objectives of the madrasahs then holding annual meetings to discuss madrasahs' activity plans, teacher training plans, plans to find donors, preparation of learning tools, budget plans, facilities, and infrastructure maintenance plans as well as the plans to anticipate the opportunities, weaknesses, or threats that will be faced later. The monthly work meeting discusses the principals' supervision plans regarding the teaching and learning methods, tools and media selection, and the teaching equipment and facilities.
- b. Organizing by creating effective and efficient organizational structures, compiling details of the duties of each staff, involving the staff in decision making, assigning tasks based on educational background.
- c. Mobilizing by providing encouragement, motivation, inspiration, or encouragement so that the awareness and willingness of the teachers could be raised, providing guidance through examples of actions in daily life, performing direction and guidance carried out regularly by providing precise, clear, and firm instructions, providing suggestions, input, and orders to the staffs in carrying out the task, providing adequate facilities for teachers,

- giving awards to teachers who excel in their line of duties, developing the teaching profession through workshop, seminar, and group learning.
- d. Supervising the process and the readiness of teachers, supervising and monitoring teachers by providing guidance, imposing sanctions on teachers who violate the rules, creating and maintaining a conducive atmosphere and cooperation between teachers.
- e. Evaluating the process and results of education, evaluating teachers' portfolio, performing problem-solving creatively, and avoiding and overcoming conflicts.

5. Conclusion

Based on the results of research and data analysis, it can be concluded that the principals' leadership management in improving teacher performance in MI Muhammadiyah Banarjoyo, MI Islamiyah Sumberrejo, and MI Ma'arif 5 Sekampung of East Lampung Regency are as follows:

- a. The principals' planning improved the teacher performance at Madrasah Ibtidaiyah in East Lampung Regency by formulating the vision, mission, and objectives of the madrasahs, planning annual meetings early in the year, planning monthly work meetings, planning training for teachers, and looking for donors.
- b. The principals organized the Madrasah Ibtidaiyah in East Lampung Regency by creating an organizational structure, organizing and involving madrasah staff in decision making, and arranging and assigning tasks according to educational background.
- c. The principals mobilized the teacher performance at Madrasah Ibtidaiyah in East Lampung Regency by providing encouragement, motivation, and inspiration through actions. They also provided direction and guidance regularly, suggested, and instructed the teachers in carrying out tasks, provided adequate facilities, and developed the teaching profession through workshops and group learning.
- d. The principals supervised the teacher performance at Madrasah Ibtidaiyah in East Lampung Regency by supervising and monitoring the teachers, imposing sanctions on teachers who break the rules, creating and maintaining a conducive atmosphere, and establishing cooperation among teachers.
- e. The principals' evaluated the teacher performance at Madrasah Ibtidaiyah in East Lampung Regency by evaluating the process and results of education, teacher portfolios, conducting problem-solving problematically and creatively and avoiding and overcoming conflicts.

It can be concluded that the three madrasahs' principals possessed their respective advantages. Firstly, the principal of MIM Banarjoyo improved teacher performance by supervising all the staff and distributing the donation to students and students' savings. Secondly, the principal MII Sumberrejo improved teacher performance by conducting regular guidance and direction. Lastly, the principal of MI Ma'arif 5 improved the teacher's performance by giving a proper appreciation for excellent staff.

References

- [1] H. Sudrajat, *Manajemen Peningkatan Mutu Berbasis Sekolah*. Bandung: Cipta Cekas Grafika, 2004.

- [2] Supardi, *Kinerja Guru*. Jakarta: Raja Grafindo Persada, 2013.
- [3] S. Martayo, *Manajemen Sumber Daya Manusia*. Yogyakarta: BPPFE, 1980.
- [4] S. Sagala, *Manajemen Strategik dalam Peningkatan Mutu Pendidikan, Pembuka Ruang Kreativitas, Inovasi dan Pemberdayaan Potensi Sekolah dalam Sistem Otonomi Sekolah*, III. Bandung: Alfabeta, 2009.
- [5] C. Reeser, *Management: Function and Modern Concepts*. Philippines: Scott, Foresmand and Company, 1973.
- [6] G. R. Terry, *Principles of Management*. London: Richard D. Irwin, Inc, 1975.
- [7] Syafarudin, *Manajemen Lembaga Pendidikan Islam*. Jakarta: Ciputat Press, 2005.
- [8] T. Rusyan, *Upaya Meningkatkan Budaya Kinerja Guru*. Cianjur: CV. Dinamika Karya Cipta, 2000.
- [9] Sutomo a/ac T. Prihatin, *Manajemen Sekolah*. Semarang: Universitas Negeri Semarang Press, 2000.
- [10] S. Syaefudin, *Inovasi Pendidikan*. Bandung: Alfabeta, 2013.
- [11] T. Rachmawati a/ac Daryanto, *Penilaian Kinerja Profesi Guru dan Angka Kreditnya*. Yogyakarta: Gava Media, 2013.

Evaluation of Lecturers in Online Learning during the Covid-19 Pandemic

Erniati¹, Hastuti², Kasmah³, Sitti Hasnah⁴

{erniati@iainpalu.ac.id¹, hastuti.baharuddin@uin-alauddin.ac.id², kasmahusman@gmail.com³, sitti.hasnah700831@gmail.com⁴}

IAIN Palu, Indonesia¹, UIN Alauddin Makassar, Indonesia², IAIN Bone, Indonesia³, IAIN Palu, Indonesia⁴

Abstract. Lecturers as the front-line of teaching and learning activity in any campus must always present an interesting and effective online learning model to achieve the best quality of education even in the midst of the Covid-19 outbreak. However, the sudden policy resulted lecturers in experiencing imbalances. Therefore, this study examines the results of the evaluation of lecturers in applying online learning after the government's policy in the pandemic covid-19 with the purpose of analyzing performance result of lecturers during online learning, then mapped the difficulties faced as a consideration for finding solutions in implementing the next online learning. The method used in this research was descriptive qualitative by collecting data from the results of observations on lecturers and survey data from lecturers and students through goggle form as well as data from lecturers' monitoring and evaluation from campus' LPM. From the research results, it was found that the evaluation of lecturers in online learning was less effective. The reason was due to the lack of digital literacy knowledge of lecturers caused by the unpreparedness of applying online learning. The age factors are also one of the cause which caused the lecturers unable to operate IT or digital applications for online learning.

Keywords: lecturers' evaluations, online learning, covid-19 pandemic

I. Introduction

The policy from Government to implement online learning in the covid-19 pandemic created disruptions and confusions in the Educational system, especially on college campuses due to their unpreparedness in facing distance learning. Lecturers as a main motivator in the learning process was feeling overwhelmed because they are required to adapt quickly from face-to-face curriculum into online learning curriculum that was relatively difficult [1]. The lack of digital literacy, low ability to use IT, lack of understanding in operating online applications, and the age factors are some obstacles faced by lecturers in conducting online learning. According to Konrad Grabinski, some lecturers are reluctant to introduce this form of education, due to lack of experience in using information technology and lack of adequate support from the IT department [2]. In addition, the instability of network access and the inadequate campus infrastructure also caused the teaching and learning process to be hampered and even less effective. In a survey in one of

university, around 44% of lecturers use Whatsapp Group in the teaching and learning process, 22% use Google Classroom, 9% use Zoom, 8% use Campus E-Learning, 3% use Google Meet, and 14% use others (UINAM moneyv online, 2020). From this data it proves that most lecturers only use the WAG application for online learning.

Research related to the evaluation of online learning during the Covid-19 pandemic tends to focus on three aspects. First: Application of online learning in universities [3]. Second: evaluation of online learning in universities [4]–[6]. Third: analysis of online learning during the WFH period [7], [8]. These studies have not yet explained the specific evaluation emphasized on lecturers in implementing online learning during the Covid-19 pandemic.

This article seeks to fill that gap by analyzing the results of lecturer evaluations in online lectures during the Covid-19 pandemic by answering three questions. First, what are the results of lecturer evaluations in online learning during the Covid-19 pandemic? This question focuses on the results achieved by lecturers during online lectures. Second, what is the response that causes the evaluation results? This question aims to map the difficulties experienced by lecturers during the online learning process. Third, what are the solutions for future online learning? This question is to provide an effective and interesting online learning solutions in the future.

This article is based on the argument that the results of lecturer evaluations in online learning that were applied during the Covid-19 pandemic were classified into two types; effective and less effective results. Effective results were in the form of the creating a fun and efficient online learning environment to boost the spirit and enthusiasm of both students and lecturers to master the technology. The ineffective results of the lecturers' evaluation were in the form of curriculum targets that were not being achieved properly due to inactive learning interactions. The results of the evaluation were motivated by the unpreparedness of the lecturers with the digital learning environment, the low ability and competence in using IT and the age factor of lecturers who were unable to operate several online learning applications.

2. Literature Review

2.1 The Concept of Online Learning in Higher Education

Online learning, also called distance education, is a teaching and learning process that is carried out remotely through the use of several communication media. Distance education aims to provide higher education services to groups of people who are unable to attend face-to-face or regular education and to expand access and facilitate higher education services in the education and learning process. The special purpose of distance education during the Covid -19 pandemic is to provide higher education for the community from a distance in order to follow the Government's Work from Home (WFH) policy as an effort to prevent the transmission of the Covid-19 virus. Distance education in tertiary institutions is held in various forms, modules, and coverage supported by facilities and services as well as an assessment system that ensures the quality of graduates according to the National Higher Education Standards [9].

The concept of online learning in tertiary institutions according to Tian Betawati [10] was that lecturers must comprehend the character of students to know the

application to be used accordingly. Lecturers must be innovative and creative in designing online teaching materials. In addition, the interaction between lecturers and students must be active and there should be good feedback. The online lecture system according to [11] was that the lecturing system in universities was developed by the Ministry of Education and Culture of the Republic of Indonesia through the Open and Integrated Indonesian Online Lecture Program (KDITT). KDITT is a program from the government aimed in reaching the students on the national scale.

2.2 The Effectiveness of Online Learning Concept

There are several principles for effective online learning according to Tian Betawati, namely proper curriculum, good interaction between learners, using innovative approaches, effective and inclusive methods, formative and summative evaluation, coherent, consistent, transparent, easy-to-operate devices, and also effective in cost [10]. [12] explains that a good online learning flow is the presentation of learning designed in such a way which includes a learning guide, description, a series of digital materials and a series of learning activities that are arranged in deductive-inductive way to become an interactive, interesting learning object and to achieve optimal learning quality. The most important thing from this principle is interaction with learners (lecturers and students). Therefore, lecturers as the main motivators must prepare a syllabus that is more suitable for online learning and adapt to the online application that will be used so that there are no difficulties when online lectures take place.

2.3 Lecturer evaluations improve the quality of education

The performance of educational personnel, especially lecturers, as the front-line in providing educational services, is a very important issue to be studied in order to maintain and improve the quality of educational services. Great performance from lecturers became one of the keys to improve and maintain quality educational services to society [13]. To measure lecturers' performance results, it is necessary to evaluate in order to predict the design of procedures or implementation design during the implementation stage, provide information to overcome difficulties and as a consideration for overcoming difficulties by offering solutions [4].

3. Methods

This study uses qualitative descriptive method, by collecting data through surveys and observations. The survey was carried out to students and lecturers regarding the application of online lectures which lasted approximately 3 months during the Covid-19 pandemic with a research instrument using a questionnaire questions distributed through the goggle form application. Strengthened by the data obtained from the campus LPM on the results of monitoring the evaluation of lecturers in online learning. The data is equipped with self-observation from research lecturers to find out about the online learning system carried out during the Covid-19 pandemic.

The information for this article was obtained from respondents from 3 universities, namely UIN Alauddin Makassar, IAIN Bone, and IAIN Palu. The Respondents for the survey data were 211 students and 63 lecturers, for self-observation data came from 3 lecturers, and supporting data from the results of online monitoring and evaluation were

from LPM from the 3 colleges . The requested data relates to the five domains that are the main focus of the research, namely: 1) the effectiveness of online learning , 2) applications that are often and easily used in online lectures, 3) obstacles and deficiencies experienced when carrying out online learning, 4) Solutions that will be expected to support the realization of effective learning with online lectures.

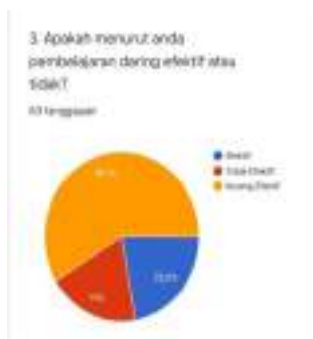
The data analysis of this research uses the analysis model of Milles, Huberman and Saldana [14], there are three concurrent flows of activity: 1) data condensation, 2) data display, and 3) conclusion drawing / verification . To collect the data, selecting the data from the field, then combine and categorize the data obtained. At the data display stage, the researcher explains the data that has been collected then retrieves the required data. After that, the sorted data would then be interpreted to be the result of the findings after conducting the research.

4. Results and Discussion

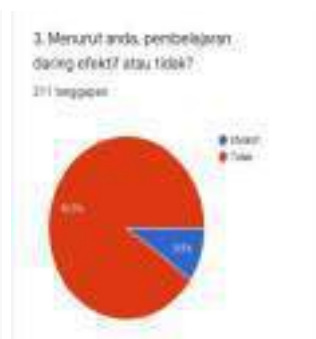
In accordance to the orientation of the research, this article interpreted the results of the evaluation of lecturers in applying online learning in the covid-19 pandemic, then analyze the difficulties encountered during the online learning process which resulted in the quality of teaching which was less effective, and solutions to optimize the online learning process.

4.1 Results of lecturer evaluations in online learning during the Covid-19 pandemic

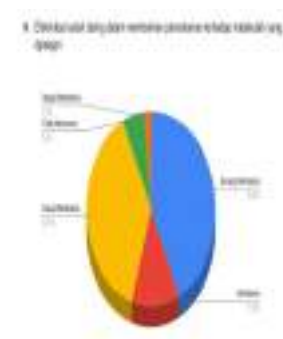
From the research results it was found that online learning during the Covid-19 pandemic was less effective. Based on the data obtained from the google form survey, 211 respondents from among students 90,5% answered ineffective. Most of them gave ineffective responses on the grounds that the lecturers only gave material without explanation and feedback, the methods used were less attractive, where students were burdened with assignments, lack on facilities such as cellphones, networks and learning applications (google form student data survey, 2020). While a survey of 63 lecturers 58, 7 % responded less effectively. Most Lecturers gave reasons, such as the lack of preparation in the application of online learning, online curriculum standards is not applicable and adequate, the learning objectives was less understood by the students, limited facilities, and unstable connection (google the data survey form lecturer, 2020) . The following is a chart of student and lecturer surveys:



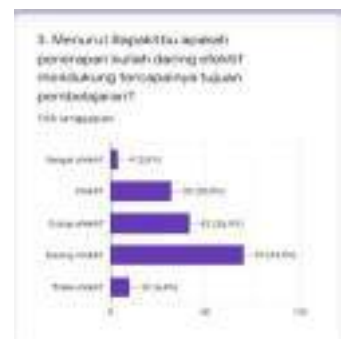
Source: Survey Google Form of Lecturers



Source: Survey Google Form Students



Source: Monitoring Evaluation from LPM IAIN Palu



Source: Monitoring Evaluation from LPM IAIN Bone

From the data above, most students responded less effective because the lecturer only gave material without explanation and feedback, the method used was less attractive, was burdened with assignments, lack of facilities such as cellphones, networks and learning applications. The most of the lecturers gave reasons that there was a lack of preparation in implementing online learning, online curriculum standards were not ready and inadequate, learning objectives could not be understood by students, limited facilities, and unstable connections.

In accordance with the results of self-observations from researchers as lecturers that during the Covid-19 pandemic, learning activities was not optimal. The main reason is due to the sudden change in learning policy without prior preparation, resulting in the learning model used is adjusted with the level of digital literacy skills possessed by both the lecturers and students. The low digital competence gave results to the less effective learning interactions. Delivering the lecture schedule through the WAG, then to start the teaching learning process by filling in the attendance list at the campus e-Learning called Lentera. After that, the researcher as lecturer read the material in the material column, asking questions in the discussion column then conducting discussions via Zoom for about 30 minutes to answer and respond to questions in the existing discussion column in Lentera (Hastuti, UIN Alauddin Makassar, 2020). The limitations in applying some of the features on the platform made the learning environment unvaried, using only limited known features.

Erniati and Kasma responded that lectures conducted during the Covid-19 pandemic used standard applications, namely WAG and Google Classroom, occasionally used Zoom application in several meetings. Lack of mastery in operating the features in WAG, Google Classroom and Zoom results in a less innovative learning environment. Even though there are several features in the application that are satisfactory in managing online learning to make it interesting and effective (Erniati, IAIN Palu 2020 and Kasma Usman, IAIN Bone 2020).

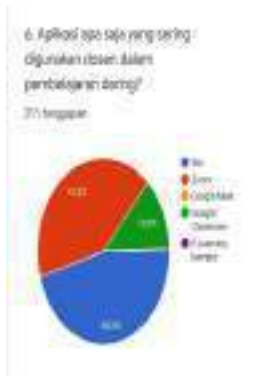
Based on the data above, it shows that the learning environment was less effective during online lectures during the Covid-19 pandemic because it was dominantly due to lecturers' unpreparedness in facing online learning. Online learning requires technical knowledge to master various features in the application so that is why, it requires innovative and creative effort from lecturers to be able to use these features in processing lecturing materials, answering questions, and discussing. However, the reality in the class is that lecturers' unpreparedness gave results to the unfamiliarity of using online technology to many lecturers. In fact, many of the older lecturers are not literate enough to use digital platforms.

4.2 The dominant factors causing the lecturers' evaluation results

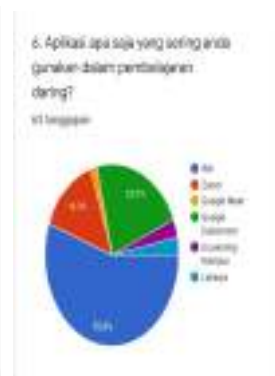
4.2.1 Lecturers' digital literacy

The application of digital literacy as an interesting alternative to learning using digital sources. It is used as an actual reference to support the process of creative, innovative, and independent learning by utilizing information technology (Tosepu, YA, 2018) during the Covid-19 pandemic. Therefore, lecturers must have the competence to operate technologies to conduct effective online learning. However, urgency in rules forced the occurrence of minimal digital literacy by the lecturer resulting in their inability to operate digital technology and limitations in using varieties of online learning

applications. Therefore, learning is limited only to provide materials without any explanations and giving independent and group assignments without any feedback. This evidence is supported from the *google form* survey data for students and lecturers and data from the campus LPM. Below is the chart:



Source: Data Survey by google form of students



Source: Data Survey by goggle form of lecturers



Source: Monitoring Evaluation from LPM UINAM



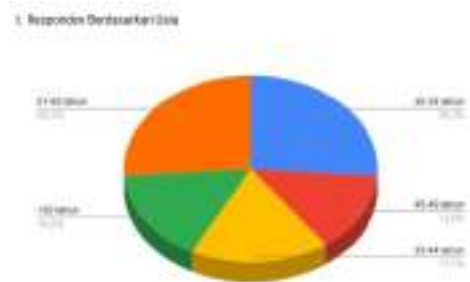
Source: Monitoring Evaluation from LPM IAIN Palu

Student survey data showed that out of 211 students 45.5 % responded applications that are often used in online learning are What Sapp Group (WAG) , 41,2% used Zoom Applications , and 12.8% used Google Classroom . In the lecturer survey, 55.6 % of the 63 respondents chose WAG as an application that was often used during the online learning process, 22.2 % used Google Classroom, 14.3 % Zoom, 8% Campus E-Learning, and 4% other applications. Data from LPM IAIN Palu found that 81% used WAG, 34% used Google Classroom, 12% Zoom, 6% Google Meet and E-Learning, 5% Facebook, 2% YouTube, E-mail and Messenger, 1% WebEx, Quizzes and Instagram. And data from LPM UIN Alauddin Makassar shows around 44% of lecturers use What Sapp Group in the teaching and learning process, 22% use Google Classroom, 9% use Zoom, 8% use Campus E-Learning, 3% use Goggle Meet, and 14% use other Applications.

From this data, it proves that most of the lecturers only use the WAG application in online learning. WAG is indeed one of the social networking applications that can be used as e-learning [15], but WAG use would not be able to monitor student attendance, provide detailed materials, give assignments or tests to students to the maximum. WAG is the most standard application in online learning. This means that lecturers are not yet used to using other applications as an online learning method.

4.2.2 The age factors for lecturers

Other than the lack of digital literacy skills of lecturers, many also pointed that age was also one of the determining factors. This is evidenced from the data from lecturer respondents.



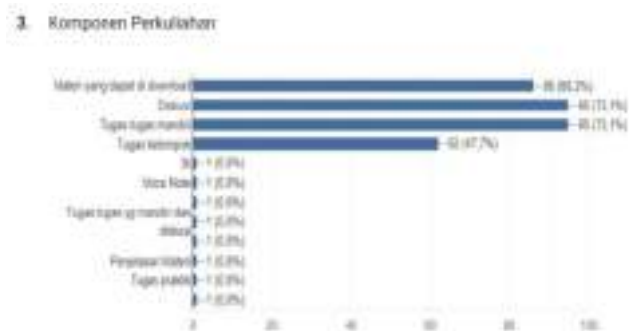
Source: Monitoring Evaluation from LPM
IAIN Palu

The age factor of the lecturers had an impact on the level of difficulties faced when using online learning media. Senior or older Lecturers did not have the literacy in using digital platform, some even completely incompetent in the use of electronic devices.



Source: Monitoring Evaluation from LPM IAIN Palu

This data shows that lecturers dominantly has difficulties using online learning applications. It is difficult to operate the application without assistance by someone else in operating the online learning applications. Some even preferred to only give assignments to students on their classes' schedule.



Source: Monitoring Evaluation of Lecturers from LPM Palu

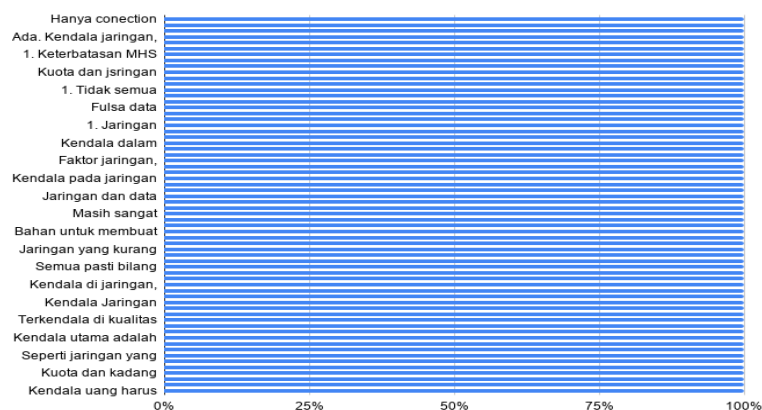
Based on the data above, about 73.1% of online lecture methods provide independent assignments to students, 73.1% of discussions, 66.2% of downloading materials and 47.7% of group assignments. This shows that lecturers dominantly gave independent assignments, downloaded material, group assignments and some had discussions. The use of such learning methods caused the students to have less enthusiasm in taking part in lectures, students often feel weary because of the less varied learning methods. This was one of the complaints of students in online learning because of the excessive distributions of assignments from lecturers.

Apart from the excessive distributions of assignments from lecturers, there are several other obstacles to online learning related to the role of lecturers. As the survey data from 211 respondents, students answered that the difficulties were mostly caused by lecturers.



Source: Data Survey by google form of students

From the data above, several difficulties could be mapped as follows; 1) time management, incomprehensible explanations of the materials, 2) lack of network access, and 3) less supportive learning system. In accordance, the results of the lecturer data survey with 63 respondents, mostly answered because of bad network access, difficulties in operating the platform, and a lack of online lecture materials.



Source: Data Survey by google form of lecturers

4.2.3 Solutions For The Application Of Online Learning In The Future

Based on the two factors above, some solutions have been summarized to support a more interesting and effective online learning. They are:

- a. Providing digital literacy training for lecturers to help understand the digital learning system which is the key to the online learning process.
- b. Providing training for distance learning curriculum.
- c. Completing the campus infrastructure so that the applications used can be similar and structured.
- d. If the campus does not provide LMS, the training uses the characteristics of several online learning applications.

5. Conclusion

Lecturers' capability in facing online learning is less than optimal. It was observable from the results of lecturers' evaluations during online learning during the Covid-19 pandemic. Lecturers' competence is still minimal in delivering lectures online. The younger lecturers did have skills in using digital media but because of a sudden policy changes, they are still in the early stage of adjustment that causes the lack of readiness in applying online learning during a pandemic covid-19. In other hands, senior lecturers are more heavily affected by the impact of distance learning because of the inability to use digital media. This resulted in monotonous learning methods. This factor causes the evaluation of lecturers' online learning performance results during the Covid-19 pandemic to be less effective.

Distance learning will become a permanent-hybrid model (blended learning) to meet the needs of higher education demands in the digital era. Therefore, the lack of and difficulties found in online learning during the Covid-19 pandemic previously should become a reference in finding the future online learning solutions. This article recommends that campuses take immediate action by conducting digital literacy training for lecturers, training online learning curriculum, preparing campus e-learning and training using several applications. These solutions are expected to contribute to the effectiveness of online learning in the future.

This study has some weaknesses in the survey results of lecturer data distributed using google form. The respondents are dominantly young lecturers so the data related to the inability of lecturers to use IT is less supportive because on average, they are proficient in using IT. There are only a few senior lecturers responded to the survey causing the descriptive results related on the age factors are less than the maximum. Thus, further research is needed to present broader and more in-depth lecturer performance results. Lecturers must be adaptive to online learning as soon as possible. Moreover, lecturers must be more creative and innovative in managing the learning environment so that student enthusiasm increases. Lastly, Campuses are expected to be able to support the implementation of online learning. They must always analyze the evaluations of both lecturers and students to find out deficiencies and measure the success rate of teaching and learning practice in higher education.

References

- [1] R. E. M. I. Putri, "Learning From Home dalam Perspektif Persepsi Mahasiswa Era Pandemi Covid-19," *Semin. Nas. Hardiknas*, pp. 17–24, 2020, [Online]. Available: <http://proceedings.ideaspublishing.co.id/index.php/hardiknas/article/view/3/3>.
- [2] K. Grabinski, M. Kedzior, and J. Krasodomska, "education sciences Embedding E-Learning in Accounting Modules : The Educators ' Perspective," 2020.
- [3] P. Biologi *et al.*, "Universitas Abulyatama Jurnal Dedikasi Pendidikan COVID-19 : PENERAPAN PEMBELAJARAN DARING DI," vol. 8848, no. 2, pp. 193–200, 2020.
- [4] A. R. Riyanda, K. Herlina, and B. A. Wicaksono, "Evaluasi Implementasi Sistem Pembelajaran Daring Fakultas Keguruan dan Ilmu Pendidikan Universitas Lampung," *J. IKRA-ITH Hum.*, vol. 4, no. 1, pp. 66–71, 2020, [Online]. Available: <https://journals.upi-yai.ac.id/index.php/ikraith-humaniora/article/view/669>.
- [5] I. Tsani, R. Efendi, and S. Sufirmansyah, "Evaluasi kesiapan lembaga pendidikan tinggi Islam dalam menghadapi era digital," *Ta'dibuna J. Pendidik. Islam*, vol. 9, no. 1, p. 019, 2020, doi: 10.32832/tadibuna.v9i1.2604.
- [6] A. Yudiawan, "BELAJAR BERSAMA COVID 19 : Evaluasi Pembelajaran Daring Era Pandemi di Perguruan Tinggi Keagamaan Islam Negeri , Papua Barat," vol. 6, no. 1, pp. 10–16, 2020.
- [7] J. M. G. Nahdi, D.S., "Jurnal Cakrawala Pendas ANALISIS LITERASI DIGITAL CALON GURU SD DALAM PEMBELAJARAN BERBASIS VIRTUAL CLASSROOM DI MASA PANDEMI COVID-19," vol. 6, no. 2, pp. 116–123, 2020.
- [8] W. Darmalaksana, R. Y. A. Hambali, A. Masrur, and Muhlas, "Analisis Pembelajaran Online Masa WFH Pandemic Covid-19 sebagai Tantangan Pemimpin Digital Abad 21," *Karya Tulis Ilm. Masa Work From Home Covid-19 UIN Sunan Gunung Djati Bandung Tahun 2020*, vol. 1, no. 1, pp. 1–12, 2020.
- [9] U. A. Makassar, "Buku Pedoman Edukasi UIN Alauddin Makassar," in *Pedoman Edukasi*, 2019, p. 11.
- [10] W. D. UGM, "Optimalisasi Pembelajaran Daring di Masa Pandemi _ Universitas Gadjah Mada." 2020.
- [11] M. I. Mustofa, M. Chodzirin, L. Sayekti, and R. Fauzan, "Formulasi Model Perkuliahan Daring Sebagai Upaya Menekan Disparitas Kualitas Perguruan Tinggi," *Walisongo J. Inf. Technol.*, vol. 1, no. 2, p. 151, 2019, doi: 10.21580/wjit.2019.1.2.4067.
- [12] U. A. Chaeruman, "Alur Belajar: Meningkatkan Interaktivitas Pembelajaran Daring," *Semin. Lokakarya Pembelajaran Daring di Perguru. Tinggi*, no. September, pp. 1–10, 2017, doi: -.
- [13] E. F. Artanti and A. Suddin, "Pengaruh Kompetensi, Komunikasi, Dan Kecerdasan Emosional Terhadap Kinerja Dosen Di Sekolah Tinggi Pariwisata Sahid Surakarta," *J. Manaj. Sumber Daya Mns.*, vol. 13, pp. 261–269, 2019.
- [14] J. Miles, Matthew B., Huberman, A. Michael., Saldana, *No TitleQualitative Data Analysisis; A Methods Sourcebook*. 2017.
- [15] A. Prajana *et al.*, "Pemanfaatan Aplikasi Whatsapp dalam Media Pembelajaran di UIN Ar-Raniry Banda Aceh," *Cybersp. J. Pendidik. Teknol. Inf.*, vol. 2, no. 2, pp. 38–45, 2018, doi: 10.5120/ijca2018918256.

Implementation of Sources and Media of Islamic Education Learning Through the Application of Google Classroom Pandemic Covid-19 to Increase the Value of Social Care Of Students in Central Sulawesi

Hamlan Andi Baso Malla¹
{hamlan@iainpalu.ac.id¹}

State Institute for Islamic Studies (IAIN) Palu, Indonesia¹

Abstract, this research is motivated by the writer's concern about learning during the co-19 pandemic and the low ability of students to design internet-based learning in the IAIN Palu campus environment. The object of this research study is the application of the Google Classroom application in media courses and sources of Islamic religious education learning as a form of social awareness in the co-pandemic period of -19. The research method used is qualitative research, namely research to answer problems that require in-depth study of natural situations according to the conditions that exist in the study site, through in-depth observation and interview techniques, data analysis techniques used are descriptive analytic. The results showed that through the google classroom learning application can increase student social awareness, empathy for the social environment as an effort to prevent Covid-19 in the IAIN Palu campus environment, Central Sulawesi.

Keywords: Learning Resources and Media, Google Classroom, and Social Care

1. Introduction

The problem of the Covid-19 pandemic is the reality of the global world that impacts the country, religion, economy, social life and education. For the world of education the co-19 pandemic period experienced a change in learning activities from the face in the classroom learning activities based on systems in online networks. This is a challenge that must be faced to make adaptation and adjustment steps in maintaining the quality of education in this emergency in order to maintain the health, safety and welfare of students, and educators [1]. The efforts of the Indonesian government to support the implementation of education and learning activities by implementing a psychological distancing, social distancing, work from home policy by the Minister of Education and Culture through policy No. 4 of 2020 and the policy of the Minister of Religion through Circular Letter 5 of 2020 concerning adjustments to the work system of employees in efforts to prevent the spread of corona virus disease (Covid) 2019. Educational

policies regarding the learning process activities during the covid-19 pandemic carried out from home.[2]. Learning process activities in the current emergency situation, the role of information technology is very urgent through online learning that links communication between lecturers and students as a solution for ongoing educational and learning activities [3][5].

The implementation of online application information technology through google online during the covid-19 pandemic can improve the quality of the learning process [6][7]. Learning activities in the pandemic period continue to be carried out well online, through an online learning process that supports the government's efforts to prevent the spread of Covid-19. The State Islamic Institute of Religion (IAIN) Palu as a State Islamic Religious Institution in Indonesia applies information technology through the google classroom application in learning activities. Google classroom application in learning as a form of social awareness as an effort to prevent the spread of Covid 19 in the campus environment.

Based on these explanations, it provides a new breakthrough in learning on the source courses and learning media for Islamic religious education online based on the google classroom application that results in changes in social care in the pandemic covid-19 period for students. This research is interesting to study because based on observations and results of interviews conducted to students in the period 2019 to 2020 that the learning process carried out in the source courses and PAI learning media is still in the form of a text book, students are still centered on lecturers as the main source of information in applying Science and technology, students in conducting learning are still conventional, students still have low ability and do not have innovative skills in designing material development in the learning process [8][9].

Observations made by researchers in the 4th semester PAI class of students in the source courses and PAI learning media show that the value of students in designing IT-based learning media gets low scores, thus the role of lecturers as, educators, supervisors and facilitators in the learning process is able to develop cognitive, affective and psychomotor abilities of students so that students have insight into knowledge, personality and skills in the context of developing science and technology in the learning process. The competencies possessed by lecturers in developing intellectual potential, care and skills have a significant influence on scientific insights, personalities and student skills competencies [10][11].

Based on the description of the problem, this research was conducted as an actual study at this time by looking at the correlation between the co-19 pandemic emergency that had an impact on the learning process at IAIN Palu. This research study will produce a resource planning design and online Islamic education learning media using goggle classroom as an effort to implement an effective learning process for students and a form of student social care in efforts to prevent the spread of Covid 19 in the IAIN Palu environment.

2. Research Methods

This study uses qualitative research methods to answer the problem according to the focus of the study. Qualitative research requires an in-depth study of natural situations according to the emergency conditions of the co-19 pandemic at the study site through in-depth interview techniques and observation in data collection. The data analysis technique used is descriptive

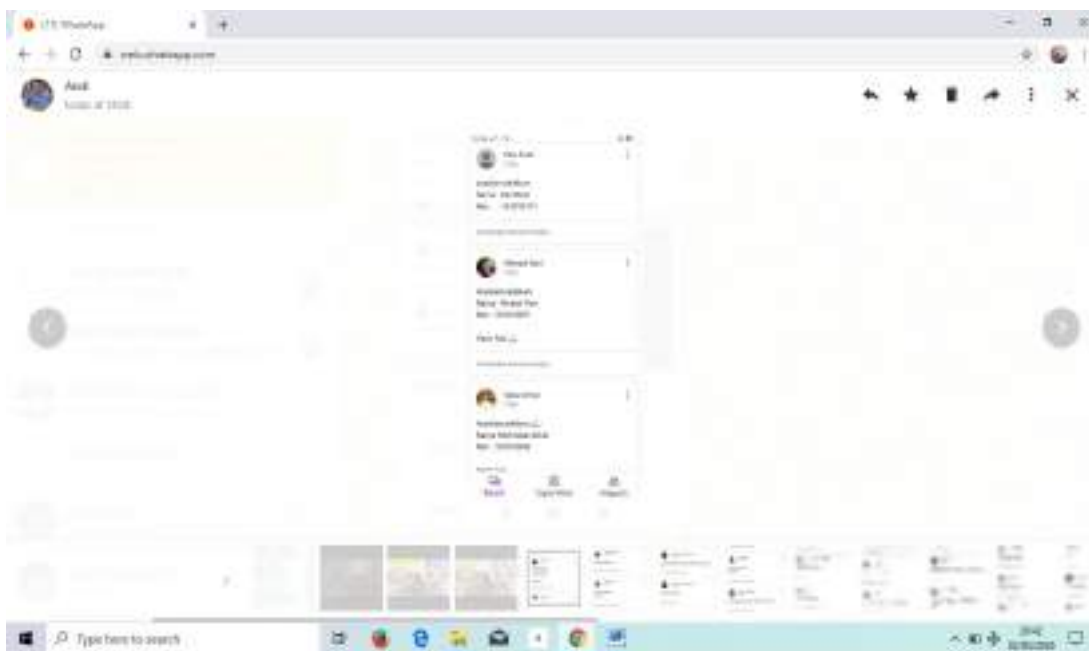
analytic [12][13]. The object of the research is the implementation of the interaction of lecturers and students in the learning process in the source courses and learning media for Islamic religious education through the google classroom online application by applying the Classroom Action Research cycle [14] for the fourth semester Islamic education class students at the Tarbiyah Faculty and Teacher Training Institute of the State Islamic Institute of Palu, Central Sulawesi.

3. Results And Discussion

3.1 Implementation of Google Classroom Based Learning in PAI Class on PAI Learning Resources and Media Subjects

The development of the most important world of technology is the internet. The internet is a window of extraordinary change for the development of information in the world of education [15][16]. Currently the world of education is facing a co-19 pandemic emergency whose impact is to make major changes to educational and learning activities carried out on the internet network in 2020. The government policy in responding to the co-19 pandemic emergency by issuing a rule that learning process activities are carried out online [17]. Educational and learning activities within the IAIN in Palu are carried out using the internet network, accessible to lecturers and students wherever they are via online information technology applications. The application of information and technology-based learning through the Google classroom application as a response to the dynamics and development of science and technology in educational and learning activities for lecturers and students in the IAIN Palu environment during the pandemic covid-19 emergency.

The development of learning in the 4th semester students of the source courses and learning media for Islamic religious education is designed using the google classroom application by utilizing the internet to follow the development of science and technology today, as one form of social awareness in preventing the spread of co-19 to fellow academicians and students in the IAIN Palu campus environment. The online learning process based on google classroom can be seen in the picture as follows:



The learning process in the source courses and PAI learning media by developing the design of learning media making in the form of videos carried out by students. Through this research conducted in two action research cycles, namely identifying problems related to the source of lecture material and PAI learning media, learning planning in RPS, the data analyzed are, first; Student test results on the development of material that is designing YouTube-based learning media that are presented through learning activities with the application of the Google classroom application stages carried out at this stage are (a). Students are divided into 4 groups in order to be able to prepare content development for designing IT-based learning media,





Figure 2. Google Classroom Based Learning Media to Increase Social Concern in the Covid Pandemic Period 19

The application of goggle classroom in the pandemic Covid -19 period which was designed through audio visual based learning media that connects the internet world with the theme: various learning media that are packaged in the results of the YouTube learning design, in the process of making YouTube activities students apply physical distancing that is by how to make YouTube learning content in groups but still following the covid-19 protocol, keep your distance and avoid the crowd. The results of the video design were presented in class using the goggle classroom application. Thus, students have a sympathetic ability to the social environment during the 19th pandemic as an effort to prevent the spread of Covid-19.

For more details on how the learning process will be described in 2 cycles:

1. At the time of the presentation, the lecturer assessed the learning process activities and through the results of the evaluations conducted by the lecturer, that the 4 groups that presented presenting the material obtained grades that were still very low with a percentage value (50) this was because students did not yet have the knowledge and skills to design media IT-based, thus learning in cycle 1 has not been completed, then the instructor instructs students to access material related to learning media according to today's topic accessing the YouTube channel with the Ling site that can be accessed by all students. After finishing accessing the YouTube channel, please continue the task for the 2nd cycle meeting in

accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer. lecturers assess the learning process activities and through the results of evaluations conducted by lecturers, that the 4 groups that present presenting the material obtained grades that are still very low with a percentage value (50) this is because students do not yet have the knowledge and skills to design IT-based media, thus learning in cycle 1 is not yet complete, then the lecturer instructs students to access material related to learning media according to today's topic access to the YouTube channel with the Ling site that can be accessed by all students. After finishing accessing the YouTube channel, please continue the task for the 2nd cycle meeting in accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer. lecturers assess the learning process activities and through the results of evaluations conducted by lecturers, that the 4 groups that present presenting the material obtained grades that are still very low with a percentage value (50) this is because students do not yet have the knowledge and skills to design IT-based media, thus learning in cycle 1 is not yet complete, then the lecturer instructs students to access material related to learning media according to today's topic access to the YouTube channel with the Ling site that can be accessed by all students.

After finishing accessing the YouTube channel, please continue the task for the 2nd cycle meeting in accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer. that the 4 groups that presented presenting the material obtained grades that were still very low with a percentage value (50) this was because students did not yet have the knowledge and skills to design IT-based media, thus learning in cycle 1 was not yet complete, then the instructor instructed students to access material related to learning media according to today's topic accesses to the YouTube channel with the Ling site which can be accessed by all students.

After finishing accessing the YouTube channel, please continue the task for the 2nd cycle meeting in accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer. that the 4 groups that presented presenting the material obtained grades that were still very low with a percentage value (50) this was because students did not yet have the knowledge and skills to design IT-based media, thus learning in cycle 1 was not yet complete, then the instructor instructed students to access material related to learning media according to today's topic accesses to the YouTube channel with the Ling site which can be accessed by all students. After finishing accessing the YouTube channel, please continue the task for the 2nd cycle meeting in accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer. Then the lecturer instructs students to access material related to learning media according to today's topic to access the YouTube Charnel with Ling site that can be accessed by all students. After finishing accessing the YouTube channel, please continue the task for the 2nd cycle meeting in accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer. then the lecturer instructs students to access material related to learning media according to today's topic accessing the YouTube channel with the Ling site that can be accessed by all students. After finishing accessing the YouTube channel, please continue the task for the 2nd

cycle meeting in accordance with the work sheet that has been prepared and can be accessed on the Google Class Room site prepared by the lecturer.

2. The implementation of cycle 2, the learning activities of this cycle 2 meeting, the lecturer prepares the topic of the material and makes a presentation on the material titled instructional media application design as a form of social care in the epidemic Covid-19. The lecturer uses 10 minutes to give a general explanation on this topic, then proceed with the presentation of student groups based on the assignments of each group that has been given. Through the goggle classroom class, students present the topic of discussion in each group, and there is good feedback between students and students, lecturers and students, so that through this learning activity, The lecturer evaluates the results of the 4 groups of students who get very good grades and each group receives a score of 90 (very good) because students in groups are able to make a chaotic learning design in accordance with the topics given to each group. Thus, the learning process in cycle 2 is related to the content of the material that through learning the goggle classroom application students have a level of awareness, care, sympathetic towards fellow students in the IAIN Palu environment, namely through the learning process and making YouTube-based learning media that is done by maintaining distance between students according to the co-deployment prevention protocol 19.

4. Conclusion

This research concludes that the application of learning through google classroom on the campus of the Islamic State Institute of Palu can improve students' abilities, namely 1) students have knowledge and skills in designing PAI learning through source courses and PAI learning media based on youtube and 2) Through the application of learning google applications online classroom, students have a high level of concern, sympathy, empathy for fellow students by doing social distancing, physical distancing and work from home when preparing a youtube design in the form of videos as an effort to prevent the spread of covid 19 in the IAIN Palu campus environment.

5. Acknowledgments

Acknowledgments. to the Rector of IAIN Palu, Dean of the IAIN Palu FTIK who assisted the writer in completing this research, to fellow academics in the IAIN Palu environment, and Tadulako University as a collaborative relation in conducting this research.

Reference

- [1] R. C. Chick *et al.*, "Using Technology to Maintain the Education of Residents During the COVID-19

- Pandemic,” *J. Surg. Educ.*, 2020, doi: 10.1016/j.jsurg.2020.03.018.
- [2] R. Pakpahan and Y. Fitriani, “p-ISSN: 2598-8700 (Printed) Analisa Pemanfaatan Teknologi Informasi Dalam Pembelajaran Jarak Jauh Di Tengah Pandemi Virus Corona Covid-19 JISAMAR (Journal of Information System , Applied , Management , Accounting and Researh) p-ISSN : 2598-8700 (Pri,” vol. 4, no. 2, pp. 30–36, 2020.
 - [3] C. W. Park, D. gook Kim, S. Cho, and H. J. Han, “Adoption of multimedia technology for learning and gender difference,” *Comput. Human Behav.*, vol. 92, pp. 288–296, 2019, doi: 10.1016/j.chb.2018.11.029.
 - [4] L. Stark, E. Malkmus, R. Stark, R. Brünken, and B. Park, “Learning-related emotions in multimedia learning: An application of control-value theory,” *Learn. Instr.*, vol. 58, no. September 2017, pp. 42–52, 2018, doi: 10.1016/j.learninstruc.2018.05.003.
 - [5] C. wen Shen and J. tsung Ho, “Technology-enhanced learning in higher education: A bibliometric analysis with latent semantic approach,” *Comput. Human Behav.*, vol. 104, 2020, doi: 10.1016/j.chb.2019.106177.
 - [6] H. Basri, A. Suhartini, and Karman, “Pendidikan Agama Islam Dan Pemeliharaan Diri (Hifzh an- Nafs) Di Tengah Wabah Virus Corona,” 2020.
 - [7] D. Jamaluddin, T. Ratnasih, H. Gunawan, and E. Paujiah, “Pembelajaran Daring Masa Pandemi Covid-19 Pada Calon Guru : Hambatan, Solusi dan Proyeksi,” *Karya Tulis Ilm. UIN Sunan Gunung Djati Bandung*, 2020.
 - [8] Anton, “Interview: Mahasiswa IAIN, Palu,,” 2020.
 - [9] Sartika, “Interview: Mahasiswa IAIN Palu,,” 2020.
 - [10] Lukman Thahir, “Interview : Dekan/Dosen di IAIN, palu,,” 2020.
 - [11] S. Lobut, “Interview: Ketua Prodi PAI Fakultas Tarbiyah IAIN Palu,,” 2020.
 - [12] Haris Herdiansya, *Metodologi Kualitatif*. Jakarta: Salemba Humanika, 2010.
 - [13] P. D. Sugiyono, *Metode Penelitian Pendidikan (Kuantitatif, Kualitatif, R&D, dan Penelitian Pendidikan)*, 3rd ed. Bandung: Alfabeta, 2019.
 - [14] Taggart and Kemis, *Taggart. and K. (2001). The Action research Planner. Deakin University, Victoria, Australia*. 2001.
 - [15] Misnah, Mutawakkil, I. Listiqowati, Iskandar, and Bahri, “Local Wisdom Development Givu Customary Law Values through Audio Visual Learning Media for Social Ecological Sustainability,” *J. Phys. Conf. Ser.*, vol. 1477, no. 4, 2020, doi: 10.1088/1742-6596/1477/4/042005.
 - [16] Misnah, M. M. Gamar, Mutawakkil, H. A. B. Malla, and Herlina, “Training on Contextual Based Thematic Learning media development for Elementary School Teachers in Sigi Regency, Central Sulawesi,” *J. Phys. Conf. Ser.*, vol. 1477, no. 4, pp. 0–5, 2020, doi: 10.1088/1742-6596/1477/4/042007.
 - [17] Y. Pujilestari, “Dampak Positif Pembelajaran Online Dalam Sistem Pendidikan Indonesia Pasca Pandemi Covid-19,” *Adalah*, vol. 4, no. 1, pp. 49–56, 2020.

Internal and External Analysis of Lecturer Development Formulation Strategy at Ar-Raniry State Islamic University, Banda Aceh – Indonesia

Safriadi¹, Siti Patimah², Ahmad Faizuddin³
 {safriadiadzra@gmail.com¹, sitipatimah@radenintan.ac.id², akhi.faizuddin@gmail.com³}

Faculty of Islamic Education and Teacher Training, Ar-Raniry State Islamic University, Banda Aceh, Indonesia¹, Faculty of Islamic Education and Teacher Training, Raden Intan State Islamic University, Lampung, Indonesia², Department of Social Foundations and Educational Leadership International Islamic University Malaysia³

Abstract. A strategic formulation for lecturer development is based on internal and external analyses. A valid data analysis will produce appropriate recommendations for lecturer development strategies. This study aims to analyze internal and external factors as the basis for formulating a strategy for lecturer development at Ar-Raniry State Islamic University (UIN Ar-Raniry), Banda Aceh. Using a qualitative research approach, the techniques used for data collection were through interview and document analysis. A cross-side analysis was conducted to compare and analyze the data in-depth and draw conclusions based on the analysis. The findings revealed that the numbers of lecturers are increasing every year including overseas graduates. On the other hand, the quantity of doctors and professors remain small. In term of learning aspect, integration-based learning has not fully implemented. In addition, research productivity, publication, and community service are still low. The transformation from Islamic institute (IAIN) to Islamic university (UIN) supposed to increase these factors. However, the biggest challenge is the availability of qualified and professional lecturers.

Keywords: Lecturer development strategy; UIN Ar-Raniry; professional lecturer; educational quality

1. Introduction

Improving lecturer's quality and quantity is important to increase the quality of an educational institution. The quantity of lecturers at Ar-Raniry State Islamic University (UIN Ar-Raniry) is still not ideal in term of the ratio between the numbers of lecturers and students. In addition, the lecturers do not have academic linearity, lack of teaching skills, research and publication, and community service. On the other hand, academic culture and resources to support academic activities of lecturers and students are also not well developed institutionally [1].

Even though the results of research publications of lecturers at UIN Ar-Raniry show an increase every year, however, the ratio between the number of lecturers and publications does not

reach an ideal figure yet. In 2016, for instance, there were about 88 academic research reports, 156 journal articles, and 64 books published [2]. Furthermore, the number of lecturers who can secure the national research grant is still limited. Only 2 lecturers of UIN Ar-Raniry received the national research grant in the year 2020 [3].

In term of community service, the programs conducted by UIN Ar-Raniry lecturers are not systematically showing improvement and necessary changes to the community. They are not consistent and continuous. Even though there are some memorandum of understanding (MoU) signed with several parties, however, most of the time the programs are not well implemented and do not achieve the objective of lecturer development. The attention to the surrounding community is also relatively limited to personal approaches from lecturers. It is not well planned, structured and continuous from the university itself [1].

It is mentioned in the strategic plan that UIN Ar-Raniry targets to improve the quality of lecturers as a force to achieve the status of top university nationally and internationally [2]. However, so far based on the ranking system from Webometrics [4] and Times Higher Education, UIN Ar-Raniry is still not in the list of top 100 higher education institution in Indonesia [5]. One of the components assessed in the ranking system is lecturer competency in term of teaching, research, and community service. The competences of lecturers in these three areas will influence the quality and performance of educational institutions [6].

Hence, the first step in order to achieve the target is by formulating the right strategy. The formulation of strategy is based on internal and external analysis of the lecturers. In the current study, the analysis is made as guidelines in the strategic formulation of lecturer development at UIN Ar-Raniry Banda Aceh.

2. Literature Review

The analysis of internal and external factors is the first step in formulating a strategic development of lecturers. The next steps are related to the vision, mission, objectives, targets, and organizational plans.[7] These factors are used in the strategy formulation of lecturer development. Among the applications that can be used in the strategy formulation of lecturer development is the concept proposed by Fred R. David.[8] This concept uses several matrixes with three stages of implementation as follow:

Firstly, the input stage in which all basic information related to internal and external factors of UIN Ar-Raniry are used to formulate the development strategy. It can be done by using two strategy formulation development techniques: (1) the external factor evaluation matrix (EFEM), and (2) the internal factor evaluation matrix (IFEM). EFEM is used to evaluate lecturer' external factors and analyze the matters related to the implementation of the three pillars of higher education, i.e. teaching, research, and community service. While, IFEM is used to determine lecturer's internal factors related to his/her strengths and weaknesses.

Secondly, the identification stage to determine alternative strategies by matching up the information in the previous stage. In the second stage, the identification is done by using the Strengths-Weaknesses-Opportunities-Threat (SWOT) matrix. SWOT matrix is important to develop four leadership strategy types.[9] They are: (a) *Strengths-Opportunities* (SO): developing

a strategy in maximizing UIN Ar-Raniry lecturer's strengths and taking advantages of the opportunities; (b) *Weaknesses-Opportunities* (WO): developing a strategy in maximizing the opportunities and reducing lecturer's weaknesses based on the data available; (c) *Strengths-Threats* (ST): developing a strategy in maximizing the strengths and avoiding all kinds of threats; (d) *Weaknesses-Threats* (WT): developing a strategy in reducing weaknesses and avoiding all kinds of threats.

Thirdly, the continuation stage using *Quatitative Strategic Planning Matrix* (QSPM). QSPM is a technique that can determine alternative strategies obkectively. This method is a tool recommended for strategy experts to evaluate the choices of alternative strategies objectively based on the the main key successes of internal-external factors that have been identified previously [7].

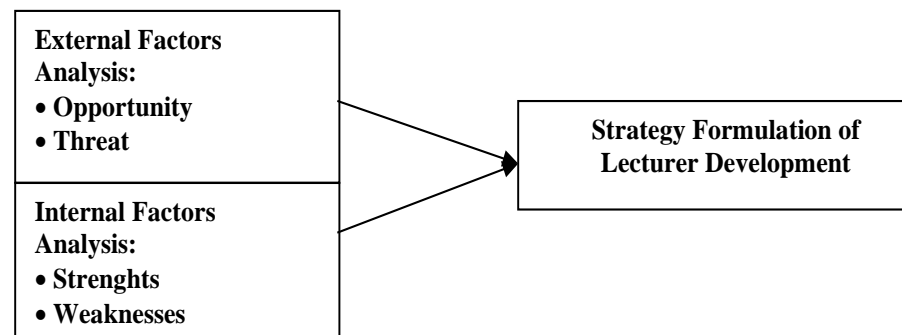


Fig.1. Internal and External Analysis of Lecturer Development Strategy Formulation

A strategic formulation of lecturer development at UIN Ar-Raniry needs a data analysis to know more the strengths and weaknesses of internal resources based on the objectives available. In addition to the internal problems, external factors also contribute to the strategy formulation of lecturer development for the current and the future times. The external development can be categorized into two forms of analyses, i.e. external opportunity and external threats that can hinder the implementation of lecture development programs. These factors are crucial to determine the strategic policies for lecturer development at UIN Ar-Raniry in the future.[9]

3. Methods

This study uses a qualitative approach utilizing interview and document analysis techniques. The interviews were conducted with 6 informants chosen purposively in line with the objectives of the study.[10] Table 1 shows brief backgrounds of the informants:

Table 1. Informants' Backgrounds

No	Code	Gender	Academic Position
•			
1	Lecturer-1	Male	Deputy Chancellor I
2	Lecturer-2	Female	Head of Research and Community Service Institute
3	Lecturer-3	Male	Head of Quality Assurance Agency
4	Lecturer-4	Male	Head of Research and Publication Center
5	Lecturer-5	Male	Head of Internal Monitoring Unit
6	Lecturer-6	Male	Head of Information Technology Education Study Program

For the document analysis, the data were taken from lecturers' personnel data including class and rank, and lecturers' publications in teaching, research, and community service. Once the data were obtained, the next steps are to make data reduction, display in the form of table, and do cross-side analysis by comparing and analyzing the data in-depth. Finally, a conclusion was drawn based on the analysis [11].

4. Result and Discussion

4.1 Internal Analysis of Lecturers at UIN Ar-Raniry

Based on the interviews with the informants, there are some internal problems faced by lecturers at UIN Ar-Raniry today. According to Lecturer-5:

There are some lecturers who do not have the required skills to support their professional development and some lecturers do not have academic linearity. On top of that, professors are limited and almost no addition in the past years. Other problems are related to limited lecturers who possess doctoral degrees at UIN Ar-Raniry and no ideal ratio between the numbers of lecturers and students. [Lecturer-5]

In term of learning process, there are also some problems in the field. The main problem is there is no learning integration as in the vision of UIN Ar-Raniry. This is due to the policy limitations of leadership institution. Lecturer-6 explained about this phenomenon:

Most of the lecturers focus on classroom activities using verbal lectures that do not encourage students' creativity. The implementation of learning integration is still far from its realization as in the vision of UIN Ar-Raniry. In addition, institutional policies in formulating curriculum and learning integration are lacking. [Lecturer-6].

To improve research productivity of lecturers at UIN Ar-Raniry, it needs a research management that is appropriate, planned, and structured.[12] Quantitatively, the numbers of research and publications of lecturers at UIN Ar-Raniry are increasing as budget allocation for research is increasing every year. However, the limitations as described by Lecturer-4 are:

The skills for research methodology among the lecturers are lacking, research orientations are mostly normative and low participation of international research and conferences. In addition, the database for research publication, journal articles, and books is not well managed. There is no “umbrella research” that involves novice lecturers to their potential. [Lecturer-4].

Based on the document analysis, the numbers of academic research and publication of lecturers are relatively low. In average, the publications are still in local journals and very few at the international level. Thus, one of the solutions to improve research productivity of lecturers at UIN Ar-Raniry is through research quality improvement program and partnership-based publication. Partnership publication is made by expert lecturers to guide novice lecturers.

Furthermore, there are also several internal problems faced by lecturers at UIN Ar-Raniry in term of community service. This is as explained by Lecturer-2:

In regulation, the community service center has planned to formulate strategic plan and roadmap as community service guidelines for lecturers and students. However, the implementation of community service is still conventional. [Lecturer-2].

Hence, a strategic formulation for community service development is urgently needed. The formulation should be scientific based in term of its implementation so it can be base core study programs for lecturers and students. Ultimately, the main objective of community service is to develop knowledge and technology for the benefits of society and the nation [13].

4.2 External Analysis of Lecturers at UIN Ar-Raniry

One of the main challenges faced by lecturers at UIN Ar-Raniry is rapid development of information communication technology that demands the lecturers to be professional. In addition, the national accreditation body for higher education (*Badan Akreditasi Nasional Perguruan Tinggi* – BAN-PT) also requires the lecturers to be competent, linear, and qualified. Other challenges include the rules and regulations of appointing new professors that are difficult to achieve by many lecturers who have possessed doctoral degrees.

The transformation from Islamic institute (*Institut Agama Islam Negeri* – IAIN) to Islamic university (*Universitas Islam Negeri* – UIN) has open the opportunities for lecturers to develop their knowledge based on integration, interconnection, multidisciplinary, and variation. The transformation is based on the development of science and technology, even though its implementation is still limited at UIN Ar-Raniry.

In term of research, the transformation provides opportunities for lecturers of UIN Ar-Raniry to improve their skills. Lecturer-4 explained that:

There is a chance for competitive research from external parties for social and religious research. This is due to the increase needs of various parties (government, private and organization) for research-based policy. On top of that, the development of information technology opens up opportunities for lecturers to improve research quality by assessing accredited journals. [Lecturer-4].

According to Lecturer-3, the main challenge of lecturers at UIN Ar-Raniry is related to competition for research grant. He described that:

The competition to secure research grants from donor organization in the autonomy era creates a challenge for higher education, including UIN Ar-Raniry, to sustain in research programs. In term of research funding, the regulation is still not flexible. On the other hand, private research organizations are mushrooming and quicker in securing the opportunities from the government and donor organizations. [Lecturer-3]

The community service has several opportunities and challenges as described by Lecturer-1:

There are many opportunities from external parties to sponsor the community service programs. The quality of community service programs can be traced through technology-based research. However, there is a negative stigma from religious traditional school [pesantren salafiyah] and rural communities in Aceh about UIN Ar-Raniry due to the issue of liberal Islam. On top of that, national and local politics is not completely stable. [Lecturer-1]

The above-mentioned internal and external analyses are used to formulate strategies for lecturer development at UIN Ar-Raniry in the future. The analysis explains about the internal strengths of lecturers and weaknesses based on its objectives. The internal strength becomes the basic force to evaluate strategic issues to be developed and the external analysis helps to support the implementation of lecturer development. There are two forms of external analysis: opportunity and threat for lecturer development program in the future. Hence, based on the internal and external analysis, the current study provides recommendation for a strategic formulation for lecturer development at UIN Ar-Raniry as follow:

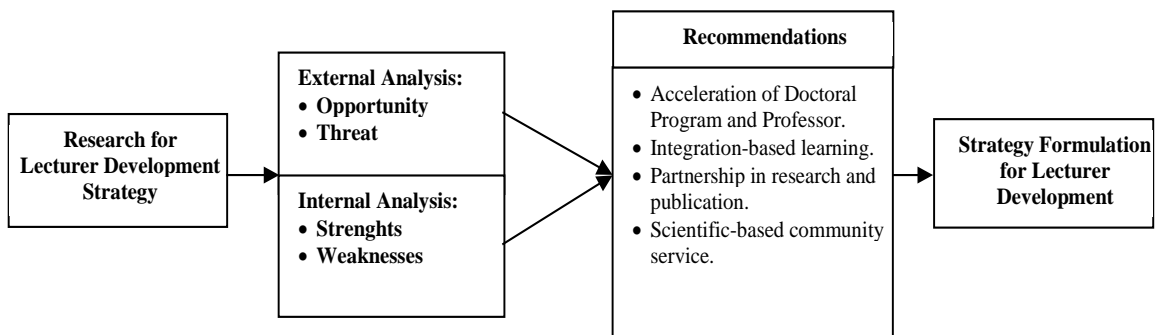


Figure 2. Internal and External Analysis Recommendations for Strategy Formulation

5. Conclusion

A strategy formulation for lecturer development needs internal and external analyses qualitatively and quantitatively. The numbers of lecturers at UIN Ar-Raniry are increasing every year, including the graduates from abroad. However, the internal aspect shows that many lecturers do not possess doctoral degrees yet, there is no professors in the past years, and no integration-based learning process. In term of research and publication, mostly are still in local journals. Moreover, the implementation of community service by the lecturers is still conventional so it does not contribute to the base core of the study program.

Based on the external analysis, the opportunities are related to the transformation of IAIN to UIN. It opens up integration-based learning, increases research productivity, and community service. While the threats from external analysis are basically related to the development of information communication technology. It demands the lecturers to be professional.

Finally, the current study has analyzed the internal and external factors of lecturer development at UIN Ar-Raniry. A recommendation for strategy formulation of lecturer development is provided for future studies.

References

- [1] A. Widyanto, *Revitalisasi Implementasi Tri Dharma Perguruan Tinggi di Universitas Islam Negeri Ar-Raniry Banda Aceh*. Banda Aceh: Ar-Raniry Press, 2014.
- [2] *Rencana Strategi Universitas Islam Negeri Ar-Raniry 2020-2024*.
- [3] L. K. Agama, "Nomine Penerima Bantuan Penelitian Tahun 2020." Kementerian Agama RI, Jakarta, 2020.
- [4] Webometrics. "<https://www.webometrics.info/en/asia/indonesia%20>".
- [5] Times Higher Education. "<https://www.timeshighereducation.com/world-university-rankings/2019>".
- [6] R. D. R. Eko Indrajit, *Manajemen Perguruan Tinggi Modern*. Yogyakarta: Andi Offset, 2006.
- [7] Sedarmayanti, *Manajemen Strategi*. Bandung: PT. Refika Aditama, 2018.
- [8] F. R. Devid, *Strategic Management; Concepts & Case*. United Kingdom: Pearson Education Limited, 2011.
- [9] Akdon, *Management for Educational Management*. Bandung: Alfabeta, 2011.
- [10] Sugiyono, *Metode Penelitian Pendidikan*. Bandung: Alfabeta, 2018.
- [11] Lexy J. Moleong, *Metodologi Penelitian Kualitatif*. Bandung: Remaja Rosdakarya, 2015.
- [12] A. W. D. Hermana, "Commitment, Work Engagement, And Research Performance Of Lecturers, In Indonesia Private Universities," *Malaysian Online J. Educ. Manag. (MOJEM)*, vol. 7, no. 4, 2020.
- [13] Undang-Undang RI No 12 Tahun 2012, *Tentang Pendidikan Tinggi*.

The Pattern of Anti-Radicalism Education at Majelis Taklim in Kota Palu

Syamsuri Syamsuri¹, Nurwahida Alimuddin²
 {syamsuri.akil@gmail.com¹, Nurwahidaalimuddin@gmail.com²}

IAIN Palu, Indonesia¹, IAIN Palu, Indonesia²

Abstract. The pattern of anti-radicalism Education at *majelis taklim* in Kota Palu is needs-based learning. The formulation of a systematic and coherent curriculum can be accessed through social media belonging to the *majelis taklim* group of participants. The phenomenological approach to the learning system of *majelis taklim* in Kota Palu was carried out to observe political, ideological, and cultural influences. The things that appear in the discussion of the participants in *majelis taklim* are like icebergs. The root of the problem in society is multi-dimensional and crucial but often melts away, due to the charismatic role of community leaders. *Alkhairaat* and *Muhammadiyah* community organizations became the protectors of the ideology of *majelis taklim* in Kota Palu.

Keyword : *ideology, movement, and community*

1 Introduction

Kota Palu is the capital of Provinsi Sulawesi Tengah, which has received refugees due to social unrest from Poso Regency, in 2000-2005. As a result of the rioting, there were also several killings and bomb explosions in Kota Palu, because the perpetrators targeted in several locations. The government and community leaders continued to monitor the concern of an escalation of violence in the name of religion, so that the Kota Palu succeeded in preventing radicalism from occurring.

Radicalism is an extreme political or social or religious view that is inconsistent with or contrary to the political, social and religious views recognized in the Unitary State of the Republic of Indonesia which can lead to social, political and inter-religious conflicts or within the same religion. This causing restlessness, peace or disturbing order in community life. In this regard, radicalism needs serious attention by all parties in order to get treatment as early as possible. This early treatment needs to be done so that radicalism does not roll wildly which causes terrorist acts to emerge.

The phenomenon of violence in the name of religion, which is often known as religious radicalism, has become increasingly visible, which ultimately becomes the background for the terrorism movement that has always overshadowed and is a problem currently faced by countries in the world, including Indonesia. Such understanding is not actually caused by a single independent factor. Social, economic, environmental, political and even educational factors also contributed to influencing religious radicalism. However, religious radicalism is often driven by a narrow religious understanding, feelings of pressure, hegemony, psychosocial insecurity, and local and global injustices. This movement gained a large following among the younger generation of Muslims who grew up under a secular-nationalist government system [1].

If we want to look at religious phenomena in the Islamic world globally and in a state such as in Indonesia, the last few years there has been a tendency for some Muslims both globally and in Indonesia to show "Islamic authenticity" (which according to them) is in accordance with the blue print, taught by the Prophet Muhammad. The central issues they raise are around the need to establish a *Khilafah Islamiyah* (Islamic State) and the formalization of sharia in the life of the nation and state [2].

Referring to the results of survey research conducted by the Jakarta Institute for Islamic Studies and Peace (LaKIP) in 2010, it can be seen that 48.9% of student data in the Jabodetabek area have loudly stated their approval of radical action. The results of this survey not only stunned the teachers, but what most needed to be a reflection were parents, especially mothers who became

the first and foremost educators of their children. At this level, it must be fully aware that there is a danger that is threatening children. It should be understood that the emergence of an attitude of approval or acceptance of a value, whether good or bad, is the initial stage of the five stages of a person's affective or attitude in the view of David R. Krathwohl. The five stages of this attitude are receiving, responding, valuing, organizing, and characterization by a value or value complex [3].

This means, if the children's consent to radical acts is allowed, it may result in them having violent personalities as a way to achieve goals. As a result, radicalism has at least received support even though it is only at the level of children's thinking. So, you can imagine if all the children had the same thoughts, then radicalism would be a "something" that was okay in their eyes.

The data shows cases of religious radicalism targeting young people who are still students. As happened in early 2011, there were three terrorists suspects arrested who were still students at a school in Klaten [4]. It is of a vital importance for this line of research to bring all these scholarships together to figure out what we know so far about the phenomenon of Islamic fundamentalism and extremism. Research on "Islamic Radicalism" and its causes and consequences has become more popular among scholars in several social science disciplines, especially sociologist and political scientists [5].

Incidents like this are an example of how dangerous radicalism is to equalize religion which is increasingly prevalent and combing Muslim youths who are still students and in fact still children. They should be protected and educated to become the next generation of the true nation and religion.

2 Literature Review

The emergence of this problematic religious movement often causes public unrest, resulting in the emergence of conflict accompanied by violence Wiwitan [6]. This study suggests that religious movements can trigger radicalism in society. Our research observes religious extension workers who are able to suppress radicalism in Kota Palu.

Islamic resurgence or the phenomenon of escalating religiosity and consciousness seems like scandalous behavioral and practical manifestations of a „return“ to medieval belief and morality [7]. The phenomenon of religious movements, on the one hand, can increase faith in God. But when religious movements enter the area of interest, the potential for conflict often occurs. The pattern of education carried out by religious educators in Palu City seems to be harmonizing with the community, so that there are efforts to reduce it.

3 Methods

This study used a phenomenology of Islamic education for society, many influence of ideology at dakwah content. The phenomenon of violence in the name of religion, which is often known as religious radicalism, has become increasingly visible, which ultimately becomes the background for the terrorism movement that has always overshadowed and is a problem currently faced by countries in the world, including Indonesia

4 Result and Discussion

4.1 Preventing the Potential of Radicalism

Although there is no data on the perpetrators of radicalism in Kota Palu, it is possible that radicalism will also develop in this area. Especially if there does no effort to prevent the penetration of this understand from the start? It is at this point that the role of the ministry of religion extension workers is required to be more proactive in providing guidance and counseling

to families in Kota Palu. The targets that were most effective in providing guidance were mothers who were members of the *majelis taklim*.

Housewives have a very central role in nurturing and guiding their children so they don't fall into radicalism. It's just that, the level of knowledge and understanding of mothers, they still need guidance so that they also have knowledge about things in fostering their children. This knowledge is important so that mothers can direct their children so they do not get involved in radicalism.

Responding to this, the Ministry of Religion Affairs (MORA) of Kota Palu, provides continuous guidance to the community or religious groups. Based on observations, the coaching efforts carried out by the Ministry of Religion of Palu City were given to religious instructors, especially those in the ministry's line of command. This means that guidance against radicalism in the community, especially in religious groups, is left to the extension agents. It is these extension workers who are likely to be at the forefront in providing guidance in order to ward off radicalism. In line with this, one of the extension agents stated that for the effectiveness and efficiency of congregation development, especially women, it is necessary for them to be gathered in one forum. The best and most commonly used container is *majelis taklim*.

Therefore, since 2016 we have formed *Majelis Taklim Sahabat*. In this assembly, it examines radicalism so that mothers are not exposed to radicalism. That's why mothers are given a correct and correct understanding of religious knowledge. Talking about radicalism is talking about the doctrine they have in mind. If this doctrine is understood incorrectly by mothers, they will be exposed to radicalism. The danger is that mothers are the ones who are most responsible for the education of their children, especially in the household, so that if this is allowed to do so, their generation may become involved with the radicalism movement. At least there will be abandonment of radicalism in their children.

Therefore, I try to pattern the guidance of the *majelis taklim* congregation by: First: religious material must be taken from the *sanad* that reaches the Messenger of Allah, Second: teach *al-wasatiah* (moderate in nature). Then it is very emphasized on mothers so that their children are not exposed to this radicalism. Mothers are taught religious knowledge in order to understand. Especially now that information on radicalism is so massive in cyberspace. Sometimes they learn from the internet. Based on the results of an interview with Fikri, he was an Islamic Religion Officer at the Ministry of Religious Affairs in Palu City, which was conducted on September 26, 2019, "Reading books is done alone without asking the teacher who knows better."

A similar sentiment was also conveyed by one of the extension agents who said that for the past 3 years we extension officers have continued to intensify our training in *taklim* assemblies in the hope of warding off radicalism. Based on the results of an interview with Marwan Feri, he was once an Islamic Religious Officer at the Ministry of Religious Affairs in Palu City, which was conducted on September 26, 2019, "At least radical views need to be cleaned up as early as possible, especially for mothers because they are the ones who are in direct contact with their children's education."

This statement illustrates that the Islamic religious extension workers in Kota Palu always provide guidance to members of the *taklim* assembly. In fact, their efforts to pioneer a new *taklim* council to serve as a forum for gathering congregations, especially mothers, to be given guidance. The frequency of coaching given is adjusted to the schedule in each *majelis taklim*. This is due to the *majelis taklim* which have set their own schedules. In line with this condition, Muhammad Idham, Penyuluh Agama Islam MORA in Kota Palu stated that we are Islamic religious extension workers in providing guidance to *majelis taklim* according to the schedule of events that have been prepared by the *taklim* assembly itself.

There is a *majelis taklim* that schedule coaching eight times a month. In the eight times of coaching, four meetings were given lecture materials on radicalism to *majelis taklim* women with the core material directed at strengthening about radicalism which is a dangerous thing and we must fight together with community leaders, government and religious leaders. Based on the results of an interview with Muhamad Idham, he was once an Islamic Religious Officer at the Ministry of Religious Affairs in Palu City, which was conducted on September 26, 2019, "There is also the *taklim* council to schedule it every week, every two weeks and once a month. This schedule is adjusted by us as extension agents."

Penyuluh Agama Islam always adjust to the schedule. It's just that, if there is a situation that is unusual and requires sharpening or preventive action against radicalism, the extension worker asks for time to provide guidance to *majelis taklim* in their area. Based on the results of an interview with Muhamad Feri, who was once an Islamic Religious Officer at the Ministry of Religious Affairs in Palu City, which was held on September 26, 2019, "This was stated by the Islamic religious instructor who said that in providing counseling to the Majelis Taklim in Kota Palu, we extension officers also adjusted to the situation and conditions. If there are indications / symptoms of radicalism in that place, then we will take immediate action to be followed up."

This statement illustrates that although *majelis taklim* have set a coaching schedule, but the extension workers think there are things "urgent" to convey to the community immediately, the *taklim majelis* gather to gather and open recitation events. So, the chain of guidance to *majelis taklim* was cut off in the current situation, especially those not related to radicalism.

Majelis Taklim in Kota Palu has not difficulty in accessing Islamic religious extension workers to fill every event they conduct. This is monitored by researchers at *majelis taklim* never empty in any recitation schedule that they have determined. Religious instructors always come to provide guidance, especially those from the ministry of religion. This is also in line with the statement of the religious instructor who stated that based on the Head of the Office of the Ministry of Religion, Palu City, all extension personnel should be proactive in providing guidance. Islamic religious educators in the ranks of the Ministry of Religious Affairs in Palu City always respond to every request and invitation to provide guidance. The point is, wherever we are needed, we will respond.

This statement illustrates that the continuity of guidance to *majelis taklim* carried out by religious extension workers of the MORA of Kota Palu has always been going well. Not only are that, in coaching the *taklim* assemblies there patterns. It can be seen that coaching has been carried out by coaching mistakes that rely on the old, namely "the time comes to sense". The extension workers make such preparations so that the coaching program can run well and smoothly.

This was confirmed based on the results of an interview with Agusman, he was an Islamic Religion Officer at the Ministry of Religious Affairs in Palu City. He stated that the coaching program that we always do is not arbitrary, in the sense that it only meets the schedule, but we do with full preparation. At least before we go down to the *majelis taklim* we will identify the needs of the *majelis taklim* and especially the identification of radicalism around the *majelis taklim* environment.

This statement can be understood about the planned effort for an extension worker to provide guidance to the *majelis taklim* congregation, so that what they convey can be in accordance with the expectations of the *majelis taklim* congregation. Not only that, extension workers make every effort to do early detection of *majelis taklim* and the surrounding environment in relation to the existence of radicalism that needs to be overcome.

Penyuluh Agama Islam always pay attention to the conditions of the *majelis taklim* congregation they cultivate. This is due to the awareness of the religious extension agents of the feeling of boredom and boredom in doing Muslim assemblies. Therefore, one of the Islamic religious extension agents responded to this by always coordinating with the leaders of the *majelis taklim* to find a solution. This was stated by one of the Islamic religious educators who said that I always tried to make the members of the *Taklim* Council not feel bored to follow the coaching on every predetermined schedule. Based on the results of an interview with Nikma, he was an Islamic Religion Officer at the Ministry of Religious Affairs in Palu City. She stated that the effort that I did was coordinating with the committee of the *taklim* assembly, I even went to all the heads of the *taklim* assembly to exchange ideas about what the members of the women wanted so that they didn't get bored of the *taklim* assembly. Moreover, only with this *taklim* assembly, we extension agents can provide effective and efficient guidance to mothers. The same thing was stated by one of the extension agents, who said that,

In order to avoid feeling saturated in the material, the overlapping of the material between one extension and another was also a concern of the extension workers. On this basis, we provide recitation or guidance to the majelis taklim congregation using a material curriculum that has been compiled for the next one year, so that the material is conveyed

coherently. This is done so that the congregation does not feel bored with the material they receive.

So, the guidance given by the extension personnel to the *majelis taklim* congregation has been patterned, so that the congregation can receive the material coherently and continuously. Of course, the materials that have been set forth in the curriculum support one another to provide an understanding of the *kaffah* religion of Islam. With this *kaffah* understanding of Islam, Muslims will be free from radical understandings.

Not only that, the researchers's observations also found that there was guidance carried out by Islamic religious extension workers who prioritized dialogical of dakwah. At this level, the researcher saw that the extension workers opened up space for the *majelis taklim* congregation to have a dialogue and issue all their complaints regarding the material being conveyed to the actual problems they were facing at that time. The Islamic Religion Officer of the Ministry of Religious Affairs in Palu City stated that,

This was also emphasized by religious extension workers who said that the preaching pattern, which had been centered only on ustaz, was changed by preaching that emphasized the activeness of the congregation. The reason is, in addition to one-way dakwah it can cause boredom and stiffness, also because what is faced is a member of the taklim assembly. Therefore, the method of conveying is used to provide material exposure; the rest is used for dialogue.

The training carried out by the religious extension workers has adopted a better method than the previous method. The training method referred to is a monological method moving to a dialogical method. This method is understood to be a more effective method for guiding the congregation, especially the *majelis taklim* congregation. The technical implementation is by explaining the material and then opening a question and answer room as wide as possible for the congregation to ask questions related to the material. Even more than that, the extension workers still respond

In providing guidance to *majelis taklim*, religious extension workers provide material explanations not only in the form of lectures. However, sometimes extension workers provide guidance using technology-based media. The researchers' observations found the use of media in providing guidance, such as in focus. The religious extension agents present material through an in focus with a varied and attractive appearance. Especially if the material directly in contact with radicalism is up to date, the extension workers will play radicalism film footage; from the concept to the latent danger of radicalism. The Islamic Religion Officer of the Ministry of Religious Affairs in Palu City stated that,

The use of audio-visual media in providing guidance to the taklim assembly congregation was also strengthened by the statement of the religious counselor who said that radicalism was something we were always up to date, so we also tried to provide understanding in a more effective way. The way we take it is by using the in focus media. We use this media because it can provide clarity, both sound and image or film. In other words, in focus provides an audiovisual effect, so that the congregation can hear and see firsthand how radicalism really is.

The media used by religious extension agents in providing guidance to the *majelis taklim* congregation is one medium that is quite effective. This is based on the arrangement of researchers who find their enthusiasm in watching the audiovisual broadcasts of the media. Through this audiovisual effect, the congregation is not only interested in following the material, but also sees first-hand the real issues of radicalism. The enthusiasm of the congregation can be seen from their resilience to sit in the assembly watching the songs and enjoying them casually, but still paying close attention and listening to what is presented in films with the theme of radicalism.

Apart from the media previously mentioned, the extension workers also applied other media. In the researcher's observation, the media apart from visual audiences, extension agents also used online media in the form of the *What Sapp* application. The religious educators provide their contact numbers to call and share with one another. Even through this online media application, the extension agent creates a *what Sapp* group with each *taklim* group that they coach to facilitate communication. Through this online communication, the extension workers opened a space for the *majelis taklim* congregation to ask and answer questions with the extension agents, especially

those related to religious issues. The Islamic Religion Officer of the Ministry of Religious Affairs in Palu City stated that,

The use of online media was emphasized by the extension agent, who stated that to improve the relationship between us extension agents and members of the Taklim Majlis in Kota Palu, we created a Whatshap group. Through this online group media, we are able to build an intensive communication network, so that it is not just connecting to silahturrahmi via cyberspace, but more than that. We can exchange ideas, ask questions about religion, and even remind each other about the vigilance of radicalism. Through online media we can also control each other of the assembly against all the possibilities that occur.

The extension's view can provide an overview of the guidance carried out in the *taklim* assembly in Kota Palu which does not only rely on the old pattern, namely public lectures, but has also made use of information technology. Even by utilizing this technology, extension workers can easily control, remind and be able to ask and answer questions to the members of the *majelis taklim* they coach. Thus, the guidance for *majelis taklim* members continues, even though they have not entered the recitation schedule and the like.

Based on the exposure of the research findings in the field, it can be understood that the Islamic religious extension workers in Palu City have been patterned to ward off radicalism, especially for housewives. The pattern that was applied had an effect on the development movement that was getting tidier, systematic, and controlled so that in the end the *majelis taklim* congregation was not seized by a feeling of boredom and boredom to follow the coaching given by the Islamic religious extension workers in Kota Palu.

The pattern of guidance as described can be seen in several forms. *First*, the establishment of a roadmap for the *majelis taklim* area. Through this mapping, extension workers have a reference to provide clear guidance to *majelis taklim*. *Second*, with this roadmap, extension workers can easily map the needs of *majelis taklim*, so they can respond quickly to changes that occur. *Third*, the pattern of guidance is based on the needs of *majelis taklim*. This means that the extension workers do not voluntarily fill the event at the *taklim* council they foster to avoid feeling bored by the members. *Fourth*, coaching uses a curriculum, so that the material can be well systemized. *Fifth*, the guidance carried out in *majelis taklim* has been based on the latest technology media.

4.2 The Education Pattern of Majelis Taklim in Kota Palu

The guidance of *majelis taklim* carried out by Penyuluh Agama Islam in Kota Palu in preventing radicalism has good prospects. This is based on data from the findings of researchers, that there are several things that really support the smooth implementation of the guidance of *majelis taklim*, namely:

4.2.1 Activity of extension workers

The researchers' observations found the attitude of the extension workers in fostering *majelis taklim*. Each recitation schedule that has been determined by the *taklim* council, is always filled in by the ministry of religion extension. In fact, extension workers often fill out the schedule because they think there are things that need to be conveyed quickly. This was also stated by one of the extension workers who said that we were extension officers in addition to the instructions from the leadership to respond to the guidance of all *majelis taklim*, also because of a call from the heart to broadcast the true religion of Islam. Moreover, with the rise of radical ideas which we consider to be contrary to the Islamic religion, which in fact are increasingly tapping our conscience to straighten them out.

This statement emphasized the progressive attitude of the extension workers to provide guidance to the *taklim* council in order to fight against radicalism. Moreover, the notion of radicalism that cannot be overcome can lead to acts of terrorism. And, the people who are affected by radicalism are not only in the older generation, but also targeting teenagers.

4.2.2 Extension specifications for dealing with radicalism

MORA of Kota Palu has appointed special extension personnel to deal with radicalism. This means that there are extension workers in the area of the Office of the Ministry of Religion of Palu City who have the expertise to guide and deal with issues related to radicalism. This was stated by

one of the extension agents who said that the Office of the Ministry of Religious Affairs in Palu City had mapped and assigned extension workers who were specialized in dealing with issues related to radicalism. This means that the extension worker has the expertise to deal with the problem of radicalism, starting from the understanding and characteristics of radicalism that can lead to acts of terrorism. However, this does not mean that other extension agents are not given the opportunity to develop *majelis taklim* related to radicalism. Because we all have to fight against radicalism, which can lead to acts of terrorism.

This statement emphasizes the existence of a specific extension of the staff that is fully concentrated on the problems of radicalism. So, the *majelis taklim* congregation can get a comprehensive enlightenment on the problem of radicalism and at the same time have alternative solutions to overcome radicalism even though within the scope of their respective families.

4.2.3 The positive response and enthusiasm of the *majelis taklim* congregation to radicalism

Researchers saw the response and enthusiasm of the *majelis taklim* congregation in following coaching related to radicalism. They showed their seriousness in following the lectures given by religious extension workers. Even when the question and answer session was opened, almost all mothers gave responses, questions, and offered possible alternative solutions, at least in their neighborhood.

4.2.4 MORA sends extension workers to attend professional improvement training

Extension workers are always assigned by the Ministry of Religion to attend training. Assignments to take part in the training are intended to support and increase the professionalism of the extension personnel in carrying out their duties as an instructor. This was conveyed by one of the extension agents who said that to support and improves the skills of extension workers in carrying out their duties, the Office of the Ministry of Religion always assigns extension personnel to take part in professional improvement training.

4.2.5 Cross-sector cooperation

Another supporting factor is the existence of cross-sectoral cooperation carried out by the MORA of Palu to jointly fight radicalism. With this cross-sector cooperation, the guidance of *majelis taklim* is more comprehensive because radicalism is not only seen from the religious aspect, but is more comprehensive. This was stated by one of the extension agents who said that in carrying out the guidance of *majelis taklim*, especially those related to radicalism, we collaborated with several institutions that also paid attention to this radicalism, for example the Palu Regional Counter Terrorism National Agency and institutions including public figure. This cooperation has further strengthened the movement of the *taklim* assembly to overcome the dangers of radicalism.

The guidance of the *majelis taklim* congregation carried out by the MORA of Kota Palu is very good. This is due to several opportunities that greatly support the implementation of coaching. Therefore, these opportunities must continue to be nurtured, maintained, and continuously developed by the extension workers so that the synergy of fostering the *majelis taklim* congregation can run continuously. Especially recently, terrorism is a very terrible scourge and afflicts future generations. If taken to the root, one of the causes of terrorism is the existence of radicalism that is embedded in the children of this nation. This concept of radicalism continues to grow, which has sparked acts of terror.

Likewise, the involvement of social organizations such as *Alkhairaat*, Muhammadiyah, Nahdlatul Ulama (NU), Darul Dakwah wal Irsyad (DDI), As'adiyah, Dewan Dakwah Islam Indonesia (DDII), Persatuan Islam (Persis), Indonesia *Berdzikir*, and others, in learning majelis taklim, have the aim of preserving Islamic teachings. as *rahmatan lil 'alamin* (a gift to nature).

4.3 The Iceberg Pattern of Anti-Radicalism Education in Kota Palu

Radicalism in the name of religion that occurred in Kota Palu, for three consecutive years. The shooting of Reverend Susianti Tinulele in 2004, the Maesa Market bombing in 2005, and the shooting of Pastor Irianto Kongkoli in 2006. Incident after incident, which claimed lives, was an accumulation of disappointment and revenge by the perpetrators, against the Poso riots. A deadly event that worries the people of Kota Palu, because the iceberg theory shows an escalation of

violence that only causes material and mental losses. As an applicable legal measure, the perpetrators were sentenced to terrorist crimes.

In connection with fears of escalating radicalization, Tito Karnavian argued that the problem of terrorism is like an iceberg, where if only the tip is cut, there are still bigger roots underneath. Terrorists are concerned with ideological issues. If it is embedded in someone's mind then it is difficult to beat it, even with weapons, shooting and arrest. Therefore, solving the terrorist problem requires the ability and concern of all parties, both the government and all levels of society. The trick is to counteract efforts to spread radicalism or ideology. In the family environment, you can always monitor the activities of their children. In addition, social media has a very important role in the spread of radicalism, especially the younger generation who easily access terrorist content [8].

Opportunities are faced with iceberg patterns, resulting in a harmonious approach between religious leaders, traditional leaders, community leaders, and the government so that radical cases can be resolved with legal decisions that are accepted by all parties. The foothills of the mountains were approached with warmth and strong social solidarity, so that the atmosphere of tension and mutual suspicion soon melted away and increased friendship between religious leaders, thus forming the Forum for Inter-Religious Harmony (Forum Kerukunan Antar Umat Beragama - FKUB) at the level of Kota Palu, Provinsi Sulawesi Tengah, and all Kabupaten.

Due to the iceberg's melting pattern, some ice fragments still remain, which are very sharp and slippery. Likewise, educational activities in the Majelis Taklim Kota Palu still face several challenges and obstacles. The constraint referred to by the researcher in this case is anything that causes the lack of smoothness of the coaching process carried out by extension workers at the *taklim* assembly. In general, the researchers found several obstacles, including:

4.3.1 The reluctance of mothers not to invite speakers because there are no funds to pay for the lecturers

The factor of cash funds owned by *majelis taklim* is one of the obstacles. This is because if the *majelis taklim's* cash is in surplus, the recitation activities will run very smoothly. On the other hand, if the cash is lacking or even not available, the board management is reluctant to call and remind extension workers to come and provide guidance. Finally, cash conditions greatly affect the continuity of the *majelis taklim* coaching program because it "forces" the assemblies to tug-of-war in presenting speakers.

4.3.2 The extension workers do not know how to drive a motorized vehicle

The facilities for official vehicles are actually owned by extension personnel which can be accessed by extension personnel to carry out activities. However, of the total number of extension workers, there are still some who are not able to drive the official vehicle, either two-wheeled vehicles or four-wheeled vehicles. The less skilled extension workers will be constrained by the fact that they have to use public transportation which is relatively long to arrive at their destination. Practically, the time allocation is more or less wasted due to the late arrival of the extension agents.

4.3.3 Fund

A common problem that is felt by almost all institutions and work units is the problem of lack of budget or fund allocations. This problem is also felt by some Islamic religious extension workers, especially those who are not civil servants. Meanwhile, the budget allocation to fulfill the entire mobilization of coaching activities carried out by Islamic religious extension workers in Kota Palu is not sufficient. Finally, all the extension workers were only determined to have no rattan, the roots became wrapped in a spirit of sincerity as Muslims who were called not only because of work, but because it was an obligation for everyone to preach.

Based on this explanation, it can be understood that behind the work ethic of the extension workers in fostering *majelis taklim* in Palu City, there are still several obstacles. Although these obstacles seem trivial and can still be overcome, they still need serious attention. This is due to a small obstacle even if it does not get good and intensive handling, it does not rule out that it will become a big obstacle. So, attention is needed so that all obstacles can be overcome by all parties.

5 Conclusion

The several of discourse this paper, this is many conclusion :

- 7.1 Many potential of radicalism in Kota Palu, because the position at capital of Provinsi Sulawesi Tengah, each the Kabupaten Poso was the long conflict.
- 7.2. The MORA guidance in preventing radicalism in majelis taklim in Kota Palu applies several patterns and is used as a reference for all extension workers in providing guidance to *majelis taklim*.
- 7.3. Some of the guidance patterns are the establishment of a roadmap for the *majelis taklim* area, so that extension workers can easily respond to changes that occur.

References

- [1] M. Jurgensmeyer, *Terrorism in the Mind of God*. Berkeley, CA: UC Press, 2003.
- [2] A. Rodli, *Stigma Islam Radikal*. Jakarta: Pustaka Pelajar, 2013.
- [3] D. R. Krathwohl, "A Revision of Bloom's Taxonomy: An Overview David," *Theory Pract.*, vol. 41, no. 4, pp. 219–225, 2002.
- [4] nasional.tempo, "Enam terduga Teroris Klaten dari satu Sekolah," *nasional.tempo.co*, no. September, 2018.
- [5] P. Hekmatpour and T. J. Burns, "Radicalism and Enantiodromia : A Trialectic of Modernity , Post-modernity , and Radicalism and enantiodromia : A Trialectic of modernity , post-modernity , and anti-modernity in the Islamic World," no. May, 2020.
- [6] S. Wiwitan, *HARMONI; Dinamika penanganan gerakan keagamaan*, vol. 11, no. September. 2012.
- [7] G. S. Hassan, "Radical Islam / Islamic Radicalism : Towards a Theoretical Framing Radical Islam / Islamic Radicalism : Towards a Theoretical Framing," no. September, 2014.
- [8] Kumparan.com, "Terorisme Ibarat Gunung Es, Bawahnya Lebih Besar," *Kumparan.com*, 2018.

Academic Dishonesty of Muslim Students Using Rasch Model Measurement

Wahyu Hidayat¹, Nur Asmawati Lawahid²
 {wahyuhidayat@iainpare.ac.id¹, nur_asmawati@iainpalu.ac.id²}

Institut Agama Islam Negeri Parepare, Parepare, South Sulawesi, Indonesia¹, Institut Agama Islam Negeri Datokarama Palu, Palu, Central Sulawesi, Indonesia²

Abstract. Academic dishonesty behavior of students has the potential to instigate corruption in the workforce. This study aims to measure the academic dishonesty of Muslim students using the Rasch measurement model. The participants involved are 566 Muslim students. The instrument of the study is the Academic Dishonesty Scale. Data were analyzed using the Rasch Model. The study found that academic dishonesty behavior that was easily carried out by Muslim students was copying and changing several sentences/lines/images/words and phrases from other sources (-1.74 log it), taking help from others to complete assignments (-1.63 log it), using online resources in assignments/personal education projects without quoting the author (-1.57 log it), and using body signals/cues to retrieve answers from friends (-1.50 log it). The most frequent dimensions of academic dishonesty that is easily done by Muslim students, are plagiarism (-0.97 log it) and falsification (-0.51 log it).

Keywords: Academic Dishonesty, Muslim Students, Rasch Model.

1 Introduction

Honesty is a part of the integrity which forms the basic moral of an individual. Individuals are said to have integrity when they have honesty with themselves and others. Honesty must be one of the moral values possessed by individuals which describe the actual personality as it is. Traits such as; do not pretend, do not lie, follows the rules, do not cheat and treat others fairly, are some traits that defines an honest person. Similarly, a student must have an attitude of integrity and honesty, especially academic honesty.

The opposite of academic honesty is academic dishonesty. In some literature, researchers are more likely to use the term academic dishonesty compared to the term academic honesty [1][2][3][4][5][6][7][8].

Academic dishonesty is a global phenomenon that is common in the academic world everywhere [9][10][11][12]. Academic dishonesty can have long-term adverse effects after graduating from university. Several studies have shown that students who have graduated tend to behave dishonestly in the workplace [13].

Several studies have shown that students' academic dishonesty behavior at universities is still high and increasing [14]. Likewise there are academic dishonesty study that shows, this trend applies to Muslim students [15][16].

Based on several studies, academic dishonesty still occurs among students. Therefore, this study aims to investigate academic dishonesty among Muslim students who take Islamic religious education study programs and non-Islamic religious education study programs.

1.1 Purpose of Study

This study aims to obtain complete information on the academic honesty profile of Muslim students from various educational programs. More specifically, this study aims to study the honesty profile of Muslim students

1.2 Academic Dishonesty

Academic dishonesty is defined as an act or treatment that involves dishonesty in the academic field such as imitating, cheating, buying assignments, plagiarizing or claiming the work of others as one's own work [17]. Academic dishonesty defines academic dishonesty as the use of any material or assistance that is not permitted or permitted in carrying out academic assignments and assessments [18]. Academic dishonesty is a deliberate act of fraud or the use of false information in every academic outcome [19].

Academic dishonesty is deviant behavior and has a harmful impact on character development, and can jeopardize the integrity of academic institutions [20]. Academic dishonesty is an immoral act that can have an impact on those who commit it. The increase in academic dishonesty activities is very significant in the context of higher education today [14].

In the context of Islamic teachings, academic dishonesty is categorized as an act of fraud. Some prohibitions on academic dishonesty are mentioned in the Qur'anic verses, including the following:

And do not deprive people of their due and do not commit abuse on earth, spreading corruption (Qur'an, 26:183).

All scholars agree that cheating and plagiarism are not in accordance with Islamic teachings [7]. The Egyptian Fatwa Institute, Darul Ifta Al-Mishriyyah has adopted a fatwa on the practice of academic dishonesty as below[21]:

"The rights of written works and creative works are protected on a voluntary basis. The owner has the right to exploit these works. Other persons may not do injustice to their rights. Based on this opinion, the crime of plagiarism of intellectual rights and registered trademark rights, in claiming as one's work in public, is an act that is forbidden by syara'. This includes the prohibition of lying, forgery, embezzlement. This is a practice of neglect of the rights of others; and the practice of consuming other people's property by vanity."

Based on several explanations, it can be concluded that academic dishonesty is a deviant act in the academic field which is carried out by someone to get academic benefits from his actions.

1.3 Forms of Academic Dishonesty

The academic dishonesty includes cheating, plagiarism, and theft of ideas, whether published or unpublished[6]. The form of plagiarism that is, buying or copying other people's work and claiming to be their own work, copying answers from other people's papers during an exam, paying someone else to do an assignment [22]. Pavela (1993) mentions that there are four forms of academic dishonesty that is cheating using illegitimate material in exams, (2) using false information, references or data, (3) plagiarism, (4) giving answers to other exam participants [23].

The forms of academic dishonesty, such as using notes during an exam, copying answers from others during an exam, using dishonest methods, helping others commit fraud, copying other people's assignments and claiming the work himself, quoting without writing down references, falsifying bibliography, and using false reasons to delay the collection of assignments from lecturers [24]. Three forms of academic dishonesty in general, namely (1) giving, speaking and receiving information, (2) using prohibited materials, (3) utilizing

people's weaknesses, procedures or processes to gain academic benefits [25]. Bashir and Bala who developed an instrument of academic dishonesty scale suggested that the characteristics of academic dishonesty were cheating / cheating during exams, plagiarism, asking for help from others, working with friends to cheat, falsify and lie in complementing assignments[26].

2. Methods

This research is a survey research with quantitative approach. This type of research is appropriate because it aims to describe the sample characteristics of a population [27]. Survey research is a data collection system to describe, compare, and explain knowledge, attitudes and behavior [28].

2.1 Participants

Participants in the study were 566 Muslim students consisting of 137 men and 429 women in the City of Pare pare, South Sulawesi, Indonesia. Participants were divided into two study programs namely Islamic religious education and non-Islamic religious education.

2.2 Instrumentation

The instrument for measuring dishonesty was adapted from Hilal Bashir and Ranjan Bala who developed the Academic Dishonesty Scale (ADS) measurement tool. The ADS instrument has a high internal consistency value $\alpha = 0.831$ [26]. The ADS instrument was translated to Indonesian for ease of getting response. The instrument includes six constructs in measuring academic dishonesty, namely cheating in examinations, plagiarism, seeking outside help, prior cheating, falsification, and lying about academic assignments (falsification), and lying about academic assignments. The instrument scale is a Likert scale with five answer options namely: never, rarely, sometimes, often, and always

2.3 Data Analysis

The Rasch Model technique is used to analyze measurement results. The basic principle underlying the Rasch model is the probability of respondents to answer any item correctly based on the item's difficulty and the respondent's ability [29], [30], [31][40] [41].

3. Results and Discussion

This section explains the description of academic dishonesty in Muslim students using Rasch Model analyses techniques. The description of academic dishonesty of Muslim students is divided into participant profiles, person reliability, separation, logit items and undimensionality. Table 1 shows the participant profile.

Table 1. Participant's profile.

Category	Description
Gender	Male = 137 (24.2 %) Female = 429 (75.8 %)
Study program	Islamic studies = 303 (53.5 %)

Non-Islamic studies = 263 (46.5 %)

3.1 Person Reliability and Separation

Participant reliability (Person Reliability) is the consistency of the Muslim student in answering the instrument items. Consistencies of responses by the Muslim students to the measurement of academic honesty are shown in table 2.

Table 2. Summary of Statistical Item and Person Reliability.

	Mean	Separation	Reliability	Cronbach α
Person	-2.43	2.73	0.76	0.81
Item	0.00	10.90	0.99	

Table 2 illustrates the average participant logit is -2.43 logit which shows that all Muslim students tend to be honest in academics. Respondents' strata values are indicated by the separation values. The strata person value of 2.7 or 3 shows that the Muslim students are divided into three large groups, namely groups of participants who tend to have academic honesty, the second group is in the middle (close to the average logit) who sometimes are honest and sometimes are dishonest in their academics endeavors, and the third group tends to be dishonest in academics.

3.2 Academic Honesty Measurement

Academic honesty measurement is measured with 23 items of academic honesty scale. Aspects related to academic dishonesty of Muslim students are shown in table 3.

Table 3. Descriptions of Academic Dishonesty of Muslim Undergraduates.

Item	Statements	Measure	Model S.E
F18	Damaging library books so that classmates don't get the required content	2.75	0.28
Ly22	Paying someone to write an answer / assignment / homework assignment	2.42	0.24
CE3	Change other books to get better grades during the exam	1.68	0.16
Ly21	Buy a project / assignment online and claim it as a one's work	1.09	0.11
F17	Submit assignments on one's name but prepared by friends	1.05	0.11
PC16	Encourage other classmates to commit fraud	0.98	0.11
OH10	Bribing	0.86	0.1
Ly23	Give untrue reasons to the lecturer, to get extra time on the project /assignment	0.49	0.08
CE4	During tests, tear up the answers on the question paper, then hand it over to classmates	0.35	0.08
F19	Submit the same assignment more than once to the same subject	0.17	0.07

OH12	Using unfair methods to get information about the exam	0.06	0.07
Ly20	Give untrue explanation when the task is past the deadline.	-0.18	0.06
PC14	Write answers on the desk / wall / hand / paper before the exam time starts	-0.19	0.06
PL9	Manipulate scientific information on the internet and claim to be personal writing	-0.22	0.06
PL6	Copy a sentence from a textbook and claim it as a personal work	-0.35	0.06
PC15	Swapping seats near academically advanced friends to get better grades on the exam.	-0.72	0.05
CE5	During the exam I tried copying answers from other people	-1.10	0.05
OH13	Trying to find out the questions in the exam before it begins	-1.34	0.05
CE2	Use prohibited items such as hidden notes, calculators and other electronic devices during the exam	-1.36	0.05
CE1	Use signals / body cues to get answers from friends	-1.50	0.05
PL8	Use online resources in personal education assignments / projects without quoting the author.	-1.57	0.05
OH11	Get help from others to complete the task	-1.63	0.05
PL7	Copy and change several sentences / lines / images / words and phrases from other sources	-1.74	0.05

Table 3 shows that actions which tend to be difficult for students in academic activities, namely damaging library books (2.75 log it), paying someone to write an answer/assignment/homework (2.42 log it), replacing other books to get more grades good at the test (1.68 log it). Whereas some actions that tend to be easy to do are copy and change some sentences/lines/images/words and phrases from other sources (-1.74 log it), get help from others to complete tasks (-1.63 log it), use online resources in assignments/personal education project without quoting the author (-1.57 log it), and using body signals/cues to take answers from friends (-1.50 log it).

Overall the level of academic dishonesty of Muslim students from easy to difficult based on the dimensions is shown in table 4. The dimensions of academic dishonesty are plagiarism, help from others, cheating on exams, cheating on friends, lying on academic assignments and falsification.

Table 4. Level of Participants' Honesty According to the Dimensions

Dimensions	Means of Difficulty (logit)
Plagiarism	-0.97
Outside help	-0.51
Cheating in Examination	-0.39
Prior Cheating	+0.02
Lying about Academic Assignments	+0.95
Falsification	+1.32

Table 4 shows that academic dishonesty that is done or often done by Muslim students. Plagiarism and falsification are forms of dishonesty that are difficult or rarely practiced by Muslim students. However, other academically dishonest acts that Muslim students tend to do a lot are asking for help from others both in exams and in lectures, and cheating / cheating during exams.

3.4 Unidimensionality of Participants (person)

Participants' unidimensionality aims to find out whether the participants' responses can be measured by an academic honesty scale instrument. In this case the Rasch analysis model uses the Principal Component Analysis (PCA) of the residual, which measures the extent of the diversity of the response. Unidimensionality of participants' response is shown in table 5.

Table 5. Unidimensionality of participants' response (Standardized Residual Variance)

Dimensions		Empirical	Modeled	
Total raw variance in observation	=	1041.6	100.0 %	100.0%
Raw variance explained by measures	=	486.6	46.7 %	48.6%
Raw variance explained by persons	=	76.1	7.3%	7.6%
Raw variance explained by items	=	410.4	39.4 %	41.0%
Raw unexplained variance (total)	=	555.0	53.3 %	100.0 %
Unexplnd variance in 1st contrast	=	57.3	5.5% %	10.3 %
Unexplnd variance in 2nd contrast	=	51.2	4.9%	9.2%
Unexplnd variance in 3rd contrast	=	46.0	4.4%	8.3%
Unexplnd variance in 4thcontrast	=	39.7	3.8%	7.2%
Unexplnd variance in 5th contrast	=	34.0	3.3%	6.1%

Table 5 shows the results of the measurement of diversity (raw variance) data is 46.7%, which is not much different from the expected value of 48.6%. This shows that the minimum requirement of 20% unidimensionality is met. At the same time the Rasch unidimensional limit is fulfilled, which is above 40% (Linacre, 2011). Another thing that supports the result is the unexplained variance which is under 7%. This shows the level of independence of participants in the analyses is good.

4. Conclusion

The study shows that there are still dishonest acts in academics committed by Muslim students. This study reinforces that the practice of academic dishonesty in Muslim students is still relatively high and significant [32][33][34].

In the context of the practice of academic dishonesty carried out by Muslim students in this study shows the practice of plagiarism, cheating and asking for help from friends.

Plagiarism, cheating and asking for help from friends are forms of academic dishonesty [16], [30][35].

This practice was also mentioned done by Ramlan, Zaharah & Saedah [7]. They contend that the practice of academic dishonesty among Muslim students includes those related to the main lecture assignments relating to; plagiarism activities, not making appropriate references and taking material from others without giving the author the credit.

References

- [1] H. Ibrahimi, N. Hussein, N. Samat, F. Noordin, and N. Daud, "Academic Dishonesty: Why Business Students Participate in these Practices?," *Procedia - Soc. Behav. Sci.*, vol. 90, no. October, pp. 152–156, 2013, doi: 10.1016/j.sbspro.2013.07.076.
- [2] L. Dömeová and A. Jindrová, "Unethical behavior of the students of the Czech university of life sciences," *Int. Educ. Stud.*, vol. 6, no. 11, pp. 77–85, 2013, doi: 10.5539/ies.v6n11p77.
- [3] M. a. Vandehey, G. M. Diekhoff, and E. E. LaBeff, "College cheating: A twenty-year follow-up and the addition of an honor code," *J. Coll. Stud. Dev.*, vol. 48, no. 4, pp. 468–480, 2007, doi: 10.1353/csd.2007.0043.
- [4] D. L. McCabe, "Cheating among college and university students: A North American perspective," *Int. J. Educ. Integr.*, vol. 1, no. 1, 2005, doi: 10.21913/ije.v1i1.14.
- [5] M. K. Galloway, "Cheating in Advantaged High Schools: Prevalence, Justifications, and Possibilities for Change," *Ethics Behav.*, vol. 22, no. 5, pp. 378–399, Sep. 2012, doi: 10.1080/10508422.2012.679143.
- [6] D. L. R. Jones, "Academic Dishonesty: Are More Students Cheating?," *Bus. Commun. Q.*, vol. 74, no. 2, pp. 141–150, Jun. 2011, doi: 10.1177/1080569911404059.
- [7] R. Mustapha, "Ketidakjujuran Akademik Dalam Kalangan Mahasiswa di Malaysia: Analisis Perbandingan Tahun 2014-2015," *J. Kurikulum dan Pengajaran Asia Pasifik*, vol. 4, no. 1, pp. 41–55, 2016.
- [8] M. W. M. Williams and M. N. Williams, "Academic Dishonesty, Self-Control, and General Criminality: A Prospective and Retrospective Study of Academic Dishonesty in a New Zealand University," *Ethics Behav.*, vol. 22, no. 2, pp. 89–112, Mar. 2012, doi: 10.1080/10508422.2011.653291.
- [9] A. Chudzicka-Czupala *et al.*, "Application of the Theory of Planned Behavior in Academic Cheating Research—Cross-Cultural Comparison," *Ethics Behav.*, vol. 26, no. 8, pp. 638–659, Nov. 2016, doi: 10.1080/10508422.2015.1112745.
- [10] K. Briggs, J. P. Workman, and A. S. York, "Collaborating to cheat: A game theoretic exploration of academic dishonesty in teams," *Academy of Management Learning and Education*, vol. 12, no. 1, Academy of Management Briarcliff Manor, NY, pp. 4–17, 01-Mar-2013, doi: 10.5465/amle.2011.0140.
- [11] A. M. Imran and M. S. Nordin, "Predicting the Underlying Factors of Academic Dishonesty among Undergraduates in Public Universities: A Path Analysis Approach," *J. Acad. Ethics*, vol. 11, no. 2, pp. 103–120, Jun. 2013, doi: 10.1007/s10805-013-9183-x.
- [12] S. C. Yang, C. L. Huang, and A. S. Chen, "An investigation of college students' perceptions of academic dishonesty, reasons for dishonesty, achievement goals, and willingness to report dishonest behavior," *Ethics Behav.*, vol. 23, no. 6, pp. 501–522, 2013, doi: 10.1080/10508422.2013.802651.
- [13] M. S. Nazir and M. S. Aslam, "Academic dishonesty and perceptions of Pakistani students," *Int. J. Educ. Manag.*, vol. 24, no. 7, pp. 655–668, 2010, doi: 10.1108/09513541011080020.
- [14] P. G. Lewellyn and L. C. Rodriguez, "Does Academic Dishonesty Relate to Fraud Theory? A Comparative Analysis," *Am. Int. J. Contemp. Res.*, vol. 5, no. 3, pp. 1–6, 2015.
- [15] W. Hidayat, J. Bin Ahmah, and M. I. Bin Hamzah, "Religion Fundamentalism in Islamic Students," *Int. J. Acad. Res. Bus. Soc. Sci.*, vol. 8, no. 1, pp. 372–382, 2018, doi: 10.6007/ijarbss/v8-i1/3814.

- [16] Ramlan Mustapha and Nik Asilah Nik Ali, "An Empirical Survey of an Academic Dishonesty At a Major Public Universities in Recent Years: The Malaysian Evidence," *Asian J. Educ. Res.*, vol. 5, no. 3, pp. 43–49, 2017.
- [17] L. A. Shafie and S. Nayan, "The Net Generation and Academic Dishonesty in Malaysia," *Technol. Innov. Educ.*, pp. 181–186, 2008.
- [18] "Psychology of academic cheating. - PsycNET." [Online]. Available: <https://psycnet.apa.org/record/2006-21815-000>. [Accessed: 04-Sep-2020].
- [19] "Collegiate Academic Dishonesty Revisited: What Have They Done, How Often Have They Done It, Who Does It, And Why Did They Do It?" [Online]. Available: https://www.sociology.org/ejs-archives/vol7.4/lambert_etal.html. [Accessed: 04-Sep-2020].
- [20] R. Jurdi, H. S. Hage, and H. P. H. Chow, "CSSHE SCÉES Academic Dishonesty in the Canadian Classroom: Behaviours of a Sample of University Students," Dec. 2011.
- [21] "Dar al-Iftaa | دار الإفتاء المصرية." [Online]. Available: <https://www.dar-alifta.org/ViewFatwa.aspx?ID=426>. [Accessed: 04-Sep-2020].
- [22] S. L. Murphy, M.M., & Banas, *Character Education Overcoming Prejudice*. New York: Chelsea House publisher, 2009.
- [23] G. Pavela, "Academic Integrity: What the Latest Research Shows," *Synth. Law Policy High. Educ.*, vol. 5, pp. 340–349, 1993.
- [24] B. Hendricks, "Academic Dishonesty: A Study in The Magnitude of and Justification for Academic Dishonesty Among College Undergraduate and Graduate Students," *J. Coll. Stud. Dev.*, vol. 35, pp. 212–260, 2004.
- [25] G. J. Cizek, *Detecting and preventing classroom cheating: Promoting integrity in assessment*. Corwin Press, 2003.
- [26] H. Bashir, "Development and Validation of Academic Dishonesty Scale (ADS): Presenting a Multidimensional Scale," vol. 11, no. 2, pp. 57–74, 2018.
- [27] E. & T. Groves, Robert M., Fowler, Floyd J., Couper, Mick P., Lepkowski, James W., Singer, *Survey Methodology*. John Wiley & Sons, 2004.
- [28] Wahyu Hidayat and Nurasmawati Lawahid, *Metode Fuzzy Delphi Untuk Penelitian Sosial*. Bandung: Alfabeta, 2020.
- [29] D. Andrich, "Sufficiency and Conditional Estimation of Person Parameters in the Polytomous Rasch Model," *Psychometrika*, vol. 75, no. 2, pp. 292–308, 2010.
- [30] Wahyu Hidayat; Sri Mulianah; Mujahidah., "Analysis of The National Character Senior High School Students by Using Rasch Model," in *Proceedings of the First International Conference on Religion and Education*, 2019, pp. 1–9.
- [31] Trevor G. Bond and Christine M. Fox, *Applying the Rasch Model: Fundamental Measurement in the Human Sciences*. New York: Routledge., 2015.
- [32] A. . Moten, "Academic dishonesty and Misconduct: Curbing plagiarism in the Muslim world," *Intellect. Discourse*, vol. 22, no. 2, pp. 168–189, 2014.
- [33] S. K. Vlaardingerbroek, B., Shehab, S. S., & Alameh, "The problem of open cheating and invigilator compliance in the Lebanese brevet and baccalauréat examinations," *Int. J. Educ. Dev.*, vol. 31, no. 3, pp. 297–302, 2011, doi: 10.1016/j.ijedudev.2010.03.002.
- [34] Wahyu Hidayat; Jamil bin Ahamd; Isa bin Hamzah., "Nilai keutamaan pengetahuan dan kebijaksanaan dalam konteks pendidikan karakter bangsa," *J. Penelit. dan Eval. Pendidik.*, vol. 22, no. 1, pp. 82–91, 2018.
- [35] D. L. R. Jones, "Academic dishonesty: Are more students cheating?," *Bus. Commun. Q.*, vol. 74, no. 2, pp. 141–150, 2011, doi: 10.1177/1080569911404059.

Climate *Madrasah Tsanawiyah* in Bandar Lampung (Analysis on security aspects)

Erfina¹, Wan Jamaluddin², Siti Patimah³, Andi Thahir⁴
{3waghei@gmail.com¹, averro99@yahoo.com², sitipatimah@radenintan.ac.id³,
andithahir@radenintan.ac.id⁴}

Postgraduate student of the Islamic Education Management Study Program, UIN Raden Intan Lampung¹,
Senior Lecturer in Islamic Education Management Postgraduate Program at UIN Raden Intan Lampung²,
Senior Lecturer in Islamic Education Management Postgraduate Program at UIN Raden Intan Lampung³,
Senior Lecturer in Islamic Education Management Postgraduate Program at UIN Raden Intan Lampung⁴

Abstract. A positive and conducive climate for the madrasah will impact the achievement of the educational goals of the madrasah in an effective and efficient manner. Therefore, it is necessary to continue research on the climate of the Madrasa Tsanawiyah in Bandar Lampung, which is devoted to the security aspect. This study uses a qualitative approach which aims to analyze the climate of the *tsanawiyah madrasah* on the security aspect. The results of this study revealed that *Madrasah Tsanawiyah* in the city of Bandar Lampung from aspects of emotional physical and social security has a positive and conducive climate.

Keywords: madrasah climate, security

1. Introduction

The Madrasah is one of the national education sub-systems. As a subsystem of national education, madrasah are not immune to the problems encountered by national education in general. The Ministry of Religious Affairs in the area of Madrasah explains more specifically that the problems faced by Madrasah include the lack of educational climate in Madrasah, such as: (1) poor quality of physical facilities as indicated by damaged buildings of Madrasah, (2) poor possession and use of learning facilities, (3) incomplete libraries, (4) non-standard laboratories, (5) inadequate use of information technology [1].

The National Accreditation Council of Schools / Madrasah (BAN-S/M) accredits 62,365 schools or madrasah throughout Indonesia, at SD, MI, SMP, MTs, SMA, MA, SMK, SLB, SDLB, SMPLB levels, at SMALB levels. Of these, 1,416 schools were not accredited. Of the 62,365, the gap at rank A was 15,805 or with a percentage of 25.34%. Its B rating is 33,827.54.24%. Its C rating is 11,317. 18.15%. And not accredited 1416. 2.27% of 62,365, distributed at rank A of 15,805 or with a percentage of 25.34%. Its B rating is 33,827.54.24%. Its C rating is 11,317. 18.15%. And not 1416 accredited. 2.27%. The data issued show that out of 22,035 MI and 10,365 MTs, only about 20% can be considered good. While the remaining 80% have the opposite condition. To see the state of these madrasahs, it can be seen under aspects of management, funding, geographic location and parents. Not to mention the problem of teachers who miss the game (bad room) and underqualified or we can say that they are not yet achievable. Data from the Ministry of Religion indicates that nearly 60 percent of public madrasah teachers are classified as inadequate. This figure is 80% for private madrasah. Teachers who are eligible but have the wrong room (mismatch) 20 percent, and the remaining 20 percent who are truly worthy and match between their scientific discipline and the field of study being taught [2]. The qualification of MTs teachers who have met the national education standards is 59.9 percent, even less than the percentage of SMP / MTs teachers who have met the national education standard, which is 63. 3 percent [3].

The quality of the teaching of the madrasah, in particular in MTs, in particular in Bandar Lampung, on the basis of the data of the EMIS for the school year 2019/2020, we know that of the 30 MTs of Bandar Lampung, there are a 9 (nine) or 30% of MTs that obtain C accreditation and only 2 (two) or 6.7% of MTs that received A accreditation. There were even MTs that had not been accredited. These data indicate that the quality of education in *Madrasah Tsanawiyah* in the city of Bandar Lampung is still low and needs improvement efforts to make it even better.

Seeing these problems, the director general of Islamic education of the ministry of religion gave a political direction to improve the quality of education in madrasah, which includes five aspects, including the effectiveness of the educational climate in the madrasah/school environment [4]. The research results of Budi Susanto, et al., Also found that school climate has a partial and significant effect on the quality of education in MT schools in the district of Tarawang, Jenepono Regency [5]. Shindler et al., Examined the relationship between school climate and student achievement scores in urban school districts in five states (N = 230). Many educators see school climate and student achievement as separate considerations. However, the results of this study indicate that climate and student achievement are closely related. In fact, the quality of the climate seems to be the most predictive factor of any school's ability to promote student success [6].

Based on this explanation, it is clear that the climate of the madrasah is something that should be taken as an indicator of the quality of education in the madrasa. This means that if you want to improve the quality of madrasah education, it is necessary to improve and improve the climate of the madrasah so that it becomes more positive and conducive. Thus, it can be said that the climate of the madrasah is something that requires the attention of a director of the madrasah as responsible for education, as the climate of the madrasah affects the behavior of teachers, staff of the madrasah and students. The state or atmosphere of the madrasah is calm and comfortable, suitable for the learning process, which is considered to be a favorable madrasah climate. A conducive climate for madrasah, both physical and non-physical, is the basis for effective and productive learning.

The climate of the madrasah has a huge influence on achieving the goals of the madrasah effectively and efficiently. A good madrasah climate will support the learning activities carried out by teachers and students. The better the climate in the madrasa, the better the learning activities carried out by teachers and students. It can therefore be said that a favorable madrasah climate is a prerequisite for the implementation of effective learning.

One aspect of the madrasah climate that is important to pay attention to is that of security. Security is a state of safety and security. Safety not only prevents pain or injury, but safety can also protect individuals in their activities, reduce stress, and improve overall health. According to Cohen, the climate of the madrasah in the security aspect comprises two aspects, namely (1) the physical aspects and (2) the social emotional aspects. According to Cohen, the physical safety aspects of schools include the safety rules and standards for the physical facilities of schools. School climate in the aspect of emotional social security includes attitudes towards differences, attitudes and responses to bullying, conflict resolution, and belief in school rules [7]. The need for emotional physical and social security is the need to protect oneself from dangers that threaten physical and psychological health, which in this discussion will focus on safety or the provision of a safe environment.

The results of the pre-survey on the climate of the Madrasah Tsanawiyah on the security aspect in the city of Bandarlampung, show that the conditions of the organizational climate in the Madrasah Tsanawiyah in Bandarlampung still need to be improved and improved. Therefore, the researchers are interested in further researching the climate of the tsanawiyah madrasah in Bandarlampung, so that efforts can be found to improve the climate of the madrasah in accordance with the conditions of the tsanawiyah madrasah in Bandarlampung.

2. Literature Review

2.1 Climatic and security aspects of the Madrasah

2.1.1 Climate Madrasah

The climate of the *Madrasah* is a series of characteristics of the working environment, which are evaluated directly or indirectly by the employees which are considered to be the main factor influencing the behavior of the employees [8]. According to the National School Climate Center (NSCC), school climate is defined as “school climate refers to the quality and character of school life. School climate is based on models of the experience of students, parents and school staff of school life and reflects norms, goals, values, interpersonal relationships, teaching and learning practices and organizational structures [9]. Haynes, cited by Hoffman et.al, defines school climate as "the quality and consistency of interpersonal interactions within the school community that influence children's cognitive, social and psychological development" [10]. Based on some of these opinions, it is understood that the climate of the madrasa is factors external to humans, both physical and non-physical in an organization that directly or indirectly affect the behavior of people in the organization, which is characterized by a feeling of comfort, job satisfaction and atmosphere full of passion.

A conducive madrasah climate is a prerequisite for the implementation of an effective teaching and learning process. A safe and orderly madrasah environment, high optimism and the expectations of the citizens of the madrasa, the health of the madrasa and student-centered activities are examples of a madrasah climate that fosters enthusiasm for learning students. A conducive madrasah climate is a prerequisite for the implementation of an effective teaching and learning process. A safe and orderly madrasah environment, high optimism and expectations of the citizens of the madrasa, the health of the madrasah and student-centered activities are examples of a madrasah climate that fosters enthusiasm for learning students.

The criteria for identifying the climate of the madrasah are (1) quality of leadership, (2) level of confidence, (3) upward and downward communication, (4) feeling of doing useful work, (5) accountability, (6) fair rewards, (7) reasonable professional pressure, (8) scope for control, (9) sensible structure and bureaucracy, and (10) employee involvement [11]. Ramsey, et al., Show that school climate integrates many aspects of school environment and school life, such as a) facilities and buildings; b) the demographics of learners and their social characteristics; c) teachers, administrators and staff; d) school policies, values and regulations; e) the types of interactions that occur between students, teachers, staff and parents [12]. Another view was expressed by Cohen that the climatic dimensions of madrassas include (1) security aspects; physical and socio-emotional aspects, (2) teaching and learning activities; Quality of learning, socio-emotional and ethical learning, leadership, (3) Attitudes of school members; respect diversity, collaboration, morals and connectivity, (4) the institutional environment [7].

Based on some of these opinions, it can be concluded that there are two dimensions of the climate of the madrasah, namely (1) the physical dimensions, covering various facilities and infrastructures that support the learning activities in the madrasah, the pupil / teacher ratio in the classroom, availability of human resources, safety and comfort. (2) non-physical dimensions, including social dimensions, such as the quality of interpersonal relationships between madrasah directors, teachers, staff and students; contribution of teachers, staff and students to decision-making, remuneration and rewards, support and cooperation of the school. The academic dimension includes: the quality of learning that is creative, innovative and fun; professional development of teachers; learning that takes into account the interests and talents of students; actively involve the parents of the students; discipline of teachers, staff and students; and monitor student progress.

2.1.2 Security Aspects

According to Cohen, the climate of the madrasah in the security aspect comprises two aspects, namely (1) the physical aspects and (2) the social and emotional aspects [7]. School is

the field of education, in which there is a process of education, teaching and training. School as a field of education must ensure the implementation of a good educational process. The right conditions for this process are conditions of security, calm, order and order, mutual respect and good social relations. This means that both physical and social and emotional security conditions in the school will promote the fluidity of the educational process in schools.

Maintaining physical security involves reducing or preventing threats to the body or life. These threats can be diseases, accidents, dangers to the environment. According to Cohen, the physical safety aspects of schools include regulations and safety standards for the physical facilities of schools [7]. The aspect of physical safety of schools in the form of school rules is important. A conducive madrasah climate requires school regulations, namely rules for teachers, students, and other regulations deemed necessary. The established rules will lead to discipline, which is very necessary in the process of teaching and learning. This is because the school rules will create a sense of fun to learn and improve social relationships [13].

In addition to school discipline, the climate of the madrasah is physical, seen from the safety aspect of school facilities. Limon's research findings revealed that inadequate and safe quality of school facilities would affect students' work and learning outcomes [14]. McGowen also pointed out that the condition of school facilities that meet safety, health and completeness standards will affect student learning outcomes, discipline, attendance and the comfort level of students and teachers. to feel at home to learn and teach at school [15].

Safe school facilities are school facilities with buildings, their contents, and the surrounding yard that meet safety, health, facility requirements, including the eligibility of children with special needs, comfort, and safety [16]. Based on this understanding, it is understood that a safe school facility is if the school's facilities and infrastructure meet predetermined standards, so that it impacts the comfort and safety of the community. school.

The climate of the madrasah in the security aspect is also seen in the emotional social aspect. According to Cohen, the school climate in the aspect of emotional social security includes attitudes towards differences, attitudes and responses to bullying, conflict resolution, and belief in school rules [7]. Based on Cohen's opinion, it is understood that the climate of the madrasah can also be seen from the aspect of the social and emotional security of the residents of the school, where school members believe that there is no discrimination against various differences, strongly oppose any act of harassment, any conflict that arises is promptly answered and resolved, and all school members trust and obey all the rules of the 'school.

3. Methods

This type of research is a descriptive study using a qualitative approach. This research was conducted at Madrasah Tsanawiyah in the city of Bandarlampung, Lampung province, totaling 30 MTs with details of 2 (two) MT with state status and 28 MTs with private status. The data sources for this qualitative study were purposely selected and were a snowball sampling, including the head of MTs and their representatives, teachers, parents and students of MTs Bandarlampung. The data collection tools for this study were interviews, observation and documentation. The data analysis technique used in qualitative research is inductive, that is, an analysis based on the obtained data, then a specific relationship model is developed. In this study, to obtain the validity of the data, triangulation was used.

4. Result and Discussion

Based on the results of the data collection, it was found that the climate of the Tsanawiyah Madrasah in Bandarlampung by providing security on the physical aspects was generally good, as (1) each madrasah had an order and executed these rules correctly firmly and systematically, (2) respecting the safety standards of the school's physical facilities that

meet the safety, health and accessibility standards, (3) the environment of the madrasah is equipped with a system security in emergency situations and the presence of security personnel. Based on these results, from several climates of *madrasah* on these safety indicators, there are still a number of things to improve, namely (1) to provide written information on the rules of the madrasah which are placed in places easily visible and read by all members of the madrasa (2)) the existence of a security staff who watches over the state of the environment of the *madrasah*, which is sufficient to give a feeling of security to all members of the madrasah.

These findings are relevant to Filardo's research findings that the lack of physical safety in schools is a serious problem in student learning and achievement [17]. Dwi Puryanto's research findings revealed that the quality of school facilities influenced the decision to choose the school's educational services. This means that the quality of school facilities is one of the things that becomes a consideration for someone in choosing their educational services, as the quality of school facilities will provide a sense of comfort and security to its citizens [18]. The results of Reverend Mbanwi Pascaline Enjoh's research also revealed that all respondents to his research agreed that safe school facilities would improve teaching and learning. Because safe school facilities provide a sense of comfort to its citizens. The poor quality of the school's physical facilities can lead to an increase in student absenteeism, a decline in student and teacher performance, due to a reduced sense of comfort [19]. Other studies have also shown that the condition of physical facilities in schools that meet safety and health standards has a positive relationship with students' academic performance [20].

Based on these findings and opinions, it shows that the infrastructure security of Madrasah Tasanawiyah in the city of Bandarlampung greatly affects its residents. Madrasah that have security in their facilities and infrastructure will make madrasah residents feel comfortable in performing all of their activities, so this will directly affect their performance. Unsanitary school buildings and school facilities will make madrasah residents uncomfortable to carry out all madrasah activities, which of course will disrupt the climate of the madrasah which is not conducive.

Another conclusion is that most tsanawiyah madrasah in Bandarlampung ensure the security of the socio-emotional aspects of their citizen madrasa by taking measures (1) respecting differences regardless of ethnicity, gender or social status, (2) reactive and firm in the face of all acts of intimidation. with guidance and counseling (BK), cooperation between teachers, leaders, parents and the community, (3) resolve internal and external conflicts immediately, (4) believe that the rules of the madrasah have a positive effect on the citizens of the madrasa. Some of those things that still need to be improved is respect for differences between students. The results of the interview showed that most teachers in Tsanawiyah Madrasah did not appreciate the differences between the students, so that it took effort on the part of the leaders and the teachers themselves not only to pay attention to intelligent and accomplished students. Other students should also have opportunities and encouragement to work, so that the climate in the madrasah becomes more positive and full of enthusiasm for learning.

These findings are relevant to Darney's research that the lack of a sense of security in the socio-emotional situation of students, one of which is due to bullying, will have a long-term effect on Sukrame. During their time at school, students will feel uncomfortable and secure, which will make them lazy and may not even want to go to school [21]. Jennifer Godman's research results also revealed that a respectful and safe school is a school that can suppress oppressive actions that will lead to an uncomfortable and negative school climate for student learning [22]. Karim's research confirms that the ability of schools to overcome various conflicts that interfere with the social and emotional lives of students will improve the social and academic outcomes of the term Sukrame, thereby creating a harmonious climate in the term Sukrame [23]. Even Wani's research confirms that social emotional turmoil in a society causes fear, life becomes dangerous, and always feels threatened by danger [24].

The results and opinions indicate that the social and emotional security of the citizens of the madrasa will greatly affect their citizens. *Madrasah* capable of providing social and emotional security to their madrasah dwellers will make madrasah dwellers feel comfortable and safe in carrying out all their activities, so this will directly affect their performance. Madrasah which are not able to provide social and emotional peace and security of the inhabitants of the madrasah will make the inhabitants of the madrasah uncomfortable to carry out all the activities of the madrasah, which well sure will disturb the climate of the madrasah and become unfavorable.

Based on these results, it can be concluded that the madrasah tsanawiyah in the city of Bandar Lampung, viewed from the aspects of physical and social emotional security, can be classified as having a positive and conducive climate. Indeed, the tsanawiyah madrasah in the city of Bandar Lampung has facilities and infrastructure that meet safety standards and are able to provide social and emotional security to the inhabitants of the madrasa. Thus, the climate of the tsanawiyah madrasah in the city of Bandar Lampung, seen from the aspects of physical and social emotional security, generally shows a positive and conducive climate. This means that all members of Madrasah Tsanawiyah in Bandarlampung city generally feel safe and comfortable in carrying out their activities, as Madrasa Tsanawiyah in Bandarlampung city is able to provide them with security in both the emotional physical and social aspects of the inhabitants of the madrasah.

5. Conclusion

Based on the research results, it can be concluded that the climatic conditions of the Tsanawiyah Madrasah in Bandarlampung are seen from the safety indicators, both physical and social, emotional, generally classified as good. This means that from the point of view of emotional physical and social security, all residents of the tsanawiyah madrasah in Bandarlampung feel secure, both on the social physical and emotional aspects, thus creating a positive and conducive madrasah climate. to achieve the goals of madrasah education effectively and efficiently.

References

- [1] Departemen Agama RI, *Laporan Tahunan 2008*. Jakarta: Direktorat Jenderal Pendidikan Islam, 2017.
- [2] A. Murtadho, "Berbasis Manajemen Mutu," *J. Forum Tarb.*, vol. 10, no. 1, pp. 91–112, 2012.
- [3] Departemen Agama RI, *Analisis Statistik Data Pendidikan Islam*. Jakarta: Direktorat Jenderal Pendidikan Islam, 2008.
- [4] I. Bafadal, *Peningkatan Profesionalisme Guru MI Dalam Rangka Manajemen Mutu Berbasis Madrasah*. Jakarta: Bumi Aksara, 2014.
- [5] B. Susanto, "The Influence Of Headmaster Leadership , School Climate And Teacher Competence Toward Education Quality In Mts Jeneponto Regency," *J. Manage.*, vol. 1, no. 2, pp. 23–39, 2018.
- [6] J. Shindler, A. Jones, A. D. Williams, C. Taylor, and H. Cardenas, "The school climate-student achievement connection: if we want achievement gains, we need to begin by improving the climate," *J. Sch. Adm. Res. Dev.*, vol. 1, no. 1, pp. 9–16, 2016.
- [7] J. Cohen, "School Climate : Research , Policy ," *Teach. Coll. Rec.*, no. January 2009, 2017.
- [8] Syaiful Sagala, *Memahami Organisasi Pendidikan*. Bandung: Alfabeta, 2009.
- [9] A. Thapa, J. Cohen, S. Guffey, and A. Higgins-D'Alessandro, *A Review of School Climate Research*, vol. 83, no. 3. 2013.
- [10] Lorry L. Hoffman, "On Improving School Climate: Reducing Reliance on Reward and Punishment," *Improv. Sch. Clim.*, vol. 5, no. 1, pp. 13–24, 2015.
- [11] Keith Davis and Jhon W. Newstorm, *Perilaku dalam Organisasi*. Jakarta: Erlangga, 2008.
- [12] C. M. Ramsey, A. P. Spira, J. M. Parisi, and G. W. Rebok, "School climate: perceptual differences between students, parents, and school staff," *Sch. Eff. Sch. Improv.*, vol. 27, no. 4, pp. 629–641, 2016.

- [13] L. S. Hadiani, "TERHADAP KEDISIPLINAN BELAJAR SISWA (Penelitian Deskriptif Analisis di SDN Sukakarya II Kecamatan samarang Kabupaten Garut)," *J. Pendidik. Univ. Garut*, vol. 02, no. 1, pp. 1–8, 2008.
- [14] M. R. Limon, "The Effect of the Adequacy of School Facilities on Students' Performance and Achievement in Technology and Livelihood Education.pdf," *Int. J. Acad. Res. Progress. Educ. Dev.*, vol. 5, no. 1, pp. 45–58, 2016.
- [15] R. S. McGowen, "The Impact of school facilities on student achievement, attendance, behavior, completion rate, and teacher turnover rate in selected Texas high schools," Texas A & M University, 2007.
- [16] Gogot Suharwoto, *Modul 1; Pilar 1 Fasilitas Sekolah Aman*. Jakarta: Kemendikbud, 2015.
- [17] M. Filardo, "Good buildings, better schools: An economic stimulus opportunity with longterm benefits."
- [18] D. Puryanto, "Pengaruh Kualitas Fasilitas, Kualitas Pembelajaran dan Lokasi Terhadap Keputusan Memilih Jasa Pendidikan di SMPIT Global Insani Islamic School-Bekasi," *J. Ekon. dan Bisnis STIE YPN*, vol. VIII, no. 3, pp. 31–45, 2015.
- [19] R. M. P. Enjoh, "The Impact of School Facilities on Teaching and Learning in Presbyterian Secondary Schools in the SW of Cameroon," *Int. J. Trend Sci. Res. Dev.*, vol. Volume-2, no. Issue-6, pp. 1427–1437, 2018.
- [20] A. Fagbohunka, "Infrastructural facility and the students' academic performance - A critique," *Indones. J. Geogr.*, vol. 49, no. 1, pp. 11–16, 2017.
- [21] C. Darney, G. Howcroft, and L. Stroud, "the Impact That Bullying At School Has on an Individual'S Self-Esteem During Young Adulthood," *Int. J. Educ. Res.*, vol. 1, no. 8, pp. 1–16, 2013.
- [22] J. Goodman, J. Medaris, K. Verity, and B. Hott, "A Synthesis of International School-Based Bullying Interventions.," *J. Spec. Educ. Apprenticesh.*, vol. 2, no. 2, 2013.
- [23] D. Karim, "Managing conflict by school leadership: A case study of a school from Gilgit-Biltistan," *Int. J. Innov. Res.* ..., vol. 2, no. January, pp. 340–343, 2015.
- [24] H. A. Wani, "Understanding conflict resolution," *Cent. Promot. Ideas*, vol. 1, no. January 2011, pp. 104–111, 2011.

External Environmental Analysis in Strategic Planning for The Development of The Quality of Educational Resources in *Madrasah Aliyah* Bandar Lampung City

Mahmudin Aris Rayusman¹, Siti Patimah², Agus Pahrudin³, Andi Thahir⁴
 {arisrayusman@yahoo.co.id¹, sitipatimah@radenintan.ac.id², agus.pahrudin@radenintan.ac.id³,
 andithahir@radenintan.ac.id⁴}

Postgraduate student of the Islamic Education Management Study Program, UIN Raden Intan Lampung¹,
 Senior Lecturer in Islamic Education Management Postgraduate Program at UIN Raden Intan Lampung²,
 Senior Lecturer in Islamic Education Management Postgraduate Program at UIN Raden Intan Lampung³,
 Senior Lecturer in Islamic Education Management Postgraduate Program at UIN Raden Intan Lampung⁴

Abstract. Increasing the resources of teachers is very important because teachers are the engine of education. Efforts to increase teacher resources require a well-planned and well-planned strategic plan in order to achieve optimal goals. In order for planning to increase teacher resources to be effective and efficient, it requires an analysis of the external environment. Through this analysis of the external environment, opportunities and threats will be identified as a basis for preparing plans to increase teacher resources. This study uses a qualitative approach which aims to analyze the external environment in formulating a strategic plan for improving the quality of educational resources at *Madrasah Aliyah* in Bandar Lampung. The results of this study revealed that there was a clear legal basis; technological support; Economic situation; organization of teachers; colleges of teachers; government support. By analyzing the external environment, there are opportunities and threats seen from the support aspect, the employee aspect and the competitor aspect. The recommendations made are necessary and important for carrying out an analysis of the external environment in order to increase the resources of teachers in a more effective and efficient manner.

Keywords: external environment, strategic planning, educational resources

1. Introduction

The problem of the quality of education is a central issue in the world of national education, in particular in relation to the low quality of education at each level and educational unit. Although the government has strived to improve the quality of education through training and upgrading the skills of teachers, purchasing textbooks, improving educational facilities and infrastructure, it cannot be denied that the quality education in Indonesia remains alarming. Based on data from UNESCO in the Global Education Monitoring (GEM) 2016, education in Indonesia is ranked 10th out of 14 developing countries. The problem of the quality of education is a central issue in the world of national education, in particular in relation to the low quality of education at each level and educational unit. Although the government has strived to improve the quality of education through training and upgrading the skills of teachers, purchasing textbooks, improving educational facilities and infrastructure, it cannot be denied that the quality education in Indonesia remains alarming.

The quality of education in Indonesia, according to data from UNESCO in the Global Education Monitoring (GEM) 2016, is ranked 10th out of 14 developing countries. Based on the PISA (Program for International Student Assessment) report, Indonesia's education rankings in the world are ranked 62 in the world in science, 63 in mathematics, and 64 in reading. Still under Singapore, Vietnam and Thailand. PISA itself is a survey that tests the abilities of 15-year-olds in three areas, namely reading, math and science. This survey was

launched by the Organization for Economic Co-operation and Development (OECD). Based on this data, he confirms that the quality of education in Indonesia is still low and needs the efforts of various parties to improve it again.

One of the factors that determines the quality of education is the quality of its educational resources. Based on the data obtained, the quality of educators in Indonesia ranks 14th out of 14 developing countries in the world. Meanwhile, the number of teachers has increased by 382% since 1999/2000 to reach over 3 million, and among them there are still 25% of teachers who did not meet the academic qualification requirements and 52 % do not have a professional certificate. In contrast, the competence of educators in a country with the fourth largest population in the world is classified as very low. Data from the Ministry of Education and Culture shows that among the 1.6 million participants in the Teacher Proficiency Test, more than 1.3 million of them have scores below 60, worth between 0 and 100. Also on this test, only 192 teachers obtained scores above 90. While nearly 130,000 of them only obtained a score below 30. The low capacity of this teaching body was an impact on the quality of education in all regions. In contrast, the competence of educators in the country with the fourth largest population in the world is considered very low. Data from the Ministry of Education and Culture shows that among the 1.6 million participants in the Teacher Proficiency Test, more than 1.3 million of them have scores below 60, ranging from 0 to 100. Also on this test, only 192 teachers obtained scores above 90. While nearly 130,000 of them could only obtain a score below 30. The low capacity of this teaching body has an impact on the quality of education in each region.

Based on the data obtained regarding the quality of education in the province of Lampung, in particular in the city of Bandar Lampung in the educational institutions of Madrasah Aliyah, it appears from the accreditation value obtained that only 12, 5% is accredited A. Even 44% is still accredited C. Data shows that the quality of education of Madrasah Aliyah in the city of Bandar Lampung still needs to be improved. The results of the 2019 Teacher Proficiency Test in Lampung Province, the average scores of the Teacher Proficiency Test for teachers was 49.44. Meanwhile, the average score on the professional proficiency test was 55.07, with an average score on the overall teacher proficiency test of 53.38. Meanwhile, for teachers in Bandar Lampung, the average score on the Teaching Proficiency Test was 52.82. The mean Professional Proficiency Test score for teachers in Bandar Lampung was 58.73, with the mean Global Proficiency Test score 56.96. These data show that the competence of educators in Lampung Province and Bandar Lampung City is still very low.

The development of human resources in Indonesia must be a top priority for the education sector in Indonesia. This is because the weakness of human resources resulting from education has resulted in the weakness of Indonesia due to the recession in other sectors like the economic sector. As Lynda Gratton stated, that human resources are seen to have a greater role in the success of an organization, so many organizations today realize that the human element in organizations provides a competitive advantage[1]. Even the research results of Kadek Hengki Primayana show that by improving quality, human resources become influential because human resources, in this case teachers, are a central factor in education which is very important to improve the quality of education [2].

In educational institutions, educational resources are at the forefront of the institution's educational process. The educational process will not be successful without the role of the teacher. These educational resources will have great potential to advance education, if they are professional in managing their learning. It can therefore be said that teachers' resources can be one of the factors holding back the improvement of the quality of education.

Developing good quality teaching resources is not easy, it requires a mature, structured and planned strategic plan, so that teacher resource development efforts can achieve the objectives optimally, effectively and efficiently. According to Nasir Usman, in the process of human resource development, the first thing to do is to design a teacher development plan based on the results of the analysis and assessment of organizational and individual needs [3].

Activities carried out at this stage of strategic planning include carrying out an external environment scan [4].

The external environment should be analyzed to determine the opportunities and threats the organization will face. The external environment as the main obstacle to the main actions of a manager, the analysis of the environment is an important step in the strategic process. Because the environment of an organization, in large part, limits the options available to management. A strategy that works is a strategy suited to the environment. The research results of Muscalu, et al., Who state that the external environment causes changes in the Overall activities of the organization, the consequence is to increase the efficiency and competitiveness of the organization [5]. Riston suggests that the benefits of external analysis include (1) raising management awareness of environmental changes (2) improving resource allocation decisions (3) facilitating risk management [6].

Based on these results, in order to increase organizational efficiency and competitiveness, decisions made by managers must take into account the links between the organization and the external environment. One of the most important characteristics of an organization is its ability to adapt to changes that occur outside the organization. This dependence can be evidenced by the most important external factors affecting the activities of the organization.

2. Literature Review

2.1 External Environment in Strategic Planning

The external environment are factors that come from outside the organization and which usually arise independently of the operational situation facing the organization concerned, but which have an impact on the management and operational processes within the organization. the organization [7]. Another view was expressed by Akdon that the external environment is made up of opportunities and challenges that exist outside of the organization and that management cannot handle [8]. Thus, the external environment is a factor external to the organizational environment that can offer opportunities or threats to the organization.

Thomas L. Wheelen and J. David Hunger, the external environment is divided into two, namely the social environment (social environment) and the work environment (work environment). The social environment, including: (1) economic power (2) technological power (3) the power of political law (4) socio-cultural power. Work environment, made up of government, local communities, suppliers, competitors, customers, creditors, unions, special interest groups and professional associations [9]. The most important external factors affecting the activities of the organization are demographic, economic and technical characteristics. and technological, socio-cultural, political, legislative, natural and international environment [5].

In general, the external environmental analysis will cover both the macro environment and the industrial environmental aspects. The macro-environment includes aspects related to political, legal, economic, social and technological aspects that can affect organizational activities. Meanwhile, the industrial environment is an environment closer to the business activities of the organization [10]. Julieta Ojeda Gomez's external environment consists of a macro-environment and a micro-environment. The macro-environment includes socio-cultural, political, technological, demographic and economic aspects. At the same time, the actors of the micro-environment are directly involved in the company and also affect the company, made up of suppliers, customers, intermediary agents, government agencies and competitors [11].

The most important external factors affecting the working environment of an organization are the factors that determine the environment: demographic, economic, technical and technological, socio-cultural, political, legal, natural and international. Organizations can function effectively if they are aware of external environmental factors as well as ongoing changes, continually adapting to the demands of the external environment. In this regard, it

should be emphasized that there is an interaction between an organization and its external environment, both near and far.

Based on this explanation, when formulating a strategic plan, the organization must take into account the opportunities and threats of the external environment, present and future. Consequently, the organization must be attentive to any stimulus from the external environment, must constantly adapt to it and above all involve the adaptation of knowledge and information. Based on this explanation, when formulating a strategic plan, the organization must take into account the opportunities and threats of the external environment, present and future. Consequently, the organization must be attentive to any stimulus from the external environment, must constantly adapt to it and above all involve the adaptation of knowledge and information.

3. Methods

This type of research is a descriptive study using a qualitative approach. This research was conducted at Madrasah Aliyah in the city of Bandar Lampung, Province of Lampung, i.e. 16 Madrasah Aliyah with details on 2 (two) Madrasah Aliyah with state status and 14 Madrasah Aliyah with private status. The data sources for this qualitative study were chosen on purpose and were a snowball sampling, including the head of the madrasah and his representatives, as well as the teachers of Madrasah Aliyah in Bandar Lampung. The data collection tools for this study were interviews, observation and documentation. The data analysis technique used in qualitative research is inductive, that is, an analysis based on the obtained data, then a specific relationship model is developed. In this study, to obtain the validity of the data, triangulation was used.

4. Result and Discussion

The results of the data collection can be identified from the external environment of Madrasah Aliyah in the city of Bandar Lampung from a legal perspective, the efforts to develop the educational resources of Madrasah Aliyah in the city of Bandar Lampung have a solid legal basis, including Law number 20 of 2003 concerning the national education system, in particular Chapter XI. Concerning Educators and Education Personnel, Government Regulation No. 19 of 2005 Regarding National Education Standards, Regulation of the Minister of National Education of the Republic of Indonesia No. 16 of 2007 Regarding Qualification Academic and Teacher Competence Standards and Law No. 14 of 2005 on Teachers and Lecturers.

Another result of identifying the external environment in the development of educational resources of Madrasah Aliyah in Bandar Lampung City, there are several teaching colleges in Bandar Lampung which can help Madrasah Aliyah in Bandar Lampung to prepare a large number of professional educators. , so that they can become a force for the Madrasahs. Aliyah in the city of Bandar Lampung in developing a strategic plan to improve the quality of educational resources.

The external environment has identified several teacher organizations that are still striving to develop the quality of educational resources in Lampung province in general and in Bandar Lampung city in particular, such as the Subject Teachers' Conference (MGMP), Similar Competencies (APKS) PGRI Lampung Province, Lampung Province Nahdhatul Ulama Teachers Association, Lampung Province Muhammadiyah Teachers Forum, Indonesian Association of Education Researchers, Indonesian Association of Madrasah Teachers and Indonesian Association educational assessment.

The power of technology in the city of Bandar Lampung is another external environment to be considered when developing a strategic plan to improve the quality of educational resources for Madrasah Aliyah teachers in Bandar Lampung. According to observations, the technological facilities in the city of Bandar Lampung are very good. Electrical installations

and Internet networks have reached every urban village. There is no area not covered by electricity and internet connection, so it is very easy to use the technology.

The results of identifying the economic strength of the population of Bandar Lampung city, most of the population of Bandar Lampung city is in the middle to upper economy, so it can be said that the population of the Bandar Lampung city is quite prosperous. Data from the National Economic Survey of the Indonesian Statistics Agency indicate that the poverty line, the number of poor educators and the percentage of poor in the city of Bandar Lampung are relatively low.

The socio-cultural condition of the city of Bandar Lampung is seen from the number of educational institutions, especially at the SMA / MA level in the city of Bandar Lampung, the results of the observation are quite numerous, namely 68 SMA which are under the Ministry of Education and Culture with details of 17 SMA with state status and 51 SMA with status private.

The results of the identification of the support of the government of the city of Bandar Lampung for improving the quality of educational resources include the existence of government institutions, such as the Ministry of Education and Culture, the Ministry of Religion, the Lampung Education Quality Assurance Agency.

Based on the results of the data collection, the results of the analysis of the external environment for the development of educational resources from Madrasah Aliyah in Bandar Lampung City include (1) the existence of a solid legal basis to improve the quality of educational resources (2) state of technology which supports (3) existence of secondary schools and Madrasah Aliyah in almost all sub-districts (4) most people are at a fairly prosperous economic level (5) there is a teachers' organization (6) there is government support through the ministry of education and culture, the ministry of religion and the LPMP.

The results of the research on planning strategies to improve the quality of educational resources for teachers at Madrasah Aliyah in Bandar Lampung City aim to identify the external environment. Identifying the external environment is relevant to the research findings of Muscalu, et al., Who found that the most important external factors that influence organizational activities are demographic, economic, and technical characteristics. and technology, socio-cultural, political, legislative, natural and international environment. The findings of this study are also relevant to the research findings of Muscalu, et al., Who found that the most important external factors that influence organizational activities are demographic, economic and technical characteristics. and technological, socio-cultural, political, legislative, natural and international environment [5]. Other studies have also shown that in general, the external environmental analysis will include macro-environmental and industrial environmental aspects. The macro-environment includes aspects related to political, legal, economic, social and technological aspects that can affect organizational activities. Meanwhile, the industrial environment is one that is closer to the organization's business activities [10].

Based on the conclusions and results of these relevant studies, to increase the effectiveness and competitiveness of madrasah teachers, decisions made by managers must take into account the links between the madrasah and the external environment. One of the most important characteristics of madrasahs is their ability to adapt to changes that occur outside of the madrasa. This dependence can be evidenced by the most important external factors affecting the activities of the madrasah, especially in the planning of strategies to improve the quality of the resources of the teachers of the madrasah. The most important external factors affecting the working environment of an organization are the factors that determine the environment: demographic, economic, technical and technological, socio-cultural, political, legal, natural and international. Organizations can function effectively if they are aware of external environmental factors as well as ongoing changes, continually adapting to the demands of the external environment.

5. Conclusion

The external environment of Madrasah Aliyah in Bandar Lampung includes a clear legal basis; technological support; Economic situation; organization of teachers; colleges of teachers; and government support. The identification of the external environment of the madrasah should be broad by examining the various possibilities which could be both opportunities and threats to improve the quality of the resources of the teachers of the madrasah.

References

- [1] Lynda Gratton, "The New Rules of Human Resource Strategy," *Fokus*, pp. 13–14, 1998.
- [2] K. Hengki Primayana, "Manajemen Sumber Daya Manusia Dalam Peningkatan Mutu Pendidikan Di Perguruan Tinggi," *J. Penjaminan Mutu*, vol. 1, no. 2, p. 7, 2016.
- [3] N. Usman, *Manajemen Peningkatan Mutu Kinerja Guru; Konsep, Teori dan Model*. Bandung: Citapustaka Media Perintis, 2012.
- [4] A. W. Tunggal, *Manajemen Strategik untuk Memenangkan Kompetisi*. Jakarta: Harvarindo, 2009.
- [5] E. Muscalu, D. Iancu, and E.-E. Halmaghi, "the Influence of the external environment," *J. Def. Resour. Manag.*, vol. 7, no. 2, pp. 133–138, 2016.
- [6] A. R. Ommami, "Strengths, weaknesses, opportunities and threats (SWOT) analysis for farming system businesses management: Case of wheat farmers of Shadervan District, Shoushtar Township, Iran," *African J. Bus. Manag.*, vol. 5, no. 22, pp. 9448–9454, 2011.
- [7] N. Fattah, *Manajemen Strategik Berbasis Nilai*. Bandung: Remaja Rosdakarya, 2015.
- [8] Akdon, *Strategic Management for Educational Management*. Bandung: Alfabeta, 2011.
- [9] Thomas L. Wheelen and J. David Hunger, *Strategic Management and Business Policy Concepts and Cases*, Eleventh E. USA: Prentice-Hall International USA, 2012.
- [10] R. Ibrahim and I. Primiana, "Influence Business Environment On The Organization Performance," *Int. J. Sci. Technol. Res.*, vol. 4, no. 4, pp. 283–293, 2015.
- [11] J. O.-G. and M. Simpson, "Achieving Competitive Advantage in The Mexican Footwear industry," *an Int. J.*, vol. 14, no. 3, pp. 289–305, 2007.

Application Values of Character Education in PPKn Lessons in SMP Negeri in the City of Palu

Gusnarib Wahab¹, Fatimah Saguni², M. Iksan Kahar³
{iain.gusnarib@gmail.com¹, fatimahsaguniftik@gmail.com², m_iksankahar@iainpalu.ac.id³}

Institut Agama Islam Negeri (IAIN) Palu¹, Institut Agama Islam Negeri (IAIN) Palu², Institut
Agama Islam Negeri (IAIN) Palu³

Abstract. This research explores the implementation of the principles of character education in state senior high schools (SMP) in Palu. This research focuses on the application of Civics Education (PPKn) to teach principles of educational character. In the PPKn topic, the objective is to disclose positive things related to the creation of cultural values. This study will answer a research question: What is the description of character education implementation in PPKn subjects in Junior High Schools in the City of Palu? This study used a qualitative longitudinal study method, and the data were gathered through interviews with a school principal, PPKn teachers, and Kaili traditional leaders in Palu City who were related to learning PPKn in classrooms that contained character education values. After the data was collected, an analysis is carried out through data display, data verification, and conclusions drawing. The research found that character education at the State Junior High Schools has not been going well. The main obstacle includes curriculum guidance that is not yet clear, short learning time and no special institution that focuses on instilling predetermined character standards. The subject of PPKn includes character values that are expressed in the tales of characters and individuals that encourage teens to be followed by teenagers. The psychology of students needs to internalize faith, integrity, discipline, hard work, creativity, individuality, caring, accountability, character values by learning stories or behaviors that become the culture of life.

Keywords: Values, Character Education, Civic Education, PPKn.

1. Introduction

Basically, education is a deliberate attempt to improve the capacity of human capital and the empowerment of students by supporting and encouraging learning activities and instilling the values of life. This is in accordance with the Republic of Indonesia Law Number 20 of 2003 concerning the National Education System Chapter 1 Article 1 that education which is defined as a conscious and planned effort to create an atmosphere of learning and the learning process so that students actively develop their potential to have religious-spiritual power, self-control, personality,

intelligence, noble character, and skills that are needed to live in a society and the state [1]. Professional educators are required to achieve the goals beginning from basic to tertiary education.

A successful teaching program will provide students with great encouragement to complete their developmental duties. In this regard, throughout the entire teaching process and development, every teacher should understand the personalities of their students, especially those related to childhood and adolescence in primary and secondary schools. The students need to internalize the ideals of life throughout the time to foster a full identity and dignity.

2. Literature Review

Education today is starting to lose its position as a mechanism that leads students to become completely human. For themselves and their culture, humans should portray themselves as problem-solvers. Empirically, this is clearly illustrated by the paradigm shift around ideals, essential truth, happiness, and social justice. Increasingly individualistic and consumeristic, human life is also expressed in unethical conduct, environmental degradation, legal oppression, rape, violent protests, anarchist activities, social tensions, religious or SARA abuse, and the use of foul language. About moral decadence. The situation, however, deteriorates when the character, ethical beliefs and cultural values of children are no longer the reference of life. This situation impacts changes in the character of children who are increasingly vulnerable due to such changes. The relationship or ties in the family, including parents and close relatives, the surrounding community, and educational institutions, are also minimal. Character building must be reaffirmed by learning and the importance of the ideals of character and wisdom in education, family and community. Changes that occur in lifestyles, including economic developments in the era of digitalization, have triggered global developments that have gradually changed people's behavior. On the other hand, the availability of human resources who have a noble and professional character in their fields is lacking and critical. Thus, education is needed to improve the standard of living of the nation's young generation in various creative and innovative aspects and fields as a preventive alternative to mitigate and reduce the causes of various problems of degradation of the nation's character itself.

The Central Curriculum Research and Development Agency of the Ministry of National Education states that character is defined as the character, morals, or personality of an individual formed from internalization (can be influenced by family, education, and the community environment). The character has various virtues that are believed and made based on points, the views that the individual believes thoughts, and actions. It is said that character building is the process of carving or sculpting a soul in such a way that it is unique, interesting, and different or can be distinguished from others [2]. Q-Anees and Hambali illustrate the characters are like a "muscle," that is, the "muscles" of the character will become flaccid if they have not been trained and will be strong and sturdy if they are often used (trained). Like a bodybuilder who continues to train to build muscle, the "muscles" of character will also be formed with training practices, eventually becoming a habit [3].

In line with Williams' opinion, Sriamin in Soedarsono [4] states The main reason for the importance of character building is because the character is the foundation that guides individual behavior. It starts from the beginning of the individual's life period and lasts throughout his life. In

other words, basically, characters can't just be processed with an element of deliberation in a relatively short time or instant in adulthood. However, it can be said that these characters will grow and develop over time in a person's life. Such development dimensions are (1) individual social sensitivity, namely caring and involvement in the social environment. It is also not only caring but also solving and how to develop one's sympathy and empathy; (2) nurturance and care, which means protecting, providing protection for others, and maintaining good relations with others; (3) sharing, cooperation among human beings; (4) helping others to develop positive character and good morals; (5) honest attitude; (6) maintaining moral, which means that someone knows how other people respond. If the response is pleasant, it can be done; (7) self-control related to controlling one's own behavior without asking others to do so, and (8) solve various social problems and conflict resolution. The period of adolescent development is a period of development towards autonomy (individual independence). Furthermore, Yusuf and Nurihsan added that adolescents must be able to complete their developmental tasks, namely (1) accepting their physical condition and utilizing it effectively without complaining; (2) learn to achieve emotional independence; (3) achieve a guarantee of economic independence in the future; (4) selecting and preparing jobs according to their skills; (5) preparing for marriage and family life; and (6) developing the concept of intellectuality, creativity, and skills necessary for competence [5].

In line with Santrock (2007: 41), describing adolescence is the transition from childhood to adulthood. This period starts around the age of ten or twelve through to the age of eighteen or twenty. Teens begin to experience rapid physical development, including increasing height and weight and developing sexual function. During the period, individuals increasingly want to be free and seek their identity (self-identity). Their mind has become increasingly abstract, logical, and idealistic [6]. Mubarak emphasized that education is a process of development from individual character to essential wisdom, acquiring knowledge, and developing ethical character behavior. Therefore, it is essential to develop an individual's cognitive, affective, and psychomotor aspects in a balanced and sustainable manner. This is part of the highest educational value. Education's value can be used to neutralize various forms of inequality (conflict of interest) in several educational institutions [7].

In a social structure, in addition to the forms of disputes, Dugan and Maftuh describe four types of student/college student conflict: controversial, conceptual, interest, and developmental conflicts. Conflicts in a college usually arise in circumstances where: (1) the ideas or opinions of someone are not in line with other people's ideas and opinions and both try to find an agreement; (2) contradictory ideas persist in the mind of a person or when the information obtained does not match what one already knows; (3) someone with an interest in something tries to discourage someone from achieving their interest or goal [8]. The opinion is that cultural conflicts occur because of differences in national or ethnic origins. The disparities in gender, sexual orientation, class, and physical and mental abilities are triggered by social conflict. Prejudice, bigotry, abuse, and even other crimes frequently contribute to personal and institutional treatment of differences. It can be inferred from the explanation that differences of opinion and social inequalities are the cause of conflict [9].

3. Methods

The method is a way of working in understanding the object being studied. Researchers can choose one of the various existing research methods according to the objectives, properties, objects, nature of the science, or theory that supports the research. In research, it is the object that determines the method to be used [10]. The qualitative research describes and analyzes phenomena, events, social activities, attitudes, beliefs, perceptions, thoughts of people individually or in groups [11]. This study seeks to describe the data in words or sentences that are differentiated according to certain elements/parts to obtain conclusions. Meanwhile, Frankel and Wallen stated that qualitative research requires researchers to study natural phenomena and all their complexities [12].

Research that is carried out with a qualitative approach is currently getting more and more attention because it can describe the dynamic movement of studying a social phenomenon. This study used a longitudinal qualitative research method that emphasized the application of character education values in the PPKN subjects at senior high schools in Palu. The informants involved in this study include school principals, PPKN teachers, and Kaili traditional leaders.

The research instrument was the researcher [13]. The researcher's qualitative research position as a human instrument serves to determine the focus of research, select informants as data sources, perform data collection, assess data quality, analyze data, interpret data, and draw conclusions on the findings. Furthermore, it states that there is no other choice in qualitative research than making humans the main research instrument.

4. Results and Discussion

4.1 Analysis of Character Education Integration through Learning and Socialization of Civic Education Topics.

In several state junior high schools (SMP Negeri) in Palu City, this study was conducted. The junior high schools include SMP Negeri 1 Palu, SMP Negeri 2 Palu, SMP Negeri 3 Palu, SMP Negeri 4 Palu, SMP Negeri 5, and SMP Negeri 15 Palu City with 24 key informants and 12 helping informants. The analysis of data is the outcome of the triangulation of the interview results and the analysis of the documentation about the integration of character education, as presented in the table below:

Table 1. Recapitulation of Study Findings on PPKn Learning Incorporation of Character Education at SMP Negeri in Palu

No	Indicators	Number of Classes	Percentage (%)
1	Planning the integration of character education in learning from teachers is carried out at the time of compiling the syllabus.	1	12.5
2	The format of the syllabus table specifically contains the character values incorporated into the	1	12.5

	learning process.		
3	Assessment techniques included in written or oral form, test and non-test evaluations	7	67.5
4	The cultural principles and attributes that will be incorporated into the learning process are extracted from the requirements of competence and basic competencies.	3	37.5
5	The formulation of indicators for the achievement of learning competencies in the study plan uses operational verbs that include the cultural values of the national character	1	12.5
6	The intended cultural values and national character of the learning objectives are included in the formulation.	3	37.5
7	A learning plan according to basic competencies, learning goals, instructional materials and learning tools or media is included in the learning process.	6	75
8	The structure of learning activities is established in an active, creative, effective and fun learning plan which is aimed at the formulation of statements in learning activities to achieve the learning objectives	6	75
9	The learning strategy requires a curriculum to provide constructive feedback/reinforcement/enrichment/modeling/habitude and to remedy	7	87.5
10	In the lesson plan, the test format is used.	1	12.5

4.2 Study of Character Education Incorporation in the Implementation Process

The results of the research on the introduction of the incorporation of character education in PPKn learning for grades VII to IX SMP Negeri in Palu based on the learning method and the content that was presented for two hours of lessons. The characters consist of 14 types divided into the discussion (M1, M2, and M3) and teachers (M4 and M5) with the following details: (1) religious with a total score of 6 (75%); (2) Honesty with a total score of 8 (100%); (3) tolerance with a total score of 4 (50%); (4) discipline with a total score of 8 (100%); (5) hard-working with a total score of 8 (100%); (6) creative with a total score of 4 (50%); (7) independent with a total score of 6 (75%); (8) democratic with a total score of 6 (75%); (8) curiosity with a total score of 8 (100%); (9) like to read with a total score of 6 (75%); (11) appreciate achievements with a total score of 8 (100%); (12) friendly communicative with a total score of 8 (100%); (13) enviromental care with a total score of 1 (12.5%); and (14) resposible with a total score of 8 (100%).

4.3 Barriers to Integrating Character Education in Civics education

The following details are the outcomes of interviews with PPKn subject teachers regarding the obstacles to integrating character education into learning PPKn in grade VII-IX at State Junior High Schools in Palu.

Table 2. Integration Barriers

No	Theme	True circumstances
1	Barriers to incorporating character education into learning for people	The time allocation for Civics subjects is very short, while the material load that teachers have to convey to students is very tight
2	Complaints in integrating character education into Civics learning	The teacher acknowledged that because of the limitations of the learning media, it was hard to carry out character education for each student during class hours. The infrastructure for teaching and learning is also very small.
3	Suggestions for cultural standards and national character education implementation in schools	The teaching load of teachers should be reduced so that administrative tasks that are borne by teachers to meet professional standards can be carried out, or vice versa. The teaching profession's administrative duties are reduced so that they can carry out character education tasks for students.
4	The opinions of teachers on character learning, which are applied in subjects of civic education and in all subjects at junior high school level (State Junior High School in Palu City).	Both informants, both primary and supporting informants, accept that to teach and train our students, character education is often applied. Only the tactics, strategies, processes, and materials of help are different.

5. Result and Discussion

Planning for integrating character education into Civics Education learning in state junior high schools in Palu has not been implemented optimally. The ten planning indicators can be seen, which all indicators yet to reach 100% of its implementation. In the form of assignments, teachers often apply the indicator and syllabus format comprising test and non-test evaluation techniques in the written or oral form regarding results, attitudes, and job outcomes. However in the evaluation rubric with measures of the ideal student attitudes during the lesson, some junior high schools define the type of attitude assessment in the syllabus in a learning implementation plan. Although other junior high schools did not do the same thing, most teachers admitted that measuring attitudes was difficult, so that teachers tend not to define the type of the evaluation in the lesson plan. In the meantime, only the indicators for the inclusion of other character education in the syllabus format are met. by individual schools in the city because several other schools do not revise their syllabus for years and it remains unchanged for a long period.

The indicator for the integration of character education, which is mostly carried out by teachers in the lesson plan, is intended to include programs Providing constructive reviews,

reinforcing, enriching, exceptional, habitual and/or remedial remedies. In the learning activities, all of these are listed, including giving independent or group assignments, reflecting, and giving homework. Whereas other metrics, such as the development of competency achievement indicators and learning targets, are written only on the basis of core competencies, which involve cognitive aspects. Some other schools only mention the characters and values to be formed without explanation with operational verbs in learning so in the learning steps, there are no tasks that represent the values or characters written.

The choice of methods of learning carried out by educators is by students' needs, the abilities they need to have, their habits, and the availability of adequate facilities and infrastructure to support the learning carried out. Meanwhile, a junior high school uses a syllabus and lesson plans made by a teacher, which cannot be analyzed by the researchers because the teacher cannot provide the syllabus and lesson plans needed. The syllabus is analyzed, and the learning activities are designed according to the specified indicators, namely student-centered learning activities where most of the learning activities are carried out by students and teachers only as learning providers.

The teachers in the classroom who carry out citizenship education integrate the character education according to the methods and strategies in the schools that they use or apply. There are five cultural values and good character that are taught, namely the importance of being honest with others, time discipline, curiosity to gain knowledge, the desire to try hard, being friendly to others and the environment, and being able to be communicative. On the other hand, environmental care value is only integrated by a teacher in learning and extra-curricular activities, such as Friday morning and Sunday morning work habits. Although in the implementation, it is developed as a form of environmental sustainability, especially for cleanliness and beauty, which is used as material for student discussions about the role of plants in protecting air pollution and reforestation according to the slogan of Palu city "Green and clean." The teachers' teaching activities within the state junior high schools can be observed straight forward when they teach religious values and present examples of raising human rights. Human life's cultural and social conditions can be used as the basis of actions to strengthening the state law that Allah has given as the nature of every individual. However through discussing learning materials, such as the importance of discipline and integrity, religious values can be established. The teacher's discussion is about social care, such as caring for the environment both for living things and the environment for inanimate objects. And it can also be developed by teaching disciplinary values, including time discipline, and training students' discipline in obeying school rules that apply in institutions, at home, and in the community. Teachers are also required to emphasize to students that it is essential to comply with the existing rules in which they live and adapt as best as possible regarding respecting others and carrying out their obligations as good citizens and religious people who tolerate one another.

Students are also taught to spread the love of peace and a high sense of brotherhood in their community life. If students can obey the correct rules, then the student's answer is correct and a relatively high score. In the discussion of character material, as explained earlier, the teachers emphasize the importance of humans who have high character values in their social environment. Where humans must obey the rules that apply in society, as cultured human beings, students must understand and obey the rules, ethics, and norms that apply in the school environment. As explained, individuals who have the highest rank in Allah's eyes are individuals who have high knowledge and morals and can be role models for others and their environment.

The challenge for teachers to incorporate character education is the busyness of teacher responsibilities, especially for certified teachers who must fulfill 24 hours of teaching time. The overload work cause teachers to be too busy with teaching hours, which cause administrative tasks cannot be implemented properly. For example, lesson plans and designing an attitude assessment model that suits student needs, revising learning tools are often ignored by the teachers. The teachers therefore recommend that the local government education agencies minimize the teaching load of teachers so that other administrative tasks can be undertaken by teachers. Teachers find it difficult to observe students' attitudes one by one in a short period of time during a civics education meeting. The most concern of the teachers is the unavailability of learning facilities and the lack of teaching media.

In the end, the development of students' character must be observed gradually and continuously. This is based on the importance of complying with the rules and ethics in school. One step to take is to divide the students into small groups and observe each meeting's students' character. Moreover, record any developments found and evaluate them, hoping that there will be feedback after learning. The teacher can also make attitude indicators that will be assessed by observing student performance during learning. When one or more students show an indicator, the teacher can immediately mark the students' effective scores. This can motivate them to be more active in learning and obtaining knowledge to develop their character.

6. Conclusion

Training in civics involves character ideals expressed in the actions and stories of community leaders, ulama, and unique individuals that inspire youth and deserve to be emulated as central figures by the younger generation. In particular, in order to stimulate and empower self-concept development, junior high school students in Palu City need to internalize life values in a cultural, psychological view. In learning cultural stories (habits), which are then translated into culture, the strong character's actions can be constructed by constructing the values of life. Via imaginative, appealing and pleasing techniques to improve and inspire character education, character principles are automatically incorporated into applied learning design applications.

References

- [1] Depdiknas, *Undang-Undang RI Nomor 20 Tahun 2003 tentang Sistem Pendidikan Nasional*. Jakarta: PN. Balai Pustaka, 2001.
- [2] Kemendiknas, *Pengembangan Pendidikan Budaya dan Karakter Tokohremaja: Pedoman Sekolah*. Jakarta: Puskur, 2010.
- [3] Q-Anees dan Adang Hambali, *Pendidikan Karakter Berbasis Al-Quran*. Bandung: Simbiosis Rekatama Media, 2009.
- [4] S. Soedarsono, *Karakter Mengantar Tokoh remaja dari Gelap Menuju Terang*. Jakarta: Elex Media Komputindo, 2010.
- [5] S. dan A. J. N. Yusuf, *Landasan Bimbingan dan Konseling*. Bandung: Remaja Rosdakarya, 2005.
- [6] John W. Santrock, *Perkembangan Anak*, Jilid I Ed. Jakarta: PT. Erlangga, 2007.
- [7] Mubarak, *Membumikan Pendidikan Nilai: Mengumpulkan yang Terserak, Menyambung yang Terputus, dan Menyatukan yang Tercerai*. Bandung: Alfabeta, 2008.

- [8] B. Maftuh, *Pendidikan Resolusi Konflik*. Bandung: CV Yasindo Multi Aspek, 2008.
- [9] R. . Crawford, D. & Bodine, *Conflict Resolution Education, A Guide to Implementing Programs in School, Youth-Serving Organizations, and Community and Juvenile Justice Settings*. 1996.
- [10] Koentjaraningrat, *Metode-Metode Penelitian Masyarakat*. Jakarta: Gramedia, 1977.
- [11] N. S. Sukmadinata, *Metode Penelitian Pendidikan*. Bandung: Remaja Rosdakarya dan Pascasarjana UPI, 2010.
- [12] J. R. dan N. E. W. Fraenkel, *How to Design and Evaluate Research in Education*. New York: McGraw Hill, 2007.
- [13] Sugiyono, *Metode Penelitian Pendidikan: Pendekatan Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta, 2010.

The Mental Health and Physical Ergonomic Impact on Executive Performance

Wan Mohd Rafiq Bin Wan Mohd Raimi¹, Siti Nur Fadzilah Muhsain², Samsudin Wahab³, Adi Izhar Che Ani⁴, Nor Aziyah Bakhari⁵, Ahmad Rashidy Razali⁶
 {wanmohd.rafiq@gmail.com¹, sitinurfadzilah077@uitm.edu.my², samsudinw@uitm.edu.my³,
 adiizhar@uitm.edu.my⁴, noraziyah140@uitm.edu.my⁵, ahmad073@uitm.edu.my⁶}

Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia¹, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia², Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia³, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia⁴, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia⁵, Universiti Teknologi MARA, Cawangan Pulau Pinang, Malaysia⁶

Abstract: Job performance for an executive is one of the main factors that contributes to the profit return of any organization. It is suppose organization's performance should be the primary basis for evaluating its executives. Mental health and ergonomic are considered as prominent factors contributing to executive's performance today. However, little is known regarding the impact of mental health and ergonomic towards an employee or executive group's performance in Malaysia, as well as the issues have become an emerging and growing statically day by day. Therefore, we tend to conduct further literature analysis to close the research gap by collecting and present an empirical data on the impact of mental health and physical ergonomic towards an executive performance in the context of private sector in Northern Malaysia.

Keywords: Mental Health, Physical Ergonomic, Performance, Absenteeism, Presentism.

1 Introduction

Job performance for an executive is a key factor that influence the profitability of any organizations. Organization's performance should be the major basis when evaluating its executives. Mental health, specifically on work related, is becoming an emerging issue towards executive in the organization. Studies have indicated that mental health is related to task performance [1]. According to 2015 National Health Morbidity Survey [2], 29% of Malaysian population suffered from depression and anxiety disorder. It has been anticipated then that mental illness will be the second major issue affecting Malaysia after heart disease by 2020. On top of that, there is ongoing global issues related to work performance to the ergonomics factor (office well – being). Several studies from past researchers had addressed the performance related issue with respect to the office wellbeing. Poor ergonomic conditions contribute to work injuries and this will contributes to overall expenses of organizations [3]. Accordingly, this paper provides reviews of available literature on the subject of mental health and ergonomic, and its relationship with executive job performance.

2. Literature Review

Determinant of Job Performance

2.1 Mental Health

Mental health disorder is a global health issue that contribute to considerable proportion of health problems in most countries. The Global Burden of Disease Study (GBOD 1990) has projected that mental disorders to be a major world's disease burden. According to Malaysian Mental Healthcare Technical Report, 2016, globally, psychiatric disorders accounted for 10% of Disability Adjusted Life Years (DALYs) and 28.5% of global Years Lost due to Disability (YDLs). Thus, mental health is an important element of performance indices for an employee and should be appropriately managed as it can negatively affects life as well as job functions. The National Institute of Mental Health (NIMH) 2015 reported that 17.9% Americans developed symptoms such as depression, anxiety, obsessive-compulsive tendencies, obsessive thought and feelings of impulsiveness. These has cause lost workdays and turnover, as well as absenteeism. Inappropriate management of mental illness can limit or interfere with daily activities that eventually lead to total disability, and financially burden a country [1].

Poor work conditions contributes to stress among employees and productivity that impacted on the economy. In view of this, World Health Organization (WHO) has promoted a healthy workplace through preventing issues associated with mental and health problem such as stigma, discrimination, and integration. Depression resulted in 13.7% disabilities, and 30% occupational disabilities in German are due to mental health problem. The increasing rate of absenteeism are the result of mental health and disabilities. Mental health problems in the workplace affect not only the employee but also productivity and competitiveness of business and thus the economy and society altogether. Poor employee's mental health affects the job performance, illnesses, absenteeism, which negatively impact productivity and overall income. Workplace stress and mental health disorder can lead to social exclusion from workforce and early retirement that account for a substantial share of long-term benefits. World health Organization estimated that in United Kingdom, £26 billion each year is spent by employers for employees with mental health problems. Annually, this led to business costs of £8.4 due to sickness absence, £15.1 billion from decreased productivity and £2.4 billion to replace employees who resign due to mental health. There is a variation of mental health related productivity across occupations and thus estimating their impact and proper intervention in workplace are crucial [4].

It is estimated that poor mental health in men and women similarly reduce productivity at workplace by 6.17 and 6.19 times higher respectively, than those with good mental health. [5]. Emotional stability, which is related to mental health and conscientiousness, is a constant predictor of overall work performance [6]. Poor decision-making ability, lack of effort and commitment, worsen the stress and internal conflict. Job burnout, depression and stress related conditions such as hypertension, sleeping disorders and susceptibility to infections can increase overall sickness, absenteeism, occupational disability that lead to early retirement. Employees might change their emotion, perceptions of work stressors and physical health, absenteeism and presenting, decreased work performance, and interpersonal challenges. It is critical for organizations to understand these consequences as mental health and require organization's support in prevention and treatment.

2.2 Physical Ergonomic

Ergonomics is the design of the workplace, equipment, machine, tool, product, environment and system, taking into consideration the human's physical, physiological

capabilities and optimizing the effectiveness and productivity of work system while assuring the safety, health and wellbeing of the workers. Ergonomics, also known as human factors, can be defined as a study of work and the interaction between people and their environmental work systems. Providing appropriate and necessary working environment to employees enhance well-being that enable them to complete tasks given. Ergonomics represents human endeavour. As a result, various concepts of Ergonomics developed over the years. It is related to the office setting such as workstations, computers, furniture, lighting, noise level and room temperature. All these factors must be appropriately considered to enhance employee's wellbeing, safety and job productivity. BNet Business Dictionary (2008) conclude office as the place where the business conducted, clerical work and professional activities. It includes site offices as well as permanent multi-storey corporate organizations and a critically supports business activities and aid employees to complete their job. As a summary, office ergonomics links the office and people. Hence, human-centered design considers knowledge of the people particularly of their capabilities, and their preferences. The Office Ergonomics Handbook (2008) identifies the under-listed as the key ergonomic elements in the office:

Efficient and high-performing employees are assets and one of critical factor to determine organization competitiveness, productivity and attainment of corporate goals. Tasks accomplishment and performing at a high level can provide a sense of satisfaction, pride and improve self-esteem. The action (i.e. behavioural) and an outcome aspects defines employee performance. The behavioural aspect refers to what an individual does in the work situation. The outcome aspect refers to the consequence or result of the individual's behaviour. Employee performance can be defined as the extent to which an organizational member contributes to achieving the goals of the organization.

Ergonomic factors contribute to employee's performance. The design and layout of workplace that consider ergonomic, comfortable and conducive working environment can helps employees to function efficiently that eventually optimize the value of the human capital of any organizations.

However, [8] did an ergonomic study among 154 academic staff in Umm Al – Qura University had found the performance level of academic staff is high regarding the workplace ergonomic. This might has some dispute from previous study that carried out by numbers of other fellow researchers. Since there is an inconsistency from previous study and literature, we have an interest to continue the study pertaining this matter in our own context. Hence, it is undoubtedly mental health and ergonomic are considered as prominent factors contributing to an executive performance. However, there is still little research regarding the impact of mental health and ergonomic towards an employee or executive groups performance available in Malaysia. Most literature and studies that investigate the impact of mental health on work performance only been conducted in Western countries [4]. Despite the financial impact of these hidden cost on organization's performance, these types of expenses are usually ignored [3]. Therefore, we tend to conduct further analysis to close the research gap by collecting and present an empirical data on the impact of mental health and ergonomic towards an executive performance in the context of private sector in Northern Malaysia.

3. Methods

This paper represents the literatures on mental health and ergonomic issues in achieving high office productivity in the organization. This basis article is on the earlier stage of

proposal before conducting a real field research to prove the hypothesis. Therefore, this article is discussing the reviewed of available literature about contamination and supply chain variable as the determinants of food safely.

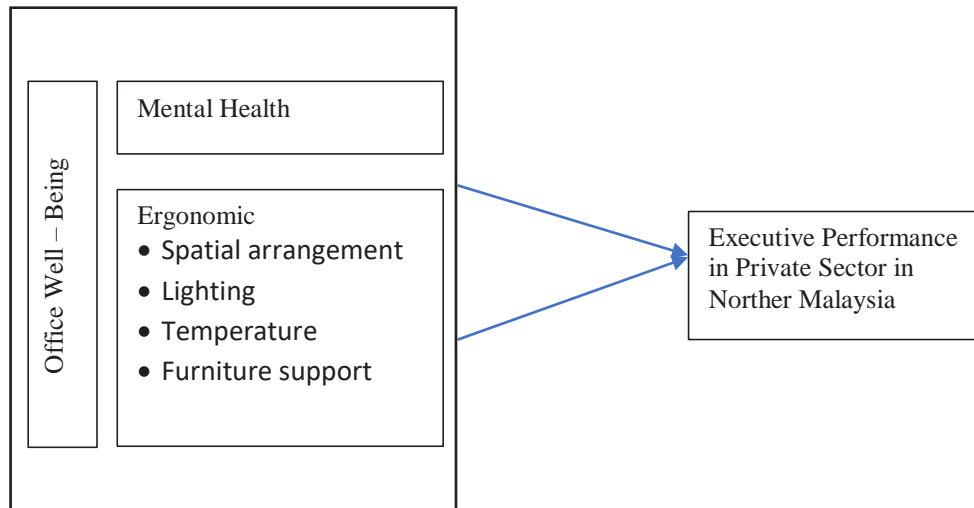


Figure 1. Propose Theoretical Framework

The dependent variable is the executive performance in private sector in Northern Malaysia, and the independent variables are mental health and physical ergonomics. In this research, the focus is the work-related productivity loss stemming from employee's mental health/illness as well as the physical ergonomic factor i.e., in work absence (absenteeism) and diminished on-the-job productivity (presentisms).

H1 – There is a significant impact between Mental Health and Executive Performance in Private Sector in Norther Malaysia

H2 – There is a significant impact between Ergonomics and Executive Performance in Private Sector in Norther Malaysia

4. Result and Discussion

The proposed conceptual framework directed the research to two important value of observations. First, loss of productivity which is associated with mental health/illness and physical ergonomics will depend on wider definition and range of the factors including:

Absenteeism might happen due to lack of creativity among the staff. Even in the earlier literature confirm that mental illness is not related to work performance but sometime its effect staff commitment in the workplace. The factors like lighting system, chair and table condition more closed to staff movement whereby directly affect their creativity at work.

Comfortable workplace area will reduced mental illness due to free open plan office and systematic ergonomic.

5. Conclusion

The claims and arguments that mental illness as well as the physical ergonomics takes on worker productivity will results to a substantial economic lost in term of direct and indirect costs to the firms, employees, and might as well goes to the society and nation in more general view.

The potential for reducing these costs laid in large part on employers developing an employment policies and workplace cultures that support their mentally ill employees and have a clear policies regarding the healthcare in term of mental and work ergonomic environment, so that employees are not only have a good attendance record attending work, but also being productive and deliver while they are working.

Based on our research theoretical framework as in 3., it explains the relationship between mental health and physical ergonomics and their impact towards employee's performance. The framework, as per previous literature, assumes the resultant impacts of mental health and physical ergonomics directly towards the performance of an executive in private sectors in Northern Malaysia, and associated to the financial aspect.

6. Acknowledgements

Acknowledgements. Special appreciation to Dr. Nor Aminin binti Khalid, Dr. Samsudin bin Wahab, and Universiti Teknologi MARA, Cawangan Pulau Pinang for providing the budget for this research proposal.

References

- [1] D. Auten and C. Fritz, "Mental health at work: How mindfulness aids in more ways than one," *Organizational Dynamics*. 2019, doi: 10.1016/j.orgdyn.2018.04.001.
- [2] I. for P. Health, "National Health and Morbidity Survey 2011 (NHMS 2011)," *Vol. II Non-Communicable Dis. Risk Factors Other Heal. Probl.*, 2015.
- [3] M. Mansour, "Quantifying the intangible costs related to non-ergonomic work conditions and work injuries based on the stress level among employees," *Saf. Sci.*, 2016, doi: 10.1016/j.ssci.2015.09.007.
- [4] M. Tsuchiya *et al.*, "Impact of mental disorders on work performance in a community sample of workers in Japan: The World Mental Health Japan Survey 2002-2005," *Psychiatry Res.*, 2012, doi: 10.1016/j.psychres.2011.10.014.
- [5] M. Bubonya, D. A. Cobb-Clark, and M. Wooden, "Mental health and productivity at work: Does what you do matter?," *Labour Econ.*, 2017, doi: 10.1016/j.labeco.2017.05.001.
- [6] M. Lado and P. Alonso, "The Five-Factor model and job performance in low complexity jobs: A quantitative synthesis," *Rev. Psicol. del Trab. y las Organ.*, 2017, doi: 10.1016/j.rpto.2017.07.004.
- [7] Malaysian Healthcare Performance Unit, Malaysian Mental Healthcare Performance: Technical Report 2016. Putrajaya, Malaysia: Ministry of Health, Malaysia, 2016: 1-67
- [8] H. G. Masterizki, A. Armanu, and D. W. Irawanto, "HOW ERGONOMIC FACTORS CONTRIBUTE TO EMPLOYEES' PERFORMANCE," *J. Apl. Manaj.*, vol. 17, no. 2, pp. 227–234, 2019.

Learning Difficulties and Opportunities for Student and Academics of Malaysian Institutions of Higher Learning (MIHL) in the Covid-19 Pandemic Outbreak

Juhary Ali¹, Sheila Cheng², Jeffrey Chiang³
 {juhary.ali@aeu.edu.my¹, sheila.cheng@aeu.edu.my², jeffreychiang@segi.edu.my³}

Asia e University Malaysia, Kuala Lumpur¹, Asia e University Malaysia, Kuala Lumpur², Asia e University Malaysia, Kuala Lumpur³

Abstract. In this Covid-19 pandemic crisis education for students at all levels in Malaysia were instructed to shut down. There were many issues arising from this development, which caused difficulties in maintaining the standards of teaching and learning by both lecturers or teachers and the students and their parents. Difficulties and problems faced by students include poor or lack of internet connection facility, unreliable computer and mobile devices, challenges in learning without face to face contacts, unhealthy hours spent in front of computer or mobile screens, lack of concentration and built up of stresses and uncertainties in their academic performance. These are all common issues that all students of higher learning had faced during this challenging time. Meanwhile, there are opportunities for students and lecturers, in the form of having flexibility of learning at their own pace in their home environment, not having to travel on the road allows more time to plan or work on other areas of interest, ability to expand on knowledge of online connection and even going into online business transactions, able to connect regularly with friends and relatives in faraway places – in other words, this pandemic crisis seems to be preparing us all for the future where technologies such as 5G connectivity and Industrial Revolution 4.0 will prevail in the world economy and daily activities.

Keywords: Covid-19, learning difficulties and opportunities, institutions of higher learning.

1 Introduction

The Covid-19 viral crisis was an unexpected watershed event, as it reached the critical stage in Malaysia in late February to early March 2020. The nation went into lockdown on 18 March 2020 after experiencing a sudden spike in Covid-19 infection cases in a mass Muslim religious gathering of tens of thousands in Klang Valley close to Kuala Lumpur [1][2]. The sudden rise in hundreds of infection cases was deemed a national security threat. In the interest of public health and safety, the National Security Council (NSC) was activated via the National Security Council Act 2016 (Act 776) to control the pandemic on a national scale [3].

COVID-19 was deemed a national security threat, the National Security Council (NSC) was activated via the National Security Council Act 2016 (Act 776) to command and mobilise all government and non-governmental machineries.

Everyone has to remain indoors for weeks on end, and all public amenities, commercial activities and entertainment outlets are forced to suspend or close their operations, with the exception of essential services such as banking, transportation, food delivery and medical. [4] The progress of students in their current study in universities were the first priority of all educationists. All universities at both private and public sectors allocated equipment and human resources to ensure that their teaching and learning facility are able to handle the online teaching and learning environment to be conducive for both students and lecturers. [4] Students and lecturers alike have to undergo self-training or arranged training in order to know and be well versed in the use of online learning and teaching platforms, such as Zoom, Webex, Google Meet, Microsoft Teams and many more of such commercially available online tools for mass internet connections [5].

2 Methods

This paper outlines the issues and challenges faced by students and lecturers during the Covid-19 pandemic crisis in the universities' learning environment. Issues faced by people in the school levels, be it at secondary, primary or even at kindergarten are not addressed here.

The problems and opportunities as highlighted in this paper are those faced in the Malaysian context, some of which are unique, while there are other issues which are commonly found regionally or globally.

3 Result and Discussion

3.1 Difficulties faced by students

From the beginning of national lockdown from 18 March 2020, both academic staff and students were refused entry into their university premises, but due to the two-day notice given, academic staff were given prior notification to prepare themselves to conduct their classes online via suitable internet platform. The same goes with the students, and those who were not in campus or even traveling abroad may have been stranded without adequate facility and conveniences to log into the internet for their online classes.

The main crux of the difficulty faced by students is the inability to maintain the same level of quality in learning that they have been receiving via face-to-face classroom teaching. This is hampered mainly due to students having stranded in their hometowns isolated from urbanized areas, resulting in unreliable internet connection to facilitate online learning [5] [6] [7].

Besides this, those students who were able to access online platforms complained of tedious and boring learning environment, having to sit and remain stagnant in front of the PC monitor or worse their mobile devices for long hours. This is compounded also by the lack of face-to-face interaction with their lecturers and classmates, which made the atmosphere to be non-conducive in effective learning.

In the long run, students having to go from one online class to another, repeatedly will face boredom and having less concentration and motivation to absorb and appreciate the knowledge being imparted through the online medium. There have been cases, where students faced high level of stress especially during the examinations and online assessments, when they felt isolated and alone facing the brunt of examination questions with minimum guidance from the lecturers.

Other than the above difficulties commonly faced by students in this trying time, the lack of mobility and opportunity to have direct access for face-to-face consultation in campus, may give rise to students with low self-esteem and lack of confidence in the face of unknown challenges ahead.

3.2 Difficulties faced by lecturers

There are those fortunate lecturers who are well-trained in the use of distance learning mode, either in Open Learning or MOOC (massive open online course) – hence when this Covid-19 crisis struck, they are well-placed to undertake the tasks of handling online teaching, and able to provide quality and comprehensive teaching using online platform to the students. On the other hand, those lecturers who are engaged in the traditional methods of face-to-face or big lecture hall teaching would face many challenges in switching over to the faceless teaching mode, and this will be reflected in poor teaching evaluation by students and their superiors at the faculties.

The pressure and stress involved in getting the right and quality teaching across to students in a distance learning mode are immense for some of the lecturers who are not technology savvy, especially those in non-technology fields. Some do faced poor internet connection at home, and they may have to fork out their own funds to upgrade their home internet services, and even their computer equipment and gadgets to keep up with the pace and wide scope of internet tools available in the market [5] [6] [7].

More energy and time are spent and consumed by lecturers, to prepare online teaching materials and then to use proper equipment to deliver the lectures. Proper methods of online assessment and examinations have to be learnt, in order to ensure smooth running of examination with no hiccups in students' complaints of unfairness of questions set and given duration for download and upload of submissions on time via the computerized system of the university network.

Some lecturers do complained that the work involved in online teaching are more extensive and wide-ranging than normal face-to-face classroom teaching. And their predicament is made worse by the University Management which instituted salary deduction or pay cut across the board, due to financial constraint in the pandemic crisis. This has resulted in high level of stress and uncertainties among the academic staff.

Besides the teaching workload, the academic staff are expected to continue their research work as part of their key performance index. This is made much more difficult during this pandemic crisis with lockdown, rendering research work to be at a standstill since no physical contacts are allowed with industry people, and research students not able to use university facilities for their research supervised by these academic staff.

These are all common issues that all academic staff of higher learning had faced during this challenging time.

3.3 Opportunities for students

The fact that students are learning from their homes, means that they can learn at their own pace with flexibility in time management within their home environment. By not having the need to be on the road traveling to and fro from home to campus, the students would have time and luxury to plan and work on other areas of their interest – be it in academic or non-academic.

Some students even ventured into online business on their own using their learnt skills and knowledge of using computerized technology to connect with the outside world in real time. And by using the internet widely, the students can have direct access to information readily to complete their work assignments quickly and comprehensively – all at the touch of the keyboard with their fingers.

In short, the learning curve has become much steeper for the students and their young minds can keep pace easily with the fast paced development in 5G technology and the coming industrial revolution 4.0. With the right mind and right attitude, the future is limitless for the students, who can capitalize on the use of online platform, not just for teaching and learning but for much more opportunities in their future career development and lifelong learning.

3.4 Opportunities for lecturers

The same opportunities that lie ahead for students can also be available for the academic staff, to expand their knowledge and involvement into the industry in a way not done before. The connectivity they can have is limitless, in terms of seeking advantage in latest knowledge and information pertaining to research and teaching as well [5].

The lecturers would have more flexibility in teaching at their own pace in their home environment, not having to travel on the road allows more time to plan or work on other areas of interest, ability to expand on knowledge of online connection and even going into online business transactions, able to connect regularly with friends and relatives in faraway places – in other words, this pandemic crisis seems to be preparing the lecturer themselves all for the future where technologies such as 5G connectivity and Industrial Revolution 4.0 will prevail in the world economy and daily activities.

3.5 What is the future for us all in Post Covid-19?

In the future scenario, post Covid-19, we will expect wide usage of technology in the learning and teaching professions, right across the board from early childhood right up to postgraduate studies at university level. Course content in the higher institute of learning will become much more diverse and customized to the student's ability and interest. The opportunity to learn will be rethought and will focus on career readiness (Hong and Lissitz, 2020) [8]. The expectation will be of the Government to institute the right regulations and incentives to allow the use of correct online platforms to deliver classroom teaching in a distance mode.

Swart & MacLeod [9] (2020) conducted a study on analytics classes taught face-to-face (F2F) at the undergraduate and graduate levels which were emulated in corresponding online classes. They found that the flipped learning is transferrable to online analytics courses and yields student satisfaction at par with equivalent F2F flipped courses.

Another study done by Williams, Martinasek, Carone, and Sanders [10] (2020) on high school students' perceptions of traditional and online health and physical education courses. The results indicated that students' positive perceptions on an online class may equal or surpass those in a traditional F2F format. In addition, the study also showed that youth are

increasing exhibiting enhanced capacity for online-based coursework. Physical education classes have traditionally been F2F, but warrant further consideration as an online platform.

The use of technology will happen not just in the education industry, but across every economy sector in the country, be it in the manufacturing, construction, banking and finances, agriculture and all services providers.

The future ahead is already well-defined for us, and the challenge is for us, the academics to grasp and to take advantage of the changes ahead – so that we can equip ourselves better and to adapt well to the changing environment ahead.

4. Conclusion

It seems that this Covid-19 pandemic crisis is preparing us well in advance for the future where technologies such as 5G connectivity and Industrial Revolution 4.0 will prevail in the world economy and our daily activities. The teaching professions such as it is in the universities have to change and adapt themselves in order to stay relevant for the future.

The use of online mode of teaching and learning is here to stay and will be widely used and expand both in the public and private sectors alike. Both the academics and university administrators will have to face these challenges ahead, with students who are coming of age into the 5G generation.

References

- [1] Elengoe, A.: COVID-19 Outbreak in Malaysia. *Osong Public Health and Research Perspectives* 2020; 11(3): 93-100(May 11, 2020). DOI: <https://doi.org/10.24171/j.phrp.2020.11.3.08> Retrieved from <https://ophrp.org/journal/view.php?number=559>
- [2] Reuters : How Sri Petalingtabligh became Southeast Asia's Covid-19 hotspot. *New Straits Times* (March 17, 2020). Retrieved from <https://www.nst.com.my/news/nation/2020/03/575560/how-sri-petaling-tabligh-became-southeast-asias-covid-19-hotspot>
- [3] Institute for Health Systems Research: Universal Health Coverage and COVID-19 Preparedness & Response, Malaysia (2020)
- [4] *New Straits Times*: 14-day Movement Control Order begins nationwide on Wednesday(March 16, 2020). Retrieved from <https://www.nst.com.my/news/nation/2020/03/575180/14-day-movement-control-order-begins-nationwide-wednesday>
- [5] Mustapha R.: Challenges of Online Teaching. *The New Strait Times* (June 1, 2020). Retrieved from <https://www.nst.com.my/opinion/columnists/2020/06/596794/challenges-online-teaching>
- [6] Fernandes, S. M.: Teachers face challenges as online classes gather steam. *Times of India (TOI)* (June 5, 2020). Retrieved from <https://timesofindia.indiatimes.com/blogs/edutrends-india/challenges-of-quality-in-online-learning/>
- [7] Friedman, J.: Tackle Challenges of Online Classes Due to COVID-19(May 4, 2020). Retrieved from <https://www.usnews.com/education/best-colleges/articles/how-to-overcome-challenges-of-online-classes-due-to-coronavirus>
- [8] Hong, J. and Lissitz, R. W.: What Hath the Coronavirus Brought to Assessment? Unprecedented Challenges in Educational Assessment in 2020 and Years to Come. *Educational Measurement: Issues and Practice*, Vol. 0, No. 0, pp. 1–4(2020)
- [9] Swart, W. W. and MacLeod, K. R.: Flipping online analytics classes: achieving parity with their face-to-face counterparts. *Decision Sciences Journal of Innovative Education*, Vol 18, Issue 1 (2020)
- [10] Williams, L., Martinasek, M., Carone, K., and Sanders, S.: High School Students' Perceptions of

Traditional and Online Health and Physical Education Courses. *Journal of School Health*, American School Health Association (2020). <https://doi.org/10.1111/josh.12865>. Retrieved from: <https://online.library.wiley.com/doi/10.1111/josh.12865>

Development of Character Education Model in Overcoming Radicalism of Learners

Ahmad Syahid,¹ Ana Kuliahana²
 {ahmad_syahid@iainpalu.ac.id¹, anakuliahana@gmail.com²}

Institut Agama Islam Negeri Palu, Indonesia¹, Institut Agama Islam Negeri Palu, Indonesia²

Abstract. This paper elaborates on the development of character education model in overcoming radicalism of Students in Schools/Madrasas in Palu City. The research method used is Case Study Method to provide a detailed description of the background, traits and characteristics of each school/madrasah studied. The results of the data analysis show that the character education model in SMA/MA in overcoming the radicalism of students is aligned with the PPK movement or Strengthening of Character Education movement, through activities such as Students' organizations, Paskibraka, Youth Red Cross (PMR), Boy Scouts, PIK-Youth (Information Center Health-Youth), Art Studio, Youth Scientific Work, and Sports and also to become criterias for class promotion and student graduation. Thus intracurricular and extracurricular activities in SMA/MA can overcome radicalism in students.

Keywords: Character Development, Radicalism, Learners.

1. Introduction

Issues in culture and character of nations are becoming the spotlight and attention of every society and various countries, both regarding the aspects of socio-cultural, economic, and also political life which are published on every social media, print media and online media at any time. Indonesia is a country with the largest Muslim population in the world, so it has become the target of political movements in the name of Islam, including the ISIS group [1]. The complexity of radicalism in Indonesia is not easily resolved because it is always associated with upheavals that occurred in other parts of the world, for example the Middle East, so that the choice to strengthen the base of nationality in Indonesia by providing understanding and strengthening of nationalism is a long-term solution taken by the government, in addition to a short-term solution. Namely in terms of law enforcement and the strictness of the authorities. Currently, in countering radical movements, all elements of the nation must be involved, both government and society. Without this, it will be difficult to find comprehensive efforts to counter radicalism. The prevention of radicalism is not only aimed at the elites, but also at the lower levels of society including among teachers and students. In this way, the radicalism that is the government's concern can be overcome [2].

Another alternative that can reduce these concerns, can be done through education. Education is considered as one of the alternatives that is preventive because education builds a better generation of the nation [3]. Education are expected to develop the quality of the nation's young generation and to minimize and reduce the causes of various cultural problems and national character. It is acknowledged that the results of education will not have an immediate impact, but it will take time and long endurance in the community.

The results of a survey by the Institute for Islamic Studies and Peace (LaKIP) Jakarta 2010 were truly surprising. As many as 48.9% of students in Jabodetabek expressed their

approval of radical action [4]. This result at the same time made teachers, especially Islamic Education (PAI) teachers, realized that there is a danger that threatens their students. Approval or acceptance of a value is the initial stage of the five stages of a person's affective or attitude in the view of David R. Krathwohl, including: (1) receiving, (2) responding, (3) valuing, (4) organizing (organization), and (5) characterization by a value or value complex. This means, if students' consent to radical actions is allowed, it might result in them having a violent personality as a way to achieve goals [5].

2. Literature Review

2.1 Development of Character and PPK Movement

These parts must not be separated for the advance of the lives of our children can be perfected. Likewise, the Delors reports for education in the XXI century confirmed that education in the XXI century rests on the five pillars of learning, namely learning to know, learning to do, learning to live together, learning to be and learning to transform for oneself and society. In addition, the National Education System Law No. 20 of 2003, has emphasized that "National education functions to develop capabilities and shape the character and civilization of a nation with dignity in order to educate the nation's life, aiming at developing the potential of students to become human beings who believe and fear God Almighty, have noble, healthy, knowledgeable character. Capable, creative, independent, and become democratic and responsible citizens." In PP No. 19 of 2005, National Education Standards (SNP) expressed various competences related to character as well as intellectuality. These are all indications that education is actually in charge of developing character as well as intellectuality in the form of student competences.

The implementation of national education, especially at primary and secondary education, can be said to be on the right track, because it has provided character education as well as forming intellectuality in the form of competence [6]. Even so, the proportion of the application of character education with intellectual education was not balanced due to various factors. Efforts to balance character education with competency formation must always be done [7]. In the interests of the future of the Indonesian people, even now it is necessary to center character education in the implementation of Indonesian national education [8]. Awareness as well as efforts to focus on character education at the heart of national education was getting firmer when in 2010 the Indonesian government launched and implemented the National Character Education Movement policy based on the National Action Plan (NAP) for National Character Education. This needs to be continued, optimized, deepened, and even expanded so that it is necessary to strengthen national character education. For this reason, the PPK Movement was carried out by observing the principles of sustainability [9].

In this connection, integration can take the form of integrating classroom activities, outside the classroom at school, and outside the school (community); integration of intracurricular, co-curricular and extracurricular activities; simultaneous involvement of school members, families and communities; deepening and expanding can be in the form of adding and intensifying activities that are oriented towards developing the character of students, adding and sharpening learning activities of students, and rearranging the learning time of students at school or outside of school [10]. Furthermore, the adjustment can be in the form of adjusting the main duties of teachers, School Based Management, and the functions of the School Committee with the needs of the KDP Movement. Both in the present and in the future, the integration, deepening, expansion, and alignment of character education programs

and activities need to be devoted to realizing a mental revolution or a nation's character revolution. Thus, the PPK Movement is a way to manifest Nawacita and the Mental Revolution Movement in addition to being the core of educational activities that directed in the creation of a national character revolution [11].

2.2 Overcoming Radicalism of Students

Noermala Sary, reviewing "Preventing the spread of radicalism in schools", the results of the study showed that: the strategies carried out by PAI class teachers in preventing the spread of radicalism in MAN 1 were divided into two types, namely strategies in the learning process in the classroom by using the method of active learning and Qur'anic learning methods, and outside the learning process in the classroom by holding various religious activities, forming worship teams at schools, in collaboration with the police such as Sat. Bintal, and Sat. Binmas, in collaboration with the provincial Ministry of Religion, holds workshops and religious socialization at schools. The supporting factor in the implementation of the strategy to prevent the spread of radicalism in schools is adequate infrastructure, both from learning resources, allocation of learning time and PAI class teachers. Disadvantaging factors are misuse of informatics technology (IT) by students, lack of parental support from school policies, lack of cooperation between schools and student guardians, teachers and guardians of students, and lack of collaboration between teachers [12] [13].

3. Methods

The research method used in this article is the case study method developed by Creswell [14]. The research approach used is qualitative descriptive developed by Bogdan and Taylor. Qualitative research is aimed at understanding social phenomena, including in the context of education, from the perspective of participants, namely groups of people or individuals who are interviewed, observed, and where their opinions and thoughts or perceptions are explored.

The research approach is directed at an individual or group setting that is thoroughly observed (holistically), while the setting of the study is in the form of institutions/institutions and individuals. The research was conducted in SMA/MA in Palu City, with a focus on how the model of Character Building activities through PPK (Strengthening Character Education) was developed in SMA/MA in Palu City as research locations and how the implementation results in planting values of Character Growth through PPK (Strengthening Character Education) in students. The subjects of this research includes: Principal of School/Madrasah, Vice Principal responsible for Student Affairs, Teacher responsible of Student Activities, and students.

Initial data on the Character Education Development Model in Overcomng the Radicalism of Students and its implementation, were collected through interview techniques (interview), observation, and documentation. Data analysis was carried out including interactive model analysis (Interactive Model of Analysis). Triangulation is divided into 4, namely: source triangulation, method triangulation, investigator triangulation and theory triangulation. This research was conducted in a normal and natural setting, in various concepts and theories, which were developed based on conditions and facts in the field. To measure the validity of the data, the technique of checking the validity of the source triangulation data was used. Source triangulation is a method of checking the validity of data by comparing and

cross-checking the degree of confidence of information obtained through different time and tools in qualitative methods. The data obtained are in the form of interviews (interviews) which were conducted more than once in a certain period of time. Data analysis was carried out in a staged and interrelated between the reduction of schools/madrasahs and outside schools/madrasahs. For this reason, the Development of Character Education in Overcoming the Radicalism of Students in schools/madrasahs is an important case to do, so that the expected goals which are to minimize and eliminate radicalism of students can be realized.

4. Results and Discussion

The Development of Character Education in Overcoming the Radicalism of Students in schools/madrasahs throughout Palu City is carried out in several stages and activities:

4.1 Planning, Implementing and Strengthening of Character Education

Planning, Implementing and Strengthening Character Education in SMA / MA in Palu City is carried out in stages and adjusted to the needs and conditions of the school. PPK has encouraged the quality of education of students as part of the National Movement for the Mental Revolution in education. SMA Negeri 4 Palu has many extracurricular activities, including: (1) OKTOBER Theater, (2) Environmental Organization "PALADAKA" (now PLASMA), (3) Paskibra, (4) Basketball, (5) English, (6) Islamic Spirituality (Rohis), (7) Christian Spirituality (Rohkris), (8) Youth Red Cross (PMR), (9) Youth Scientific Creation (KIR), (10) Football, (11) Scouts, (12) Pencak silat, (13) Karate, (14) Bamboo Music, and (15) Table Tennis.

Furthermore, the Principal of SMA Negeri 4 Palu explained that "PPK is integrated in the curriculum and in the Vision and Mission of SMA Negeri 4 Palu for the last 3 years, but actually, the implementation was carried out long before the implementing 2013 Curriculum (K13). In K13 it is implicitly conveyed that the character education of students is emphasized in the criteria for class promotion and graduation. So actually it is very clear that possessing character is one of the requirements for graduation".

This was also explained by the principal of MAN 1 Palu, that "PPK was implemented, before the 2013 Curriculum (K13) existed, but it was strengthened since K13 was stated in the Learning Implementation Plan (RPP), integrated in all subjects".

From the explanation of the principal of SMA Negeri 4 Palu and MA Negeri 1 Palu, it can be seen that the implementation of Character Development through PPK, especially in Overcoming Radicalism in Students was carried out before the implementation of the 2013 Curriculum, PPK is implicitly integrated in the curriculum and in the vision, mission of SMA Negeri 4 Palu, and implementation was carried out before 2013 when it was declared in the 2013 Curriculum (K13)

What was implemented at SMAN 4 Palu and MAN 1 Palu City was also been carried out in MAN 2 Palu City, "we plan and integrate the values of character in the curriculum and in the vision and mission of MAN 2 Palu. The Student Program of MAN 2 Palu City includes: (1) Implementing the discipline and culture of madrasahs. (2) Carry out mutual cooperation and community service (joint service). (3) Implementing the norms and social manners. (4) Planting awareness to be willing to sacrifice for others. (5) Planting an attitude of respect and respect for madrasah citizens, (6) Carrying out 7K activities (security, cleanliness, order, beauty, family, peace, and shady)".

Meanwhile at MA Alkhairaat Palu, the principal of MA Alkhairaat Palu explained: "The implementation of Character Building among MA Alkhairaat Students is planned in the RPP and carried out in the subjects of *Aqidah Akhlak* (for all majors) and Morals (especially in the Department of Religion). In addition to the subject of character building, it is also programmed in various student organizations, including: Paskibraka, Youth Red Cross (PMR), and Boy Scouts, PIK-Youth (Health-Youth Information Center) in collaboration with BKKBN, Art Studio, Youth Scientific Work, and Sports

To find out the implementation in SMKN 2 Palu, the vice principal of SMKN 2 Palu explained, "Implementation of Character Growth through PPK in overcoming Radicalism in Students at SMKN 2 Palu is by integrating moral values in subjects in all subjects and extracurricular activities."

The implementation of KKP in SMA/MA throughout Palu City as explained by the principal of schools/madrasahs is carried out with three main approaches, namely class-based, school culture-based, and community-based. These three approaches are interrelated and form a whole. This approach can assist educational task force in designing and implementing PPK programs and activities. The implementation of character building through PPK in SMA/MA has been carried out prior to the existence of the PPK Movement, which was implemented by the Ministry of Education and Culture by strengthening the character of the nation's successor through the PPK movement launched in 2016, because PPK is a continuation of the National Movement for National Character Education 2010 launched by the government [9]. The implementation and strengthening of Character Growth through PPK has been implemented and integrated in the subject and included in the RPPs. The implementation of character building through PPK in SMA/MA in Palu city refers to the five main character values that come from Pancasila, and is a priority for the development of the PPK movement. Each PPK value does not stand and develop independently, but interact with each other, develop dynamically and form personal wholeness a. Religious

The growth of religious values in students at SMAN 4 Palu is included in the extracurricular activities of Rohani Islam (*Rohis*), one of which requires each student to pray together in mosques, especially *dzuhur* prayers. "The character education that we set to students at SMAN 4 Palu, includes strengthening in the field of spiritual development through: extracurricular spirituality of Islam (*Rohis*) every day and students always pray *Dzuhur* together. The PAI teacher after *dzuhur* prayer gives *tausiah* or *kultum*, and sometimes students take turns, the goal is to instill character values as a reflection of devotion to Allah SWT."

This is in line with one of the goals of religious character values, namely as a form of reflecting faith in God Almighty, implementing religious teachings and beliefs, respecting religious differences, upholding a tolerant attitude towards the implementation of religious worship and other beliefs [15], living in harmony and peace with other religions [5][16]. The implementation of these religious character values is shown in an attitude of peace-loving, tolerance, respect for differences in religion and belief, strong determination, confidence, cooperation between followers of religions and beliefs, anti-bullying and violence, friendship, sincerity, not imposing one's will, loving the environment, protecting the small and marginalized groups [17].

a. Nasionalism

As a form of planting a sense of nationalism among students, the principal of SMA/MA requires each student to be active in activities carried out by student organizations, and is an official forum in SMA/MA, including: (1) Paskibraka, (2) Red Cross Youth (PMR), and (3)

BoyScouts. "Boy Scout extra-curricular activities (Scout eskul) are carried out as a form of strengthening the spirit of nationalism for students".

The purpose of carrying out the activities of Paskibraka, Youth Red Cross (PMR), and (3) BoyScouting, is to develop the nationalist character values of students so that students think, behave, and act by showing loyalty, concern, and high appreciation for differences in language and environment. physical, social, cultural, economic status among students, to place the interests of the nation and the state above the interests of individual and their groups [18]. This nationalist attitude is shown through an attitude of appreciation of the nation's own culture, maintaining the nation's cultural wealth, being willing to sacrifice, excellent, patriotic, protecting the environment, obeying the law, discipline, respecting cultural, ethnic and religious diversity .

b. Integrity

One of the efforts made in developing the value of integrity character among SMA/MA students of Palu City is to include students in Student Organizations, as explained by Vice Principal of MA Alkhairaat Palu: "Student organizations in the MA Alkhairaat Palu Center are called 'Student Association. Islam Alkhairaat' which is known as PPIA. This organization is equivalent to the Students' Union (OSIS) in several schools or madrasah. Student work programs are compiled and implemented in the form of activities for 1 year in 3 main divisions, namely: (1) Field Work Program, (2) Cross Sector Work Program, and (3) Collective Work Program".

The purpose of involving students in Student Organization is a form of implementation of integrity character values. This is in line with the objectives of the integrity character value, a value that underlies behavior based on efforts to make himself a person who can always be trusted in words, actions, and work, and has a commitment and loyalty to human and moral values. The character of integrity includes an attitude of responsibility as a citizen, actively involved in social life, through consistency of actions and words based on honesty. A person with integrity also respects the dignity of the individual (especially persons with disabilities) and is able to show exemplary.

c. Independence

Independent character values are attitudes and behaviors that are not dependent on others and use all energy, thoughts, time to realize hopes, dreams and ideals. Independent students have a good work ethic, are tough, have a fighting spirit, are professional, creative, have courage, and are lifelong learners [7].

d. Cooperativeness

The value of the cooperatif character applied to students in SMA/MA is by reflecting the act of appreciating the spirit of cooperation and working hand in hand to solve mutual problems, establishing communication and friendship, providing assistance to people in need. It is hoped that students can show respect for others, be able to cooperate, be inclusive, be able to commit to mutual decisions, discussion, helpful, have empathy and a sense of solidarity, anti-discrimination, anti-violence, and an attitude of volunteerism.

e. Class-Based PPK

Class-based PPK is carried out by integrating PPK in the curriculum. The integration of PPK in the curriculum means that educators integrate the main values of PPK into learning of every subject. Learning that integrates the main values of character is intended to grow and strengthen knowledge, instill awareness, and practice the main values of PPK. Educators can optimize the use of the material that is already available in the curriculum contextually by reinforcing the main values of PPK [9].

The steps of implementing PPK through integrated learning in the curriculum can be carried out by: (a) conducting a basic competency analysis by identifying the values contained in the learning material; (b) designing lesson plans that focus on strengthening character by selecting relevant classroom learning and management methods; (c) carrying out learning activities according to the scenario in the lesson plan; (d) carrying out authentic assessment of the learning results; and (e). reflecting and evaluating the entire learning process. Implementation of Strengthening Character Education (PPK) in SMA/MA/SMK Palu in developing admirable behavior of students is carried out by various activities in the work program.

f. Strengthening Character Education Based on School Culture

Strengthening Character Education Based on School Culture in SMA/MA/SMK Palu based on: (1) Emphasizing the habituation of the main values in daily school activities. (2) Highlighting the role models of adults in educational settings. (3) Involving the entire educational system in schools. (4) Developing and providing wide space for all potential students through co-curricular and extra-curricular activities. (5) Empowering school management and governance. (6) Considering school norms, rules and traditions. Reflected in school/madrasah activities such as routine morning coordination every day before class, worship hours before school is over, and penalties for students who violate school rules.

The implementation of activities at schools/madrasah involves all elements in the school/madrasah, not only the principal, but also all teachers, administrative staff, students. The implementation of these activities which have become a culture in SMA / MA in Palu City is familiarized with the introduction and application of ethical values and character, including discipline, because discipline is part of character. Discipline is related to discipline at school and is strengthened in oral and written forms as well as practice in the field in daily school / madrasah activities.

As an explanation of the work program at SMA Negeri 4 Palu, it has referred to the five main character values which are interrelated and developed as a priority for the PPK movement. The five main values of national character in question are religious. Religious character values reflected in faith in God Almighty which is manifested in the behavior of implementing religious teachings and beliefs, respecting religious differences, upholding a tolerant attitude towards the implementation of religious worship of other beliefs, living in harmony and peace with other religions.

Same as students at SMA Negeri 4 Palu where students are enthusiastic to carry out jamaah prayers, especially *dzuhur* prayers. This is confirmed by the statement of the principal of SMA Negeri 4 Palu as follows: "During the *dzuhur* prayer, students hasten to do *jamaah* pray and the teacher controls all students, the implementation of *dzuhur* prayer is routinely carried out. *Dakwah* by participants and teachers are sometimes performed after *Dzuhur* Prayer. Whereas in MAN 1 Palu, the management of worships at the Mosque Centre are

strengthening or special study related to Islam. Referring to the curriculum set forth in the lesson plan for each teacher in all subjects, it is hoped that it can integrate and provide understanding and be able to accept any differences that exist in each student in learning activities outside the classroom

4.2 Theological, Sociological, and Psychological Implications of Overcoming Radicalism of SMA/MA Students

Several research results in educational institutions show data and facts that radicalism movements and networks have long been infiltrating educational institutions. Students are very venerable or have limited understanding of religion, and are psychologically looking for self-identity and become perfect target of radicalism. Through this radical movement, indications have emerged in several educational institutions that have the potential to become a center for the growth of intolerance, exclusivity, anti-diversity, and even violence. In some cases, school institutions have even been seen to encourage and even facilitate the growth of radicalism and extremism which tend to be intolerant of differences, discriminatory, rejecting democracy, and are anti-human rights [3].

a. Theological Implications

In the context of thoughts about the radical understanding of the Qur'an and hadith, it will result in several tendencies, namely theological fanaticism and divisions, radicalism or the emergence of fundamentalist movements and even terrorism. Radicalism will give rise to intolerance that arises in relation to issues of religious teachings. In the theological perspective, a mistake in interpreting religious teachings creates selfish attitudes and arrogance and to assume groups that are different from their understanding are wrong. This shows that the SMA/MA/SMK environment in Palu City has not been infiltrated with radical religious understanding.

b. Sociological Implications

Deviant behavior is all actions that stray from the norms prevailing in a social system and cause efforts from the authorities in that system to correct the deviant behavior. In this context, principals of SMA/MA/SMK in Palu City, at any time during the study always pay attention and observe the behavior of students in SMA/MA/SMK in Palu City, until there has been no influence that leads to radicalism, and have never received reports of students being involved in activities related to radical groups. If any indication is found, we will provide special guidance.

c. Psychological Implications

The emergence of the phenomenon of religious radicalism cannot be separated from the psychological problems of both its pioneer figures, followers and society at large. The problem of religious radicalism gave birth to anomalous values in society. Religious radicalism "describes an anomaly as well as the possibility of social derivation, namely that there is always an abnormal community. Either they are in a demographic abnormality or a psychological abnormality." The implications of the steps of religious guidance by SMA/MA/SMK in Palu City are: (1) the development of the understanding of radical Islam

does not have a strong influence on the religious understanding of students in SMA/MA/SMK in Palu City. (2) It has not been seen clearly that there are individuals and groups in SMA/MA/SMK in Palu City who are fanatical and sentiment towards other groups.”

Efforts made in planting Characteristic values through Strengthening Character Education (PPK) for students in overcoming Radicalism in MAN 1 Palu City are packed in the form of extracurricular activities, including: sports (Judo, basketball, futsal, taekwondo), MTQ, Safety Riding Education, etc.

5. Conclusion

Planning for Character Development through Strengthening Character Education in Overcoming the Radicalism of Students in SMA/MA throughout Palu City is already integrated in the curriculum as well as in the vision, mission, and implementation long before 2013 curriculum at SMAN 4 Palu. In the 2013 curriculum, character education implicitly emphasizes the criteria for class promotion and graduation criteria. PPK was implemented in several schools/madrasahs prior to the implementation of the 2013 Curriculum (K13), but has been strengthened since the implementation of K13 are outlined in the Learning Implementation Plan (RPP), and integrated in all subjects

The implementation of Character Development through Strengthening Character Education in overcoming the Radicalism of Students in SMA/MA in Palu City, especially in madrasah aliyah is integrated in the subjects of Aqidah Akhlak (for all majors) and Morals (especially for the Department of Religion). In addition to subjects, character development is also programmed in various student organizations, including: Paskibraka, Youth Red Cross (PMR), Boy Scouts, PIK-Youth (Center for Health-Youth Information) in collaboration with BKKBN, Art Studio, Youth Scientific Work, and sports. Student organizations in the MA Alkhairaat Central Palu are known as PPIA. This organization is equivalent to the OSIS in several schools or madrasah. Student work programs are prepared and implemented in the form of activities for 1 year in 3 main areas, namely: (1) Field Work Program, (2) Cross-Sector Work Program, and (3) Collective Work Program. Character education of students at SMAN 4 Palu, among others, is strengthening in the field of Spiritual Questioning development through: Islamic spiritual extracurricular activities (Rohis) every day and students always carry out daily activities in the mosque with Dhuhur Jamaah prayers. The teacher of Islamic religious education lecturers did have skills in using digital media but because of a sudden policy changes, they are still in the early stage of adjustment that causes the lack of readiness in applying online learning during a pandemic covid-19. In other hands, senior lecturers are more heavily affected by the impact of distance learning because of the inability to use digital media. This resulted in monotonous learning methods. This factor causes the evaluation of lecturers' online learning performance results during the Covid-19 pandemic to be less effective.

The implications of the steps of education and religious development by SMA / MA / SMK in Palu City are: (1) the development of understanding of radicalism does not have a strong influence on the religious understanding of students in SMA / MA / SMK in Palu City. (2) It has not been seen clearly that there are individuals and groups within SMA / MA / SMK in Palu City who are fanatical and sentiment towards other groups. Also, there are no indications in individuals and groups of psychological abnormalities. Students still show common attitudes without any abnormalities from interactional patterns, both to teachers and to fellow students

References

- [1] Ridwan, "Hubungan Islam dan Politik di Indonesia Perspektif Pemikiran Hasan al-Banna," *J. Huk. Samudra Keadilan*, vol. 12, no. 2, pp. 223–236, 2017.
- [2] saihu dan marsiti, "PENDIDIKAN KARAKTER DALAM UPAYA Institut PTIQ Jakarta Sekolah Menengah Atas Negeri 3 Depok Abstrak," *Pendidik. Islam*, vol. 1, no. 1, pp. 23–54, 2019.
- [3] T. Syahlan, "Menangkal Gerakan Radikalisme Islam Melalui Sekolah," *MAGISTRA Media Pengemb. Ilmu Pendidik. Dasar dan Keislam.*, vol. 6, no. 2, pp. 1–15, 2018.
- [4] I. Akuntono, "Mendiknas: Perlu Pendidikan Karakter untuk Tangkal Radikalisme," *Kompas.com*, Jakarta, 2011.
- [5] M. Al Al-Hasyimi, *Muslim Ideal; Pribadi Islami dalam al-Qur'an dan as-Sunnah*. Yogyakarta: Mitra Pustaka, 2004.
- [6] A. Mudlofir, *Pendidik Profesional: Konsep, Strategi dan Aplikasinya dalam Peningkatan Mutu Pendidik di Indonesia*. Jakarta: Rajawali Pers, 2013.
- [7] T. Lickona, *Educating for Character: How Our School Can Teach Respect and Responsibility*. New York: Bantam Books, 1992.
- [8] I. Fathurrochman and E. Apriani, "Pendidikan Karakter Prespektif Pendidikan Islam Dalam Upaya Deradikalisasi Paham Radikal," *POTENSIA J. Kependidikan Islam*, vol. 3, no. 1, p. 122, 2017.
- [9] TIM PPK Kemendikbud, "Panduan Penguatan Pendidikan Karakter Tingkat SD dan SMP," *kemdikbud.go.id.*, p. 1, 2020.
- [10] D. Koesoema, *Pendidikan Karakter Strategi Mendidik Anak Secara Global*. Jakarta: Grasindo, 2007.
- [11] Z. Daradjat and Dkk., *Ilmu Pendidikan Islam*. Jakarta: Bumi Aksara, 2014.
- [12] T. T. Az-Zarnuji, *Ta'limu al-Muta'allim*. Surabaya: IMAM. Balitbang Pusat Kurikulum Kemendiknas, 2010.
- [13] C. S. Bamualim and G. A. Ahmad, *Mekanisme Pencegahan Terorisme di Daerah. In Modul Pencegahan Terorisme di Daerah*. Jakarta: BNPT, 2013.
- [14] J. W. Creswell, *Desain Penelitian. Pendekatan Metode Qualitative, Quantitative dan Mixed*. Lincoln: Sage Publications, 2014.
- [15] M. T. Hasan, *Islam dalam Perspektif Sosio Kultural*. Jakarta: Lantabora Press, 2005.
- [16] N. Uhbiyati, *Dasar-Dasar Ilmu Pendidikan Islam*. Semarang: FITK IAIN Walisongo, 2012.
- [17] Lajnah Pentashihan Mushaf Al-Qur'an., *Hubungan Antar- Umat Beragama (Tafsir Al-Qur'an Tematik)*. Jakarta: Aku Bisa, 2012.
- [18] T. Priatna and T. Ratnasih, "Counteracting Radicalism through Islamic Religious Learning with Nationalist Insights," *Talent Dev. Excell.*, vol. 12, no. 1, pp. 2204–2214, 2020.

Public Relation Campaign Towards Forming Positive Approaches for green Spatial Development at Adiwiyata School in Bangka Regency

Shulby Yozar Aryadi¹, Kornelia Johana Dacosta², Gusmulyana³, Ida Royani Damayanti⁴
 {yozar.aryadi @ stisipolp12.ac.id¹, kornelia.johana@undira.ac.id², gusmulyana@gmail.com³,
 ida.damayanti@undira.ac.id⁴}

STISIPOL Pahlawan 12, Indonesia¹, Universitas Dian Nusantara, Indonesia², Universitas Dian Nusantara,
 Indonesia³, Universitas Dian Nusantara, Indonesia⁴

Abstract. For several decades, environmental issues have been a topic of serious discussion within the global community, including Indonesia. Indonesia's forests, which were once considered as one of the world's most important lungs are today no longer able to claim this status due to their widespread destruction and damage to their extensive ecosystems. This destruction has also taken place in Bangka Province, due not only due to the clearing of land for plantations and even more so for mining. The increasingly critical condition of the forest environment has motivated the provincial government of Bangka Belitung to carry out various environmental conservation programs involving all elements of the community as well as human resources, especially students. The purpose of this abstract is to promote research to determine how Adiwiyata students interpret the green spatial development program being undertaken by the Provincial Government Environmental. This research used qualitative methods with a descriptive method approach.

Keyword: Insights of the Academic Community, Public Relations Campaign, Adiwiyata,

1. Introduction

The issue of the environment has always been a topic of discussion for the global community which requires serious handling by the community, including Indonesia. Indonesia, which was once considered one of the lungs of the world, is now no longer able to hold its status due to the increasing destruction of forests and the ecosystem in them. Forest Watch Indonesia (FWI) stated that in 2009 to 2013 the deforestation rate of 1.1 million hectares increased, from 2013 to 2017 it increased to 1.47 million hectares. Forest destruction has also occurred in Bangka Belitung. The act of logging the forest is not solely due to the clearing of plantation land but mostly due to the clearing of mining land, because Bangka Belitung is known as the largest mining-producing island in Indonesia. Moreover, the ex-tin mining excavation requires a long time for recovery so that it can be reclaimed or reforested due to changes in soil nutrients and radio pollution caused by tin mining. Therefore, the forest is also added a little as a producer of oxygen needed in human life

Based on online coverage of environmental losses from forests caused by various illegal activities, such as cutting trees without obtaining a permit from threatening parties, illegal tin sand mining, and activities that can damage other ecosystems. It is known from the records of the

Forestry Service (Dishut) of the Bangka Belitung Islands Province, that around 200,000 hectares of the total area of 657,000 hectares of forest in Bangka Belitung were damaged. <https://republika.co.id/berita/q3qdvl459/200-ribu-hektare-hutan-di-bangka-belitung-rusak>.

The increasingly critical condition of the forest environment has made the local government of Bangka Belitung strive to carry out various environmental conservation programs that involve all elements of society, especially the younger generation, namely students. One of them is the development of green open spaces in schools from Kindergarten level to Senior High School level. Schools with environmental insight or known to the community are developed in an effort to internalize environmental values in all activities at school. Schools with a green and shady ecological appearance are expected to be able to become a means of learning infrastructure about the importance of improving the environment as one of the hearts of human life so that it can be regulated wisely and wisely. Not only in the form of learning, but more than that how school members create green quality in their schools in creative ways, innovative and sustainable.

The role of communication in humans related to the environment has been carried out by various studies that examine the environment, methods of public participation in environmental decisions, environmental rhetoric, risk communication, environmental conflict and resolution, green space campaigns, and a picture of the environment in popular culture [1]. Environmental issues are also one of the most important research fields of the 21st century.

Campaigns regarding the development of green spatial planning in Adiwiyata schools in Bangka Regency have been carried out in particular by the Bangka Regency Environmental Service through various media such as direct socialization to Public Service Ads with mass media. In addition, to motivate the development of this environmentally based school, Adiwiyata awards were also given starting from the district to national levels. To build awareness itself, the formulation of messages conveyed through campaigns must have ethical values in building perceptions so that they can change positive attitudes towards programs made by DLH and related parties such as academics and environmental communities in interpreting how important it is to protect the environment

Campaign can be broadly defined as strategic action, which involves communication, which is carried out for a specific purpose, and environmental campaign must lead to positive education. This form of environmental communication is also known as advocacy, which aims to persuade, make policies, design ideas, or a certain set of values. Leslie B. Snyder stated that A communication is an organized communicator activity, directed at a particular goal. He stated that broadly speaking, the PR campaign is an organized communication activity, directly aimed at specific audiences, and within a predetermined period of time with a specific purpose.

Adiwiyata award itself is based on Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.53 of 2019. Adiwiyata is an award given by the Government, Provincial Government and District / City Government to schools that have succeeded in implementing environmental care and culture movements in schools. But of course, to get the award, the school must go through the administrative selection stage to fulfill the Adiwiyata school criteria, its call Caring and Cultured Healthy Environment movement (PBLHS)

The idea of the campaign idea carried out by the Bangka Regency Environmental Agency, is not to get an award as a symbol of supremacy which is its main goal but rather to increase awareness and positive attitudes of the community, especially students in developing green spatial planning in the school environment where they study. This positive attitude is expected not only in the school environment but can spread widely to the community with the key to participation is the community itself as a form of participation in protecting the environment. To ensure that every movement or effort that leads to social change, behavior change requires an agent of change or opinion leader who with their influence can move the community and usually the agent of change is on average the

figures a very influential figure who has always been a role model, in this case DLH collaborated with several actors to campaign for the Adiwiyata program, namely NGOs and academics through schools in Bangka. It is hoped that through the realm of education, the campaign ideas carried out by the Bangka Regency Environment Agency will increase public awareness to protect the environment in a better direction. Mr. Heru Prayoga explains that the purpose of DLH Bangka Regency Government is to campaign Adiwiyata School to schools in Bangka is to increase motivation whether schools and increase awareness by developing environmentally based and sustainable through the Adiwiyata program.

To find out how this positive attitude can be measured requires research so that it can be seen from a program including the Public Relations campaign conducted by DLH Bangka Regency. Thus, based on the background of the existing problems, the researchers are interested in making a study with the title "Perceptions of Schools of Bangka Regency Government Environmental PR Campaign Activities in Forming a Positive Attitude for Green Spatial Development in Adiwiyata Schools in Bangka Regency. Research Focused, The focus this research is to (i) How the communication conveyed through the Public Relations Campaign carried out by the Bangka Regency Environmental Service in forming a positive attitude towards the development of green spatial planning at Adiwiyata schools. (ii) What is the interpretation received by the Adiwiyata school community regarding the green spatial development program campaigned through the Adiwiyata school by the Bangka Regency Environmental Service. (iii) How to build ethical values contained in the Public Relations Campaign in building a positive attitude towards the green spatial development program at Adiwiyata School. Research Objectives, the purpose of this study is to (i) describe the communication delivered by the Public Relations campaign of the Bangka Regency Environmental Service in forming a positive attitude towards the development of green space in Adiwiyata schools through the Ostergaard campaign model. (ii) To find out how Adiwiyata school students interpret the green spatial development program campaigned by the Environment Agency. (iii) to explore the ethical values construct through messages and to create a positive attitude towards the green spatial development program campaigned by the Bangka Regency Environmental Service

2. Literature Review

In principle, communication is a process that explains who, what he says, through what channels, to whom he delivers it, then what is the result of the message he delivers and what is the result? Who, Said What, On Which channel, To Whom, With what effect [2] According to The goal of communication activity that communicators want to convey to the communicant, has four aspect, such changing attitudes (to change the attitude), changing opinions or opinions (to change the opinion), then change behavior (to change behavior) and the final goal is to change society (to change the society) including values, social attitudes, and behavior patterns, as well as the system that applies to society itself [3].

Environmental Communication, is study of communication science that specifically discusses the environment. According to [4] environmental communication is a pragmatic and constitutive of providing an understanding of the environment to the public regarding the environment. In the practical of environmental communication scope, discusses strategic message packaging to encourage knowledge to increase awareness and public participation in protecting the environment. In conceptual level, environmental communication studies contribute to theories about human

communication itself. For example, the focus lies on the role of human communication, art, symbols, and in defining the human relationship with nature as the most obvious example that human communication mediates or negotiates our relationship to, and understands the world.

Campaign, According to [5] further explained that a campaign is a series of planned communication efforts and actions to get support from a large number of audiences carried out by a person or group of people in an organized manner in a decision-making process and carried out continuously within a certain period of time.

Campaign Type Based on Orientation (i) Product Oriented Campaigns These are product oriented campaigns. This type of campaign is generally carried out within a commercial business environment. This campaign aims to build a positive image of the products introduced to the public. (ii) Candidate Oriented Campaigns These are candidate-oriented campaigns. These campaigns usually have a background of passion for political gain. For example the election campaign, the election campaign. (iii) Ideologically or Cause Oriented Campaigns specifically social in nature. As Kotler has explained, social change campaigns aim to deal with various social problems by changing people's views, attitudes and behaviors (Maxmanroe, 2018).

Green Open Space Concept, according to Law Number 26 of 2007 concerning Spatial Planning, green open space is defined as an elongated area / pathway and/or group, which is as a place for plants whether they grow naturally or are intentionally planted. Public green open space is an open space that is owned and managed by the city government which is used for the benefit of the general public. Which includes public green open spaces, among others, are city parks, public burial parks, and green lanes along roads, rivers, and beaches. Which includes private green open space, among others, is the yard of the house/building owned by the community or private plants planted with plants. The proportion of 30 (thirty) percent is the minimum measure to ensure the balance of the urban ecosystem, both the balance of the hydrological system and the microlimat system, as well as other ecological systems, which in turn will increase the function and proportion of green open space in cities, government, society, and the private sector, to plant plants on their own buildings. The proportion of public green open space covering an area of at least 20 (twenty) percent provided by the municipal government is intended so that the minimum proportion of green open space can be more guaranteed to achieve it so as to allow its widespread use by the community [6].

Adiwiyata School Program Concept, Adiwiyata derived from the word “Adi” which means good, big, perfect, ideal, while “Wiyata” is a place for someone who gets knowledge, norms, ethics in social life. Adiwiyata is an ideal place for someone to gain knowledge, norms, and ethics in social life with the environment. Meanwhile, the Adiwiyata program is a program to create schools that care about the environment. Adiwiyata is a character building program, behavior and culture that cares for the environment. The Adiwiyata school program is intended to encourage the creation of knowledge and awareness of school members about cultured and environmentally friendly schools (Adiwiyata). The aim this program is to increase the awareness and capacity of schools to realize Adiwiyata school, as well as increase institutional and human resource capacity in the management of the Adiwiyata program and increase school participation in environmental conservation and management efforts based on Law no. 32 of 2009 concerning Protection and Management of the Environment and Minister of Environment Regulation no. 5 of 2013 concerning Guidelines for the Implementation of the Adiwiyata Program.

The basic principles of the Adiwiyata school: (i) Educative, (educative) provides education about environmental protection and management. (ii) Participatory, (participatory) school members are involved in all Adiwiyata activities starting from the planning, implementation, evaluation

processes according to their respective responsibilities and roles. (iii) Sustainable, all activities must be carried out in a planned and continuous manner and comprehensively.

Basic Concepts of Perception, Perception is one of the important psychological aspects for humans in responding to the presence of various aspects and symptoms around them. Etymologically, the word perception or in English perception comes from Latin, namely perceptio, which means to accept or take. Perception in the narrow sense is vision, the way a person sees, while in the broadest sense it is a view or understanding, namely the way a person views or interprets. (Robin Kramer, 2013) defines perception as a process that individuals take to organize and interpret their sense impressions in order to give meaning to their environment. [8] provides a definition of perception as an interpretation of what individuals perceive or feel.

3. Methods

Methodology. This research will be conducted using qualitative research methods, with a descriptive approach because this approach is best able to make observations in a natural and social setting. The purpose of researchers using descriptive research is to produce an accurate picture of a phenomenon and the mechanism of a process, which will explain a set of stages of the research process. Research Focus, the focus of the research carried out in how the campaign by the Environmental Agency and what values are in the campaign and how the interpretations received by Adiwiyata school students on the green spatial development program campaigned through Adiwiyata schools by the Department Environment of Bangka Regency. Determination of Research Subjects (Informants), research subjects are people who are asked to provide information about a fact or opinion in accordance with the existing reality in the field. As explained by [9] the research subject is the subject the researcher is aiming for. Thus the research subject is a source of information that is extracted to reveal the facts in the field. To determine the research subject in this study using a purposive or theoretical technique, not a random or representative sample like in quantitative research. "Purposive sampling is often referred to as judgment sampling, which can simply be interpreted as selecting samples that are tailored to a specific purpose by the researcher.

According to, [10] in order to obtain more proven information, there are several criteria that need to be considered, including that the research subject is determined based on the person who is considered to know the most information needed: (i) The subject is long and intensive with an activity or activity that becomes the target or attention of the researcher. (ii) Subjects who are still fully and actively related to the environment or activities that are the target or attention of researchers. (iii) Subjects who have a fair amount of information, a lot of time and opportunity to be questioned, (iv) Subjects who are or live in the target that received treatment.

Tabel 1. List of Research Informants

No.	Name	Position	Date of Interview
1.	Heru Prayoga (DLH)	Kasi Bidang Penyuluhan	
4.	Ibu Bidasaari	School Members	
5.	Bapak Santo	Teacher	

The criteria determined by natural researchers to determine informants based on the above considerations are: (i) Work and activities within the government organization that is the object of research, namely the Environmental Service Office of Bangka Regency. (ii) Work and do activities such as the Chairperson and Governing Body of the NGO Flora Fauna, Bangka Regency. (iii) Work and do activities like the Chairperson and Governing Regency (iv) School Community. (v) Student's Parent.

Research Location, this research will be conducted in schools that have green spatial development programs, and researchers choose Public Elementary School (SDN) 12 and Public Elementary School (SDN) 3 Bangka Regency. The researcher chose the two schools on the grounds that the school had adopted Adiwiyata school program activities, it relatively representative enough to explore data on the subject, especially in relation to the implementation of the green spatial development campaign carried out by the Environmental Service.

Data Collection Technique, data collection techniques used in this study are; (i) Observation of participants because researchers will be directly involved to determine the level of understanding of the subject about green spatial environment. (ii) Interviews conducted in this study use semi-structured interviews, by asking several questions of the data source.

4. Result and Discussion

Environmental management is not necessarily carried out in a short time but it should be from an early age and can be started through formal education with the goal preserving the environment through a caring and environmental culture movement in schools. Caring environment must be instilled as early as possible so that we can be responsible and love the surrounding environment, and through education we can understand how important the environment is for human life.



Figure 1 & 2 Adiwiyata School Profile

Adiwiyata School is a form of government commitment to environmental management and protection through formal education. Adiwiyata School is a tribute to the school which has succeeded in implementing the environmental care movement at school. Such as Elementary School 03 which has won the Adiwiyata award at the national level for the achievements which have transformed the school into a beautiful and green school, see picture above.

The research findings show that the campaign has a strong influence on the behavior of the school community as evidenced by the existence of a campaign through the socialization and counseling of the Adiwiyata School program. The results can be seen through the behavior of students and teachers in schools how they implementing the Adiwiyata program. It can also be seen from the attitude of the teachers who have received counseling from the Environmental Office of the

Bangka Regency, The teacher and the member of schools enthusiastic about creating the Whatapps group as explained by Mr. Heru Prayoga, as Kasi penyuluhan bidang Adiwiyata who incharge the programs. His statemen was: “The schools that we have provided are enthusiastic about the programs implemented by the Environmental Service of the Bangka Regency Government, but since the outbreak of Covid-19, outreach activities have experienced problems in conducting outreach in schools like before the pandemic. To facilitate communication, we have created a Whatsapp group with these schools to make it easier for us to evaluate the development of ongoing activities, especially for schools that have received the Adiwiyata award” (14-09-2020).

To answer research questions related to building ethical values contained in the Public Relations Campaign in building a positive attitude towards the green spatial development program at Adiwiyata school, Mr. Heru Prayoga has also explained; “Participatory and sustainable values that must be more inculcated by all school members so that they can maintain the environment-based on school situation for the long term, especially given the new ministerial regulation that the Adiwiyata program must be evaluated every 4 years in its term.” (14-09-2020).

Research findings regarding changes in behavior from teachers and students that students already know how they value and care for their environment by accustomed to throwing garbage in its place and planting trees in the school environment. Pak Ismi explained: “We carry out activities to make school more preety and cleans, in the other side we also do activities outside of school. we teach children how to plant, bring plants from home to be planted at school, make crafts from recycled materials, then collaborate with DLH for training students on how to compost, recycle, sort organic and inorganic waste. We also have onather activities outside of school such as going to the Pak Tulis orchid garden in Petaling planting mangroves on the beach.” (14-09-2020).



Figure 3 & 4 Green Park and School Facility

The schools has expected or targeted at the physical environment of the school as Pak Ismi has explained We hope the school will be green, the school environment clean and beautiful, and students behave after implementing the program.

Mrs. Bidasari explained: “They are used to replacing dead plants with fresh plants, beautifying the class and the environment, they understand the benefits of green environment, so they are accustomed to maintaining cleanliness, if there are fallen leaves because of the green and shady environment during their break they will pick up leaves. -the leaves without having to be ordered. They are accustomed to throwing garbage into organic and inorganic places, and because we also make organic waste processing for fermentation” (14-09-2020)



Figure 5 & 6 Garbage collection before composting and water tower to wash hand during Covid-19

Pak Santo: “From grade I to grade 6, grade I how to select and sort waste so that there is awareness of our students to fertilize from the start, if the higher grades are already in the composting process, making recycled crafts” (14-09-2020). According to Mr. Santo: “The obstacles in the implementation of the Adiwiyata program is when the parents objected if students were often asked to bring plants to school, they had protested several times by the parents of these students entering the newspaper, but after being given an understanding by the Principal at that time, the problem was resolved and the parents understood the good intentions of the school. there have same problem about when the electricity cut of the chopping machine provided by the government did not work well at that time and the capacity of rubbish was too large, per semester we produced 100 kilos of compost, it was not in accordance with the machine wich still not enough. But then the gouverment provide the machine and now is solve the problems. “(14-09-2020).



Figure 7 & 8: Waste composting process conducted by Elementary Schools 03

5. Conclusion

From the results of interviews conducted by researchers with sources in the field and pictures documented by the researchers, it can be concluded that the adiwiyata school programs, which was disseminated through socialization and counseling by the Environmental Agency of the Bangka Regency, could raise awareness of the school community in maintaining a green environment and has succeeded in implementing a caring and cultural environmental movement.

Reference

- [1] R. Cox, *Environmental communication and the public sphere*. 2012.

- [2] H. Cangara, *Pengantar Ilmu Komunikasi (Cetakan Keempat)*. 2002.
- [3] O. U. Effendy, *Komunikasi Teori dan Filsafat*. 2014.
- [4] M. Fauzil Ali, M. Bahrudin, and T. Hanandry Dewanto, "Perancangan Iklan Kampanye Penghargaan Adiwiyata Kabupaten Gresik Melalui Animation Explainer Sebagai Upaya Meningkatkan Kesadaran Lingkungan Hidup," *Desain Komun. Vis.*, 2015.
- [5] S. Qonaah, "Strategy Kampanye Gerakan #BijakBerplastik PT Danone Aqua Dalam Merayakan Hari Lingkungan Hidup Sedunia 2018," *J. Komun.*, 2019, doi: 10.31294/jkom.v10i1.5182.
- [6] I. P. Putra, "Pelaksanaan Pengaturan Ruang Terbuka Hijau Dalam Rencana Tata Ruang Wilayah Di Kota Metro," *J. Hima Han*, 2014.
- [7] R. S. S. Kramer, U. W. Weger, and D. Sharma, "The effect of mindfulness meditation on time perception," *Conscious. Cogn.*, 2013, doi: 10.1016/j.concog.2013.05.008.
- [8] B. Walgito, *Pengantar Psikologi Sosial*. 2010.
- [9] Arikunto, "Metodelogi Penelitian, Suatu Pengantar Pendidikan," in *Rineka Cipta, Jakarta*, 2019.
- [10] K. M. Wiig, "Knowledge Management Glossary," *KNOWLEDGE RESEARCH INSTITUTE, INC.*. 2000.

The Effect of Competency, Vocational, Training and Work Discipline on The Performance of PT Indomika Utama

Agtovia Frimayasa¹, Windayanti², Didin Hikmah Perkasa³
 {Agtovia.frimayasa@undira.ac.id¹, windayanti@gmail.com², didin.hikmah.perkasa@undira.ac.id²}

Universitas Dian Nusantara, Jakarta, Indonesia¹, Universitas Dian Nusantara, Jakarta, Indonesia², Universitas Dian Nusantara, Jakarta, Indonesia³

Abstract. The main research objective of this study was to measure the influence of competence, job training, and work discipline on employee performance at PT. Indomika Utama uses a quantitative descriptive approach. The data in the study were obtained from 62 respondents who were employees of PT. Indotama. Data analysis in this study used an alternative method of structural equation modeling (SEM), namely partial least square (PLS). The first stage in this study was to test the validity of the questions for each variable along with its reliability. The second stage examines the factors that affect work productivity. The results of this study indicate that the variables of competence, job training and work discipline affect the performance of employees of PT. Indotama.

Keywords: Competence, Job Training, Work Discipline, Employee Performance

1. Introduction

Human Resources (HR) is the most expensive company asset compared to other assets because HR is the main driving force for a company organization. HR must be managed optimally, continuously and given extra attention and fulfill their rights, besides that HR is a partner of entrepreneurs to achieve organizational goals. Apart from companies, human resources must also improve their competence, in line with the development of the globalization era. To be able to compete, every company is required to have quality human resources.

Human resources play an important role in an organization to achieve its goals. The role of human resources is defined as a form of maximum ability in carrying out the tasks assigned by the organization in accordance with its main tasks and functions which include all activities in the organization, starting from planning, organizing, implementing activities to evaluating the results of activities.

Performance is the implementation of a job and the improvement of the work in accordance with its responsibilities so that it can achieve results as expected, Sinambela[1].

Improved employee performance will bring progress for the company to survive in an unstable business environment competition. Therefore, efforts to improve employee performance are the most serious management challenges because the success in achieving the goals and survival of the company depends on the quality of the performance of human resources in it. To support and improve employee performance, an employee must have competence. By having good competence, employees can achieve the results expected by the company. To achieve good competence requires training for employees to increase knowledge and increase the competencies that employees have for the success of an organization in the future. The work discipline of employees also has a very important role in achieving company development goals. Because

discipline a job will ensure order and smoothness in duty to achieve optimal results. PT. Indomika Utama is engaged in production, of course, it must have a good performance. In addition to good performance, you must have good competence to achieve common goals, if you have good competence, training is needed to hone good competencies, and must be disciplined, because if you are not disciplined, employee performance will decrease and not achieve optimal results. PT. Indomika Utama is engaged in specialist acrylic services with quality and affordable prices. Also, PT. Indomika Utama accepts Media Advertise work with the best Advertising materials.

PT. Indomika Utama strives to provide the best service to consumers by applying the principle of "Acrylic Solution", namely by providing services ranging from concepts, designs, and dummy applications of various designs made from acrylics such as Acrylic Keychains, Acrylic Product Display, Plaques, Signs and Pass Cards.

The phenomenon in this study is that the overall work productivity is not achieved due to various problems, especially internally, including uneven employee competence resulting in gaps between employees, for example, if there is damage to the machine and people who normally handle the machine do not come to work, then the production process will be hampered because the person assigned to replace the absent employee is not as skilled as the employee. Also, the target time given is very short and there is a lack of training related to hard competencies.

According to researchers, training is very important, because to achieve the desired competence, one of them is through training because the competency levels and abilities of employees are different and it must be properly honed. When conducting training, employees can work together and if there are employees who are unable to attend or are moved to another department, then other employees will be replaced by employees who have the same abilities.

2. Literature Review

2.1 Employee performance

A company certainly wants to grow and develop the company itself. For that, a company needs to evaluate and evaluate its employees. Performance is a tangible behavior that is displayed by everyone as work performance produced by employees following their role in the company.

According to Mangkunegara, in Wibowo [2] Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities assigned to him.

According to Hasibuan, in Yani [3] Performance is a result of work achieved by a person in carrying out the tasks assigned to him based on skills, experience, and sincerity as well as time.

Thus it can be concluded that performance is a result where a person or group does something of the authority and responsibility that the company has given to its employees during the expected period to be able to provide and improve work performance that is better in its sincerity.

2.2 Job competence

Within the company, of course, wants employees to have good competence. Competence refers to the knowledge, skills, abilities, or individual personality characteristics of a person that directly affects a person's performance.

According to Hasibuan[4], competence is the knowledge, skills, and attitudes needed in carrying out their job duties which can be linked to increasing individual or team performance.

According to MC Achsan in Sutrisno [5] competence is defined as knowledge, skills, and abilities that are controlled by someone who has become a part of himself, so that he can perform cognitive, affective, and psychometric behaviors as well as possible. If competence is an ability, it

can be defined as the ability to work well, discipline, and know the rules that exist within the organization.

This explains that competence is a basic characteristic of a person that indicates how to think, behave, and act and draw conclusions that can be acknowledged and maintained by a person at a certain time. From these basic characteristics, it can be seen that the research objectives of the level of competence or competency standards can determine the level of expected performance and categorize the level as high or below average.

2.3 Work training

According to Simamora, in Widodo [6] training is a series of activities designed to increase skills, knowledge, experience, or changes in an individual's attitude.

According to Sjafrri Mangkuprawira, in Yani [3] training is a process of teaching certain knowledge and skills as well as skills so that employees are more skilled and able to carry out their responsibilities better, according to standards.

According to Kasmir [7] training is a process to shape and equip employees by adding to their skills, abilities, knowledge, and behavior.

According to Bangun [8] training is a process of improving employee job skills to help achieve company goals. In general, training will be useful for improving employee work results and the more skilled employees will reduce the costs of their work.

Thus training is shaping employee behavior in accordance with what the company expects and employees are equipped with various knowledge, abilities, and expertise, according to their field of work.

2.4 Work Discipline

Discipline in the company is part of what is officially regulated, where the company will issue regulations in the form of company regulations. The measure of the success or failure of discipline in the company is when most of the rules are obeyed by most of the employees.

According to Latainer in Sutrisno [5], defines discipline as a force that develops in the body of employees and causes employees to voluntarily adjust to decisions, regulations, and high values of work and behavior.

According to Hasibuan [4], stating "discipline is the most important operational function of human resource management because the better the employee discipline, the higher work performance they can achieve. Without good employee discipline, it is difficult for company organizations to achieve optimal results. "

According to Dessler [9], Discipline is the awareness and willingness of a person to obey one's rules, all company regulations and social norms that apply awareness is if someone voluntarily obeys all the rules and is aware of duties and responsibilities.

2.5 Work training

According to Simamora, in Widodo [6] training is a series of activities designed to increase skills, knowledge, experience, or changes in an individual's attitude.

According to Sjafrri Mangkuprawira, in Yani [3] training is a process of teaching certain knowledge and skills as well as skills so that employees are more skilled and able to carry out their responsibilities better, according to standards.

According to Kasmir [7] training is a process to shape and equip employees by adding to their skills, abilities, knowledge, and behavior.

According to Bangun [8] training is a process of improving employee job skills to help achieve company goals. In general, training will be useful for improving employee work results and the more skilled employees will reduce the costs of their work.

Thus training is shaping employee behavior in accordance with what the company expects and employees are equipped with various knowledge, abilities, and expertise, according to their field of work.

2.6 Work Discipline

Discipline in the company is part of what is officially regulated, where the company will issue regulations in the form of company regulations. The measure of the success or failure of discipline in the company is when most of the rules are obeyed by most of the employees.

According to Latainer in Sutrisno [5], defines discipline as a force that develops in the body of employees and causes employees to voluntarily adjust to decisions, regulations, and high values of work and behavior.

According to Hasibuan [4], stating "discipline is the most important operational function of human resource management because the better the employee discipline, the higher work performance they can achieve. Without good employee discipline, it is difficult for company organizations to achieve optimal results. "

According to Dessler [9], Discipline is the awareness and willingness of a person to obey one's rules, all company regulations and social norms that apply awareness is if someone voluntarily obeys all the rules and is aware of duties and responsibilities.

Hypothesis

According to Hasibuan [4], competence is the knowledge, skills, and attitudes needed in carrying out their job duties which can be linked to increasing individual or team performance.

Research results from Saputra, Bagia and Suwendra [10], Budiman, Saerang and Sendow [11], Fadhil [12], Rohman [13] shows that competence has a significant influence on employee performance, besides that there is a research journal from Ratnasari [14] on competency variables which shows that there is no significant effect on employee performance. From the opinion of experts and previous studies, it can be concluded that there are a close relationship and influence between the competency factor and the employee performance factor. So, the relationship between the variables is:

H1: Competence has a positive effect on employee performance.

According to Kasmir [7] training is a process to shape and equip employees by adding to their skills, abilities, knowledge, and behavior. According to Bangun [8] training is a process of improving employee job skills to help achieve company goals. In general, training will be useful for improving employee work results and the more skilled employees will reduce the costs of their work. Research results from Safitri [15], Dubihlela and Rundora [16], Uzma and Waqar [17]. It shows that Job Training has a significant influence on Employee Performance. From the opinion of experts and previous studies, it can be concluded that there is a close relationship and influence between Job Training factors and Employee Performance factors. So, the relationship between the variables is:

H2: Job training has a positive effect on employee performance.

According to Hasibuan [4], stating "discipline is the most important operational function of human resource management because the better the employee discipline, the higher work performance they can achieve. Without good employee discipline, it is difficult for company organizations to achieve optimal results. " Research results from Budiman, Saerang and Sendow[11], Meriam and Mentari, Fitriarsi [18]. shows that work discipline has a significant effect on employee performance. From the opinion of experts and previous studies, it can be concluded that there are a close relationship and influence between work discipline and employee performance factors. So, the relationship between the variables is

H3: Work Discipline has a positive effect on Employee Performance.

3. Methods

Designs and samples The design of this research is causal research which aims to test the hypothesis about the influence of the independent variables (Competence, Job Training, and Work Discipline) on the dependent variable (Employee Performance) at PT. Main Indomika. In this case, the study aims to determine the effect of competence, job training, and work discipline on employee performance at PT. Main Indomika. According to Sugiyono [19], the population is a generalization area consisting of: objects/subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then draw conclusions. The number of population in PT. Indomika Utama has a total of 62 employees. According to Sugiyono[19], saturated sample is a sampling technique by taking all members of the population as respondents or samples. So this study uses a sample of 62 respondents who are employees or saturated sample research, namely taking the entire population as a sample because the number of available populations is not much. Analytical instruments and techniques

In this study, the authors use the basic measurement of performance variables adopted from Mangkunegara [20], while for competency variables adopted from Hasibuan [4], training variables are adopted from Simamora [21] and work discipline is adopted from Rivai [22].

4. Results And Discussion

Hypothesis Testing Results This hypothesis testing stage is carried out after the structural model evaluation stage is carried out. This stage is carried out to determine whether the research hypothesis proposed in the research model is accepted or rejected. To test the proposed hypothesis, it can be seen from the original sample and the T-Statistic value through the bootstrapping procedure. According to Helm et al. Hair et al. [23], the path coefficient values are in the range of values -1 to +1, where the path coefficient values that are close to +1 represent a strong positive relationship and the path coefficient values that are -1 indicate a strong negative relationship. Meanwhile, the t-statistical value limit for rejecting and accepting the proposed hypothesis is ± 1.96 , which is if the t-statistic value is in the range of -1.96 and 1.96 then the hypothesis will be rejected or in other words accept the null hypothesis (H_0).

Table 1. Hypothesis Testing Results

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P-Values
X1 (Competence) -> Y (employee performance)	0.134	0.138	0.112	1.200	0.230
X2 (training) -> Y (employee performance)	0.224	0.231	0.113	1.991	0.047
X3 (work dicipline) -> Y (employee performance)	0.591	0.599	0.082	7.218	0.000

Source: Smart PLS output (2020)

This study aims to determine the effect of competence, job training, and work discipline on employee performance at PT. Indomika Utama in the production section. The exogenous variables assessed in this research model are competence, job training, and work discipline. While the

endogenous variable assessed in this research model is employee performance. Data analysis has been carried out from the conceptualization stage of the model to testing the research hypothesis. The results of the analysis can show whether exogenous variables can affect the endogenous variables of employee performance at PT. Indomika Utama Production section. The results of hypothesis testing indicate that of the total three hypotheses tested, two hypotheses are accepted and one hypothesis is rejected.

Based on the test results on the effect of competence on employee performance, the original sample value is 0.134 which is close to the value of +1 and has a T-Statistic value of 1.200 (< 1.96) so that it can be concluded that the first hypothesis (H1) is rejected and competence has no effect on employee performance. This is in line with the results of research conducted by Ratnasari [14] where competence does not affect employee performance.

Based on the test results on the effect of job training on employee performance, it has an original sample value of 0.224 which is close to the value of +1 and has a T-Statistic value of 1.991 (> 1.96) so that it can be concluded that the second hypothesis (H2) is accepted and job training has a positive and significant effect on performance. employees. Employee performance will increase if employees receive sufficient training so that they can develop the ability to improve their jobs. This is in line with the results of research conducted by Safitri [15] where Job Training has a positive and significant effect on Employee Performance.

Based on the test results on the effect of work discipline on employee performance, it has an original sample value of 0.591 which is close to the value of +1 and has a T-Statistic value of 7.218 (> 1.96) so that it can be concluded that the third hypothesis (H3) is accepted and work discipline has a positive and significant effect on performance. employee. With high work discipline, employee performance will increase. This is in line with the research results conducted by Saputra, Bagia and Suwendra [10] where Work Discipline has a positive and significant effect on Employee Performance.

5. Conclusion and Suggestion

Based on the results of hypothesis testing and the discussion started in the previous chapter, several conclusions can be obtained as follows:

1. Competence has no effect on employee performance. This means that employees have a good level of competence in supporting employee performance at PT. Main Indomika.
2. Job training affects employee performance. This means that there must be improvements and improvements to employee job training in order to be able to improve employee performance owned by employees at PT. Main Indomika.
3. Work Discipline has a significant effect on Employee Performance. This means that there must be improvements and improvements in employee Work Discipline in order to be able to improve the Employee Performance of the Employees at PT. Main Indomika.

Suggestion. Based on the results of the research conducted, the researchers gave several suggestions because this study still has several limitations from several aspects so that it is necessary to make improvements in further research, as follows:

1. For Competency Variables, The competency variable that has the lowest mean value in the KO3 statement is "I have work experience in the current field of work" which means that the respondent does not quite agree that the respondent has work experience in the current line of work. This confirms that not all employees of PT. Indomika Utama the Production section who feels they have work experience in the current field of work. Suggestions for improving the management of PT. Indomika Utama in the Production section is paying more attention to the competence of each production employee so that they have overall experience and abilities

2. For Job Training Variables The job training variable which has the lowest mean value in the PL8 statement is "The training provided can improve my ability to communicate with other employees" which means that the respondents do not quite agree that the training provided can improve the respondent's ability to communicate with other employees. This confirms that there are still employees of PT. Indomika Utama, the production division, believes that the training provided has not been able to improve the ability of respondents to communicate with other employees. Suggestions for the management of PT. Indomika Utama in the Production section in order to provide comprehensive job training for employees in order to be able to further improve employee communication skills.
3. Work Discipline Variable The work discipline variable that has the lowest mean value in the DK10 statement is "Employees have good ethics while in the office" which means that respondents do not quite agree that employees have good ethics while in the office. This confirms that not all employees of PT. Indomika Utama is part of the production with good ethics while in the office. Suggestions for the management of PT. Indomika Utama, the Production section, to tighten company SOPs so that it is hoped that ethical work discipline will be created at all levels of employees.
4. For Employee Performance Variables The employee performance variable that has the lowest mean value in the KK1 statement is "So far I always come to work earlier than the predetermined time". This confirms that not all employees of PT. Indomika Utama Production section in carrying out work always comes to the workplace earlier than the predetermined time. Suggestions for the management of PT. Indomika Utama is in the Production section in order to make the culture come early so that the culture is cultured in the company's work environment.

Reference

- [1] L. Sinambela, *Kinerja Pegawai: Teori, Pengukuran dan Implikasi*. Yogyakarta: Graha Ilmu, 2012.
- [2] Wibowo, *Manajemen Kinerja*. Jakarta: Rajawali Pers, 2013.
- [3] Y. H.M., *Sumber Daya Manusia*. Jakarta: Mitra Wacana Media, 2012.
- [4] H. Malayu, *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara, 2012.
- [5] S. Edy, *Manajemen Sumber Daya Manusia*. Jakarta: Kencana, 2010.
- [6] W. S. Eko, *Manajemen Pengembangan Sumber Daya Manusia*. Yogyakarta: Pustaka Pelajar, 2015.
- [7] Kasmir, *Manajemen Sumber Daya Manusia (Teori dan Praktek)*. PT. Raja Grafindo Persada, 2016.
- [8] Bangun Wilson, *Manajemen Sumber Daya Manusia*. Jakarta: Erlangga, 2012.
- [9] G. Dessler, *Manajemen Sumber Daya Manusia*. Jakarta: Gramedia, 2010.
- [10] U. R. Amalia, I. W. Suwendra, and I. W. Bagia, "Kinerja Karyawan," vol. 4, no. 1, pp. 121–130, 2016.
- [11] N. P. Budiman, I. S. Searang, and G. M. Sendow, "Pengaruh Kompetensi, Motivasi, Dan Disiplin Kerja Terhadap Kinerja Karyawan (Studi Pada Pt. Hasjrat Abadi Tendeand Manado)," *J. Chem. Inf. Model.*, vol. 53, no. 9, pp. 1689–1699, 2019, doi: 10.1017/CBO9781107415324.004.
- [12] M. Fadhil, "Pengaruh Kompetensi Sumber Daya Manusia Terhadap Kinerja Pegawai Pada Balai Latihan Kerja Industri Makassar," vol. 01, pp. 2355–538, 2016.
- [13] F. Rohman, "Kompetensi Sdm Dan Pengaruhnya Terhadap Kinerja Karyawan Bagian Akuntansi Ksp Di Kabupaten Jepara," *Jeam*, vol. XV, no. 20, pp. 62–67, 2016, doi: 10.19184/jeam.v15i1.1796.
- [14] S. L. Ratnasari, "Pengaruh Kompetensi Dan Kompensasi Terhadap Kinerja Karyawan Departemen Quality Assurance Pt. Peb Batam," *Pros. Semin. Nas. Ekon. dan Bisnis*, no. 1, pp. 424–434, 2016.
- [15] D. E. Safitri, "PENGARUH PELATIHAN TERHADAP KINERJA KARYAWAN THE EFFECT OF TRAINING ON EMPLOYEE PERFORMANCE Debby Endayani Safitri," *Dimens. Vol. 8*, vol. 8, no. 2, pp. 240–248, 2019.
- [16] J. Dubihlela and R. Rundora, "Of Activity Based Costing ; Impact On Performance Of SMEs," *Int. Bus. Econ. Res. J.*, vol. 13, no. 1, pp. 27–39, 2014.

- [17] U. Hafeez and W. Akbar, “‘Impact of Training on Employees Performance’ (Evidence from Pharmaceutical Companies in Karachi, Pakistan),” *Bus. Manag. Strateg.*, vol. 6, no. 1, p. 49, 2015, doi: 10.5296/bms.v6i1.7804.
- [18] M. Fitriyanti, A. T. Haryono, and M. M. Warso, “Analysis the Influence of Compensation Work, Discipline Work, And Workplace Physical Of The Performance Of Employees With Work Performance As Variable Interveningnya (Study In Pt. Mandiri Karya Perdana),” *J. Manage.*, vol. 02, no. 02, 2016.
- [19] Sugiyono, *Statistika Untuk Penelitian*. Bandung: Alfabeta, 2013.
- [20] A. P. Mangkunegara, *Manajemen Sumber daya Manusia Perusahaan*. Bandung: PT. Remaja Rosdakarya, 2011.
- [21] H. Simamora, *Manajemen Sumber Daya Manusia*. Yogyakarta: Bagian Penerbitan Sekolah Tinggi Ilmu Ekonomi YKPN.
- [22] V. Rivai, *Manajemen Sumber Daya Manusia untuk Perusahaan*. Jakarta: Raja Grafindo Persada, 2008.
- [23] J. F. Hair, M. Sarstedt, L. Hopkins, and V. G. Kuppelwieser, “Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research,” *Eur. Bus. Rev.*, vol. 26, no. 2, pp. 106–121, 2014, doi: 10.1108/EBR-10-2013-0128.

Optimism Aspects in Edgar Albert Guest's Poems: Figurative Language Analysis Approach

Irma Rahmawati¹
{irma.rahmawati@undira.ac.id¹}

English Department, Faculty of Economy and Business, Dian Nusantara University,
West Jakarta, Jakarta, Indonesia¹

Abstract. The writer writes this research entitled “Optimism Aspects in Edgar Albert Guest’s Poems: Figurative Language Analysis Approach” to find out aspects of optimism through figurative languages used in Guest’s poems since they are very empowering people to not give up easily. The problems in this research discuss about what kinds of figurative language used in the poems, how to find the optimism aspects in the poems, and how to interpret the meaning of the poems. The aims of this research are to find out and interpret the message behind the poems using figurative language. The writer uses qualitative method to do the research. The writer uses 3 Guest’s poems *It Couldn’t be Done*, *Can’t*, and *See it Through* to conduct the research.[1] [2][3] After reading all of poems, the writer notices that the poems have the optimism aspects, especially since they are very inspiring people to keep moving on with life.

Keywords: poem, optimism aspects, figurative language

I. Introduction

Literature, in essence, describes the values of a society. Literary work is created due to the influence of social and cultural circumstances. Although good literature in general does not directly describe the specific values, but the aspirations of the people inevitably are reflected in literary works. For example, a literature writer may write anything in his/her mind, ideas, experience, and values which can be useful for the readers and their cultural development. However, one may still not understand then ask, “What is literature? And what is its relation between society and literature?” Jean-Paul Sartre implied that literature is an abstract writing with the intention for the readers to interpret it creatively, as far as their imagination goes [4].

Therefore, literature cannot be separated from culture and society. Society is a group of people that live in a same territory and interact with one another while sharing the differences in their customs. Society definitely plays a part in literature. Literary agents could be influenced if he/she lives in a certain society, thus they will be reflected in their writing either intentionally or not. For example, *O Captain! My Captain!*, written by an American poet, Walt Whitman, is a sad poem about the death of American President Abraham Lincoln and Whitman’s sadness due to the death of his idol.

In this research, the writer analyzes the poems by a famous American poet, Edgar Albert Guest. Edgar Albert Guest, also known as Eddie Guest was an English-born American poet who was popular in the first half of the 20th century and became known as “People’s Poet”. Guest’s poems are mostly about sentimental yet optimistic point of view and empowering people to not give up easily. Many people love his poems and Guest stated that he was “a newspaperman who wrote verse for folks.” which earned him the title “People’s Poet.”

The writer wants to focus on optimism aspects in several of Guest's poem and exploit the meaning behind it by looking at figurative languages contained in the poems. Guest's poems are mostly about sentimental yet optimistic point of view and inspiring people to never stop halfway when doing something and always be responsible with everything that has been done. The writer thinks his poems are interested to be analyzed. The analysis will use positive psychology theory from Martin P. Seligman [5] by analyzing figurative language used in the poem.

2. Literature Review

2.1 Poetry and Poem

Poetry is one of literature writing, an art of writing that uses aesthetic and rhythmic qualities of language to express one's feeling through figurative language. Spiegelman defined the poetry as an art of naming, and this naming is done by story-telling and by metaphorical approximations and refinements [6]. There are several meanings about poetry according to famous poets. Percy Bysshe Shelley stated in his essay, *A Defence of Poetry* (1821), which Poetry may be defined to be 'the expression of the imagination' and poetry is closely related with the origin of man [7].

Poem is a finished work written by a poet, one who writes poems, that uses sounds and images he/she wants to show figuratively. Mark Yakich, A lecturer from Loyola University New Orleans, in his article in *The Atlantic* (2013), "A poem helps the mind play with its well-trod patterns of thought, and can even help reroute those patterns by making us see the familiar anew". [8]

2.2 Optimism

The concept of optimism often linked with a German philosopher, Gottfried Wilhelm von Leibniz, who stated that people live in the best of all possible worlds that God could have created. Analysis, religion is viewed as an optimistic illusion. It is an illusion necessary to control aggressiveness and sexual instinct of society. The most common rhetorical expression used to determine whether a person is optimistic or pessimistic is a glass with water at the halfway point [9].

Optimism is not a rediscovery of the "power of positive thinking." Optimism skills do not come from joyful events. Those skills do not include how to say positive things to oneself. Positive statements made only for oneself do not have significant effect. Using the power of positive thinking, it is imperative to know what you will do when you fail. Altering bad things to good things he or she say to oneself when one experiences any kind of hardships in life is the main skill of optimism [5].

People with high optimism also have a sense of pessimism. It is unknown whether pessimism is one of nature's mistakes or it has an important value in certain conditions. Pessimism is needed to support one's realism because in life, blind optimism is not good when one does not think any realistic ways when facing a challenge. Seligman stated that a successful life may needs both optimism and at least occasional pessimism. Pessimism can heighten one's sense of reality in a world filled with unexpected and frequent disasters [5].

2.3 Figurative Language

Figurative language is a language formed with words or expressions that is different from the literal meaning. Figurative language often used when one is unable to find words which,

used in their literal and conventional sense, will adequately express our meaning. The use of figurative language requires to abstract meaning beyond “physical” words. It is about being capable of inferring information beyond syntax or semantics. Figurative language is usual in poetry and prose, as well as non-fiction writing [10].

Personification

Personification is a figurative language that gives a non-human/inanimate objects a human or animal attributes. It is used to create an understanding of an inanimate things since it is easier for human to understand by using human or animal traits, thus creates a new look at the world from different yet creative perspective beside human perspective [10].

For example, William Blake in his poem “Two Sunflowers in The Yellow Room” wrote:

*“Ah, William, we’re weary of the weather,”
Said the sunflower, shining in dew.
“Our traveling habits have tired us.
Can you give us a room with a view?”*

In this poem, the sunflowers are made as if they were talking to the poet. They asked the poet to move them to a room with different view than the place they were on.

Metaphor

Metaphor is a word or phrase that is used differently from normal use to explain something, comparing two different, contrasting things that could create similarities or new perspectives. It makes an implicit, implied or hidden comparison between two things that are unrelated but share some common characteristics. It is useful to enrich audience’s imagination by appealing to their senses to grasp the meaning and comprehend of what was written or spoken in literary works [11].

The following example of metaphor as follows:

“For him?” shouted Snape. “Expecto Patronum!”

From the tip of his wand burst *the silver doe*. She landed on the office floor, bounded once across the office, and soared out of the window. Dumbledore watched her fly away, and as her silvery glow faded he turned back to Snape, and his eyes were full of tears.

“After all this time?”

“Always,” said Snape.”

- *Harry Potter and the Deathly Hallows* by J. K. Rowling

The silver doe is a metaphor in this line. It represents the grace, strength and beauty of Lily Potter as seen by Snape since he has always loved her, although they are not together.

Simile

Simile is a figurative language in which things are compared using the words “like” or “as”. Unlike metaphor, the things being compared are only said to be like one another, not exactly the same as in metaphor. Simile allows readers to relate the feelings of a writer or a poet to their personal experiences. It inspires life-like quality in our daily talks and in the characters of fiction or poetry. In formal prose, simile is a device both of art and explanation, comparing an unfamiliar thing to some familiar things such as objects, events, processes, etc. known to the reader. [11]

This is an example of a simile in *1984*, a novel written by George Orwell:

“In the far distance a helicopter skimmed down between the roofs, hovered for an instant like a bluebottle, and darted away again with a curving flight”

- *1984* by George Orwell

The book *1984* written by Orwell is not exactly published the same as his entitled novel. It is written in 1949 when helicopters are still not widely used and in its early development.

Orwell describes a helicopter like a bluebottle fly, an insect that has agile movement; thus, giving a meaning that helicopter is a fast aircraft.

Repetition

Repetition is one of the oldest literary devices, especially in poetry, that repeats the same words or phrases a few times, and intensifies the subject matter in a poem to make an idea clearer. The device could be repeating word, phrase or a poetical line to focus on its significance in the poem. A poem with repetition can give audience the ability to decipher and understand the meaning behind the poem. There are many types of repetition such as Anaphora, Anadiplosis, Epiphora, and Polyptoton. These words can help embellish sentences to create striking effects. In fact, it happens when the grammatical meaning can be expressed by using syntactical construction instead of morphological marking. It enhances the meaning of a word persuasively and dramatically in writing or speech by employing a cognate of the words. It is also used to create rhetorical effect by the articulation of a speech or statement. [11]

Alliteration

Alliteration is the use of same letter or sound at the beginning of words that occurs closely together. Alliteration always found in daily life, usually for the name of a company such as Coca-cola, Dunkin' Donuts, or PayPal. In poetry or prose, alliteration is used to make melodious effect that build up the pleasure of reading it. It makes reading and recitation of the poems attractive and appealing; thus, making them easier to learn by heart. Alliteration makes a poem or prose become attractive and easier to understand the meaning of it. [11]

An example of alliteration used in a literature is:

*ONCE upon a midnight dreary, while I pondered, weak and weary,
Over many a quaint and curious volume of forgotten lore,—
While I nodded, nearly napping, suddenly there came a tapping.*

- *The Raven* by Edgar Allan Poe

Poe uses alliteration with an implying meaning. It helps the poet to tell the story with a rhythm that creates suspense feeling bigger.

Hyperbole

Hyperbole is a way of speaking or writing that makes something sound better, more exciting, more dangerous, etc. than it really is. It involves an exaggeration of ideas for the sake of emphasis, surprise, or humor. Hyperbole is a counterpart of understatement, which make the situation become less important. In formal writing the hyperbole must be clearly intended as an exaggeration, and should be carefully restricted. [12]

Hyperbole in literature has serious implications. A writer or poet makes ordinary human behavior becomes wonderful and emotional up to the point that such behavior is not ordinary. This figurative language is used to catch the audience's interest.

This example of hyperbole will be explained under:

“Well now, one winter it was so cold that all the geese flew backward and all the fish moved south and even the snow turned blue. Late at night, it got so frigid that all spoken words froze solid afore they could be heard. People had to wait until sunup to find out what folks were talking about the night before.”

- *Babe The Blue Ox* by Paul Bunyan

Bunyan uses hyperbole and exaggerates that winter can freeze words at night and they have to wait until sunrise before they can speak to each other.

Imagery

Imagery is a use of figure of speech to represent objects, actions and ideas by appealing to human senses. Imagery in literature is a guide used for a poet or writer to show the audience around his or her literary works. Imagery is not always necessarily visual, but also sensory, meaning that a poet or writer must use human's five senses to create images that can invoke an attractive response in the audience [10].

3. Methods

The researcher is interested to analyze poems and chooses the optimism aspect in the poems by Edgar Albert Guest. The writer uses qualitative method to analyze the poem. Methods involve in this research are that the researcher has visited some libraries around Jakarta and Depok to get more relevant data about the study, utilized the bibliographies from reference books, and looked for the figurative languages to find the meaning of the poems.

This research uses three poems from Edgar Albert Guest, *Can't*, *It Couldn't be Done*, *See It Through*, as the primary data.

There are some ways the researcher has done to accomplish this study. Due to a qualitative research, the researcher did a lot of library research in the libraries to get the qualified data. In addition to books, the Internet access also plays a major role in process of finding relevant data about the poem. The researcher also utilizes the bibliographies from reference books to get more extensive information. Several books from the library were also used to help the researcher since books are more credible in its information.

The first thing the researcher did was reading the poems. In addition to read the poems, the researcher also reads many previous researches which particularly have analyzed a poem. Each poem is identified into different type of figurative languages. After finding the figurative language in the poems, the researcher interpreted the message of the poems, especially on its optimism aspect. The next step was the writer focused on library research. The researcher also explores more sources any bibliography that found in the books. From the bibliography, the writer made use of internet access to get more sources. Finally, the writer comes to conclusion after done with the analysis.

4. Discussion and Result

The first poem that the writer analyzed is "*Can't*". Guest, the poet, writes the first stanza of the poem mostly in figurative language.

Can't is the worst word that's written or spoken;

Doing more harm here than slander and lies;

The first line contains hyperbole from the word "the worst word that's written or spoken". It emphasizes the word "*Can't*" as if the poet thought that word was worse than slander and lies. In common sense, "*Can't*" does not really have any good or bad elements. It cannot be denied that words may influence people. This line also shows the pessimism of its poet. It can be described that he thought only the bad element of the word "*Can't*". The bad element here can be shown in the second line that states "*Can't*" can be more harmful than slander and lies. In this case, 'the power of positive thinking' is needed to alter bad thing into good thing. Pessimism may enclose to the failure. Pessimism always surrounds people. Even people with high optimism also have a bit of pessimism in their lives. Pessimism may support the realism we so

often need. In many arenas of life, optimism is unwarranted [5]. However, by knowing how often the optimism happens in real life, it may also grow up the pessimism into one's life. That is why optimism sometimes is warranted.

*On it is many a strong spirit broken,
And with it many a good purpose dies.*

The lines above are personification. Guest gives human qualities to the word "can't" so it could break a strong spirit and killed good purpose. He made it as if "Can't" is something that could kills both "strong spirit" and "good purpose". Although this line draws more about pessimism than optimism, but the implied meaning of optimism is still can be found in the text. By saying *Can't*, Guest may feel depressed of being fail. That is why he fights against it by saying the bad effects of the word *Can't* which may free him from the pessimism. Optimism can protect us from against depression and it is far more pleasant mental state to be in. Thus, an understanding of how an individual's sense of personal control determines his fate [5].

*It springs from the lips of the thoughtless each morning
And robs us of courage we need through the day.*

If the lines above are combined, it becomes a sentence with personification. *Can't* is not able to literally become alive and robs something, also the word *courage* is not a physical thing that can be taken. These lines show the other bad effects of *Can't*. Bad events may make people to be easily depressed. This will soon cause the pessimism and way to test whether pessimism is a cause is to change pessimism to optimism [5]. However, Guest shows optimism aspect by implying *Can't* as a cause that put people at risk of *Can't*.

*It rings in our ears like a timely-sent warning
And laughs when we falter and fall by the way.*

The first line filled with simile because the simile is a figurative language in which things are compared using the words "like" or "as" and as an effort to reconcile the different things. This can be shown the line *in rings in our ears like a timely-sent warning* which can reconcile the meaning. While the second line filled with personification from the word 'laughs'. However a word cannot laugh as human usually did.

Can't is the father of feeble endeavor, The parent of terror and half-hearted work;

The two lines above filled with metaphor. Metaphor is a comparison of two different things by speaking of one in terms of the other [11]. In this case, the word *can't* is represented as father and parent. *Can't is the father of feeble endeavor, the parent of terror and half-hearted work* is a metaphor because *can't* is not even a person, let alone be a parent or father. However, the similar characteristic in it is that *can't* can bring forth the feeling of feeble endeavor, terror and half-hearted work.

*It weakens the efforts of artisans clever,
And makes of the toiler an indolent shirk.
It poisons the soul of the man with a vision,
It stifles in infancy many a plan;
It greets honest toiling with open derision
And mocks at the hopes and the dreams of a man.*

The lines above filled with personification. It can be seen from the pronoun 'it' which refers to *Can't*. However, *Can't* cannot do such things like weaken, poison, stifle and does not have a mouth to say greeting, and mocking. Guest personified "Can't" by giving it the distinct human qualities.

*Can't is a word none should speak without blushing;
To utter it should be a symbol of shame;
Ambition and courage it daily is crushing;
It blights a man's purpose and shortens his aim.*

There are two figurative languages example here. First, *Can't* contains metaphor which compares it as a symbol of shame. Guest portrayed a word as being something else. As in this case, a symbol of shame is implied to the word *Can't* that if it is being said then it will lead to the shame. Second, *Can't* contains personification which personifies the ambition and courage that can crush, blight, and shorten human attributes.

*Despise it with all of your hatred of error;
Refuse it the lodgment it seeks in your brain;*

The lines above filled with hyperbole. Hyperbole can be defined as the most overused and overdone rhetorical figure in the whole world which sounds like an exaggeration. Nevertheless, hyperbole still has a rightful and useful place in art and letters if people can use it in right way [11]. The use of hyperbole can be noticed in the pronoun 'it' as the hatred of terror and the lodgement in human's brain which sounds exaggerating and it is not possible in real life.

*Arm against it as a creature of terror,
And all that you dream of you some day shall gain.*

The words *as a creature of terror* employ simile. It can be seen a comparison being drawn by using *as*. Simile is a comparison between two different things that resemble each other in at least one way. Thus, when it compares a noun to a noun, the simile is usually introduced by *like* and when a verb or phrase is compared to a verb or phrase, *as* is used [11].

*Can't is the word that is foe to ambition,
An enemy ambushed to shatter your will;
Its prey is forever the man with a mission*

The lines above filled with metaphor. Guest personified *Can't* as a foe or enemy. Those lines demonstrate Guest's belief that *Can't* is very dangerous, like a foe, that can be able to destroy people's ambition and mission.

And bows but to courage and patience and skill.

This line filled with personification. It can be seen from the word *bows* that personifies *Can't*. However, *bow* depicts a human characteristic of an action that cannot be done by just a word.

*Hate it, with hatred that's deep and undying,
For once it is welcomed 'twill break any man;*

The use of hyperbole can be found in the first line above. Guest felt that *Can't* should be hated in deep and undying. He believed that *Can't* is a word that should not be said or it will break any man as in the second line. However, the second line filled with personification because *Can't* is a word that cannot *welcome* anything.

*Whatever the goal you are seeking, keep trying
And answer this demon by saying: "I can."*

The use of metaphor can be found in the word *this demon*. Guest portrayed *Can't* as a demon to describe the bad things that would be happened if people say it. However, the term demon is used as an evil thing that can lead someone to do something bad. That is why, Guest imply *Can't* as a word that affects human's life badly and it should be changed by saying *I can*.

5. Conclusion

In this research, the Writer analyzes poetry by finding figurative languages used in poems. Figurative language contains a language that has meaning more than just one. The Writer uses poems written by Edgar Albert Guest. His poems contain a lot of optimism aspects. For that reason, the Writer analyzes optimism aspects found in the poems by analyzing meaning from figurative languages used by Guest. According to the Writer's analysis, Guest's poems contain

various figurative languages such as hyperbole, personification, simile, metaphor, imagery, alliteration, and repetition.

Many poets create poems by describing human's life or the environment. As has been analyzed, Guest's poems have many optimism aspects. In general, putting optimism in literature is made to encourage the audience's self-esteem, increase their creativity in doing something, and to give positive attitude for the audience.

References

- [1] Guest EA, "See It Through by Edgar Albert Guest [Internet]. Poetry Foundation. Poetry Foundation;" <https://www.poetryfoundation.org/poems/44318/see-it-through> (accessed Sep. 20, 2020).
- [2] Guest EA, . "It Couldn't Be Done by Edgar Albert Guest [Internet]. Poetry Foundation. Poetry Foundation;" <https://www.poetryfoundation.org/poems/44314/it-couldnt-be-done> (accessed Sep. 20, 2020).
- [3] Guest EA, "Can't by Edgar Albert Guest [Internet]. by Edgar Albert Guest - Famous poems, famous poets. - All Poetry." <https://allpoetry.com/poem/8471321-Cant-by-Edgar-Albert-Guest> (accessed Sep. 20, 2020).
- [4] J.-P. Sartre, " *What is literature?* " and other essays. Harvard University Press, 1988.
- [5] M. E. P. Seligman, *Learned optimism: How to change your mind and your life*. Vintage, 2006.
- [6] W. Spiegelman, *How poets see the world: The art of description in contemporary poetry*. Oxford University Press, 2005.
- [7] P. B. Shelley, P. Garland, R. Marquard, and G. Watson, *A defence of poetry*. Haldeman-Julius, 1969.
- [8] Yakich M, "What Is a Poem? [Internet]. The Atlantic. Atlantic Media Company," 2013. <http://www.theatlantic.com/entertainment/archive/2013/11/what-is-a-poem/281835/> (accessed Sep. 26, 2020).
- [9] S. Freud, *The future of an illusion*. Broadview Press, 2012.
- [10] M. H. Abrams and G. Harpham, *A glossary of literary terms*. Cengage Learning, 2011.
- [11] R. A. Harris, "A handbook of rhetorical devices," 1997.
- [12] J. Turnbull *et al.*, "Oxford advanced learner's dictionary," *Int. Student's Ed.*, 2010.

Strategic Management in Improving The Quality of Education in The Midst of The Covid-19 Pandemic

Yanthy Herawaty¹, Rudi Hartono², Hedy Ramadhan³
 {yanthy.herawaty.purnama@undira.ac.id¹,
 rudihartono311287@gmail.com², hedyramadhan@iain-
 surakarta.ac.id³}

Faculty of Business Management, Universitas Dian Nusantara, Indonesia¹, Faculty of Education, Ibn Khaldun University, Indonesia², Islamic Education Management Study Program Postgraduate Faculty, IAIN Surakarta, Indonesia³

Abstract. This research aims to look at the phenomenon that exists in the midst of the covid-19 pandemic at this time the world of education must be managed strategically management to be able to choose among many management goods to produce the best management developed. This research was conducted in Madrasah Aliyah Argamakmur State and Madrasah Aliyah Negeri (MAN) Argamakmur. The approach used in this study is qualitative approach to multi-location studies. Data is collected through interviews, observations and documentation. The results of this study concluded that: Strategic planning of Madrasah Aliyah Negeri Kabupaten Argamakmur is carried out through activities, the formation of vision and mission formulations of teams, determination of vision and mission, analyzing opportunities, threats, obstacles, and alternative problem solving, opening enrichment classes, improving learningp, and improving the quality of educators. Strategic evaluations at Madrasah Aliyah Negeri Argamakmur are conducted through: official meetings, meetings with principals and committees, special meetings of principals and vice principals, teacher meetings, employees, and principals, and committee meetings. While in Madrasah Aliyah Negeri Argamakmur Regency is conducted through: official meetings, meetings with principals, and committees, special meetings of vice principals, teacher meeting activities, employees, and principal meetings.

Keyword: Strategic, Management, Education, Covid-19

I. Introduction

In the face of the COVID-19 pandemic, it is certainly necessary to management the pandemic and the role of the community. In Indonesia itself, the COVID-19 pandemic continues to experience an increase in cases. Even today it is already one of the highest case countries in Southeast Asia. Therefore the importance of the role and function of public health in the face of pandemics. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) was first detected in December 2019. As I write this, the coronavirus disease 2019 (COVID-19) pandemic is hitting South Africa and events are unfolding fast as new measures are taken on a daily basis to contain its spread within communities. This article does not attempt to keep up with the latest announcements and news, but to share what we know about the virus and its clinical management. The article is targeted at primary care providers, general practitioners and family physicians [1].

Management with a public health approach needs to be done in the face of the COVID-19 pandemic. Of course, the process of assessment, policy development, and assurance is key

to dealing with this pandemic. The assessment and policy development process must be done quickly, precisely, and accurately. In the meantime, assurance must be ensured clearly and in full focus.

Strategic management is a young discipline within the broader field of management. It emerged in the early 1960s, based on different final courses in business schools on the problems of general management in firms, under the name of business policy [2]. Differentiation strategy is among the generic strategic approaches in building competitive advantage. Differentiation strategies are based on providing buyers with something that is different or unique, that makes the company's product or service distinct from that of its rivals [3]. Strategic management is defined as the process of evaluation, planning, and implementation designed to maintain or improve competitive advantage. The process of evaluation is concerned with the external and internal environments. Planning involves developing business models, corporate direction, competitive tactics, international strategy, acquisitions, and collaborative action. The implementation phase requires leadership to build the appropriate organizational structure, develop management culture, control the strategic processes, and steer the organization through corporate governance [4].

Strategic management is an approach to strategizing by public organizations or other entities that integrates strategy formulation and implementation, and typically includes strategic planning to formulate strategies, ways of implementing strategies, and continuous strategic learning. Strategic management can help public organizations or other entities achieve important goals and create public value [5].

The schools are open systems. As with any other system, the school system also has inputs, processes, outputs, feedback, and there are sub-systems interact with its environment. If we consider "process", one of the subsystems, we can encounter its sub-systems which are based on four basis in cycle; these are management, education, cultural, and politics. According to reports prepared as a result of international exams, surveys and assessments, the most important factors that affect academic success in the educational process, the administration and faculty, school principals and teachers that come to the fore. In this study; the "school management" that affects and increases student academic success and the implications for its development is selected as a main problem and tried to be clarified the results obtained, evaluation findings, and proposals on the subject [6].

Education is at the center of attention for all components of this nation. Fundamental changes have been made by changing the constitution, education system law No. 02 of 1989 to Number 20 of 2003, followed by government regulation number 32 of 2013 on National Standards of Education. The National Technical Reference of Education (SNP) is a minimum criterion of the education system throughout the jurisdiction of the Unitary State of the Republic of Indonesia, with a scope consisting of 8 standards which include: content standards, process standards, graduate competency standards, Educator and personnel standards, Facilities and infrastructure standards, Management standards, Financing standards, and education assessment standards (SNP, 2013).

The entire learning process of teaching face-to-face at all levels has been closed or diverted into an online system (online) to prevent transmission and break the link of this coronavirus outbreak [7]. Of course, this has a bad impact on the education system in Indonesia even the world, the limitations of interaction in the midst of this pandemic cause a lot of problems in the world of education. For school management, innovation means finding new methods to solve the problems faced in education, training and management services, and introducing changes to increase the quality of these services to compete with other schools. At the same time, it is also believed that schools can increase their productivity through [8].

Crisis management is a sudden and unpredictable situation that can threaten the survival of stakeholders and the ability of educational institutions (schools) to be able to save

themselves from crisis. The characteristics of this management crisis are the uncertainty that occurs, uneven and inadequate information, the lack of oversight carried out, outside observations. This is what is happening in the world of education around the world due to the coronavirus pandemic.

Disruption in the direct learning process between students and teachers and the cancellation of learning assessments have an impact on the psychological of the student and the decrease in the quality of the student's skills. That burden is the responsibility of all elements of education, especially the state in facilitating the continuity of schools for all educational stakeholders to conduct distance learning. The Indonesian government is also required how to plan, prepare and cope with the recovery in the world of education in the future as a result of this coronavirus pandemic.

In this situation, education management is needed to maintain the continuity of the teaching learning process. The drastic change in learning system made changes to the learning process during this pandemic. The unevenness of education is the main reason why education management should be updated and continued to be developed in Indonesia under the current conditions.

The key to success is must-have and at the same time the most effective competitiveness is quality. Whoever has the quality then the opportunity to be able to be a winner will be very open. Therefore education must be managed with strategic management in order to choose among many good management to produce a management that is best to achieve the quality of education.

Strategic management is an art (skill), engineering, and science formulating, implicating, and evaluating and overseeing various functional decisions of organizations (business and non-businesses) that are always influenced by internal *and external* environments, which are constantly changing as well as giving the organization the ability to achieve its goals as expected [9]. The importance of society in determining strategic management becomes very dominant, because it can lead to an advantage or can even be a threat to educational institutions.

The role of educational institutions in improving education is strategic, in order to gain the trust of the community. The primary responsibility of the madrasa head is to improve the school curriculum. They should have good supervision in order to provide assistance in determining the needs of the school and work towards the desired changes [10]. Looking at some of the explanations above quality education found a unique un **figure 2**. Bootstrapping Test Results

ique one that can be found in two different schools namely Madrasah Aliyah Negeri Argamakmur North Bengkulu Regency. This school is a school that characterizes itself as an educational institution by establishing its institution as a madrasa that teaches education both public and Islamic subject matter. The community is increasingly interested in supporting their sons and daughters in this institution because Madrasah Aiyah Negeri Kunir also provides education that integrates academic and non-academic excellence as a provision for its students.

While Madrasah Aliyah Argamakmur State is also a madrasa that is very loved by the main community in addition to the quality of education is good also because the location is in the heart of the city I don't want to be in thehouse. Researchers are interested in studying the phenomenon that occurs in Madrasah Aliyah Argamakmur State, among others is because madrassas continuously make improvements to the quality of schools, one of which is by implementing excellent school programs that can improve the academic and non-academic abilities of students. In addition, Madrasah Aliyah Negeri (MAN) Argamakmur is also a madrasa that has great trust from the community to educate their children. From the above exposure, researchers then have a desire to study in depth how the two madrassas do strategic management to deliver their madrassas into quality madrassas.

2. Methods

This research is a scripted study that describes, exposes and reports a state, an object or event without drawing a general conclusion [11]. It is possible for researchers to gather detailed and rich information that includes the dimensions of a case.

Another meaning about scripted research is to analyze and present facts systemically about the actual state of the object [12]. The approach used in this research is the *Paedagogical approach*, which is an approach taken from a science point of view.

This research is a type of field research and is included in the category of *qualitative research*, because research is more directed to understand the phenomena associated with the formulation of problems.

Data collection methods in the form of interviews, observations, and documentation techniques. Interview technique is the process of obtaining information for research purposes by way of q&a while face to face between interviewer and informant. Interviews are unstructured interviews and in-depth interviews. The observation technique used is participatory observation which is a method of data collection used to collect research data through observation and sensing. Documentation techniques are one of the methods of data collection used in social research by tracing historical data.

Data analysis through a series of processes of organizing and sorting data into category patterns and basic description units can be formulated with hypothetical work as suggested by the data [13]. The data analysis in question is to systematically search and organize observations, interviews, records and documentation to improve researchers on the issues being examined in a way: data reduction; presentation of data; and withdrawal of conclusions/verifications.

4. Results and Discussions

Based on the research that researchers conducted in the above two madrasahs can be obtained the following research results:

Strategic Planning in Improving The Quality of Education

According to [14] suggesting that strategic planning is a disciplined effort to make important decisions and actions that shape and direct how an organization or other identity is, what the organization or other identity will do and why the organization (other identity) works that way. *Strategic planning* is an important part of strategic management. Strategic planning is a key aspect of strategic management and can be considered a central pillar in strategic management.

Amin mentions the characteristics of the strategic planning process are as follows:

- 1) Planning concerns the future reach of decisions made now.
- 2) Strategic planning is a formal systematic effort to outline the main form of the company, its objectives, policies and strategies for achieving its objectives and the main form of the organization in question.
- 3) The strategic planning process is the most important means of making decisions for the company, so that the objectives and direction are also determined.
- 4) The strategic planning process is a peak management activity that continues continuously.
- 5) Strategic development is a planning structure that integrates strategic plans with long-term operational plans.

- 6) A strategic process is a process of determining in advance what to do, when to do and how to do, and who will do.
- 7) Strategic perencanaan produces a written document on a periodic basis.
- 8) Strategic development is the most important means of making decisions for a company.
- 9) Strategic planning is an attitude, "*way of life*" means planning to ask for a habit and the necessity to work based on future thoughts [15].
- 10) Bryson divides the strategic planning process into ten steps, leading to action, results, and evaluation is: 1) Initiating and agreeing to a strategic planning process. 2) Clarify the organization's mandate. 3) Clarify the mission and values of the organization. 4) Assess the external environment. 5) Assess the internal environment. 6) Identify strategic issues facing the organization. 7) Formulate strategies for managing issues. 8) Create an effective organizational vision for the future. 9) Develop the implementation process. 10) Reassess strategic strategy and strategic planning process [15].

Strategic planning in Madrasah Aliyah Negeri (MAN) Argamakmur was taken from several planning that was seen as more profitable and agreed together by the head of madrasa with his team. The strategic planning is carried out through several activities, among others: the formation of a formulat team so that intensively planning can be done to the maximum. The formulation of vision and mission carried out by the formula team is carried out by adjusting the vision and mission that has existed with the circumstances or developments of the times. This is done so that the vision and mission arranged is always *updated*. Indirectly, there has also been an analysis of opportunities and threats to madrassas, but the intended analysis has not been compiled in a written document. A long-term plan has been drawn up that will be implemented within the four-year period as well as an annual plan drawn up at the beginning of each year. The improvement of learning continues to be carried out in order to exceed the standards of graduate completedness. Open *bilingual classes* as featured classes. Improving the quality of educators is also always planned in every annual planning.

While in Madrasah Aliyah Negeri Argamakmur strategic planning is carried out through the following activities: the formation of a team of vision and mission formulation by equipping competent elements in their field. Determination of vision and mission is short and clear and in accordance with changes in government policy. Analysis of opportunities and threats from the community as well as obstacles that occur until alternative problem solving has not been compiled in the analysis document. The procurement of facilities in the form of Ma'had and *opened enricmant (enrichment)* classes has been planned to improve the quality of learning, as well as improve the quality of educators so that the quality of education can be achieved.

Implementation of Strategic Management in Improving The Quality of Education

Strategy implementation is a management process that realizes its strategy in the form of programs, procedures, budgets and development strategies in the form of actions. Vision is a process that describes a series of formal school planning and goal setting activities and mission is the reason for the existence of an institution [16]. The strategy is a comprehensive plan integrating all *resources and* capabilities that *have* a long-term goal of winning the competition. However great a vision, mission, and strategy if not implemented of course that strategy will not be meaningful for the development of the school.

The strategic management process consists of stages: (1) Environmental Analysis, (2) Setting Vision, Mission & Objectives, (3) Strategy Formulation, (4) Strategy Implementation, and (5) Strategy Evaluation. The strategic implementation in Madrasah Aliyah Negeri (MAN) Argamakmur is carried out through: the formula team consists of the head of madrasa, deputy head, 2 teachers and madrasa committee. The formulation of vision and mission is arranged using short and clear sentences so that it is easy to know the expected

benchmarks. Analysis of opportunities and threats from the environment is discussed in the interen forum as the basis for determining policy, but has not been prepared in the written document, the long-term plan is prepared for the first 4 years while the annual plan has been arranged in an orderly manner every beginning of the year. Improving learning effectively, thinnest and efficiently continues with *and opening Bilingual classes* guided by professionals from LBB Kampung England "Mahesa" Pare Kediri Regency. Improving the quality of educators by the preparation of class X teaching devices in accordance with curriculum 2013 and class XI and XII in accordance with KTSP, MGMP each subject and *workshop*.

While in Madrasah Aliyah Negeri (MAN) Argamakmur,, out through: The formation of a division and mission team consisting of the head of madrasa, all deputy heads, 2 teachers and madrasa committee. Determination of vision and mission is also carried out when viewed as irrelevant. The analysis of student opportunities is known to many from outside the city of Blitar, the threat of obstacles and alternative problem solving has not been compiled in the swot analysis document, but is still in internal madrasa talks. Ma'had procurement was carried out to facilitate students. Opening *Enricmant* (enrichment) classes by adding 12 JP/week, special science courses, and effectiveness in learning, discipline and discipline has been done regularly. Quality Improvement of educators has been carried out by always preparing class X teaching devices in accordance with curriculum 2013 and class XI and XII in accordance with KTSP, MGMP also conducted every subject and workshop *was* also conducted at the beginning of the school year .

Strategic Evaluation in Improving The Quality of Education

The last component of strategic management is the evaluation and monitoring of the company's progress towards its strategic objectives.

Organizations that believe that the process is fairly complete after the plan is implemented will only find themselves encountering failure. It's important that organizations continue to monitor their progress.

Strategic Evaluation in Madrasah Aliyah Negeri (MAN) Argamakmur has been conducted through several agendas of office meetings, namely between the head of madrasah and the Ministry of Religious Affairs of madrasah education department or with the District Education Office North Bengkulu. This is to obtain the applicable education information and policies. Meetings with madrasah heads and committees and deputy heads are also held at least twice a year. Special meetings of madrasah heads and deputy heads have been conducted and are conditional. Meetings of teachers, employees, and madrasa heads, and committee meetings.

While in Madrasah Aliyah Negeri (MAN) Argamakmur is conducted through: service meetings, meetings with madrasah heads, committees, and waka, special meetings of madrasah and waka heads, teacher meetings, employees, and madrasah heads, and committee meetings.

5. Conclusion

Departing from the results of research conducted in MAN Kunir Blitar district and Madrasah Aliyah Negeri (MAN) Argamakmur above can be drawn conclusions, among others:

1. Strategic planning is carried out through several activities including: the formation of a formulatteam, formulation of vision and mission, analysis of opportunities, and threats, long-term plans, annual plans, improving learning, *opening Bilingual classes and improving* the quality of educators. While in Madrasah Aliyah Negeri (MAN)

Argamakmur strategic planning is carried out through activities, the formation of formulation teams, determination of vision and mission, analysis of opportunities, threats, obstacles and alternative problem solving, procurement of Ma'had, opening *Enricmant* classes (enrichment), improving learning, and improving the quality of educators;

2. Strategic implementation in Madrasah Aliyah Negeri (MAN) Argamakmur is carried out through: the formula team consists of the head of madrassa, waka, 2 teachers and madrassa committee, formation of formulation team, formulation of vision and mission, analysis of opportunities, and threats from the environment, long-term plan drawn up for 4 years, annual plan, improvement of learning effectively, typed and efficiently, and opening *Bilingual classes*, accompanied by professionals from LBB Kampung England "Mahesa" Pare Kediri Regency. Improving the quality of educators by the preparation of class X teaching devices in accordance with curriculum 2013 and class XI and XII in accordance with KTSP, MGMP each subject and *workshop*. While in Madrasah Aliyah Negeri (MAN) Argamakmur,, carried out through: the formulateam consists of madrasah heads, all waka, 2 teachers and madrasah committees, vision and mission determination, analysis of many student opportunities from outside Blitar city, threats, dali environment, obstacles and problem solving alternatives, procurement of Ma'had, *opening Enricmant* classes (enrichment) by adding 12 JP/week, specialized IPA majors, and effectiveness in learning, discipline and discipline. Quality Improvement of educators by the preparation of class X teaching devices in accordance with curriculum 2013 and grades XI and XII according to KTSP, MGMP each subject and *workshop*.
3. Strategic Evaluation at MAN Kunir is carried out through: official meetings, meetings with madrasah heads, committees, and waka, special meetings for madrasah and waka principals, meetings for teachers, employees and madrasah heads, and committee meetings. Whereas at the Argamakmur State Madrasah Aliyah (MAN) this is carried out through: official meetings, meetings with madrasah heads, committees and waka, special meetings for madrasah and waka heads, meetings for teachers, employees and madrasah heads, and committee meetings.

Conclusion as stated above, the writer also compiles in a SWOT analysis which is an acronym for Strength, Weakness, Opportunity, and Threat. The following SWOT analysis clearly describes the external opportunities and threats faced by the two institutions and is adjusted according to their strengths and weaknesses. The following researchers present the Argamakmur SWOT matrix table for the Argamakmur State Madrasah Aliyah (MAN):

6. Acknowledgements

Acknowledgements. This study aims to provide an overview to everyone that there is a need for good strategic management in the field of education, especially in the midst of the current Covid-19 pandemic. all stake holders who have supported this research

References

- [1] B. Mash, "Primary care management of the coronavirus," *J. South African Fam. Pract.*, p. 145, 2020.
- [2] L. Angela, "No Title," *Int. Corp. Strateg. Manag.*, pp. 67–68, 2013.
- [3] O. Tony, "Differentiation Strategy And Impact On Business," *Strateg. J. Bus. Soc. Sci.*, p. 89.
- [4] T. Bonici, "Strategic Management and Evolutionary Theory," *J. Wiley Encycl. Manag.*, p. 87, 2014.

- [5] J. Bryson, "Journal Strategic Management in Public Administration," *Strateg. Manag. Public Adm.*, vol. 20, 2020.
- [6] & A. Haydar, "THE IMPORTANCE OF SCHOOL MANAGEMENT HAS BEEN INCREASING," *Int. J. New Trends Educ. Their Implic.*, vol. 97, 2019.
- [7] Siswanto, *Pengantar Manajemen*. 2016.
- [8] M. Sagir, "Innovational Leadership in School Management," *Int. J. ÜNİVERSİTEPARK*, p. 125.
- [9] Akdon., *Strategic Management for Educational Management*. Bandung: Alfabeta., 2016.
- [10] S. I. Fachrudi, *Administrasi Sekolah dan Administrasi Pendidikan*. Malang: Ilmu Pendidikan Malang., 2015.
- [11] K. Kartono, *Pengantar Metodologi Riset Sosial*. Bandung: Mandar Maju., 2000.
- [12] Anwar., *Metode Penelitian*. Yogyakarta: Pustaka Belajar, 2019.
- [13] L. J. Moloeng, *Metodologi Penelitian Kuaitatif*. Bandung: Rosda Karya.
- [14] J. M. Bryson, *Journal Strategic Planning for Public and Nonprofit Organization*. Fransico: Josses Boyess., 2018.
- [15] A. W. Tunggak, *Manajemen Suatu Pengantar*. Jakarta: Rineka Cipta.
- [16] Y. Antariksa, "Diambil kembali dari Melejitkan Kinerja Bisnis dengan Formula." 2019.

Redesign of *Al-Murqoniyah* Vocational High School, Hambalang (Case Study: SMK Al-Murqoniyah, Hambalang)

Era Agita Kabdiyono¹
{era.agita.k@undira.ac.id¹}

Department of Civil Engineering, Faculty of Engineering and Informatics, University Dian Nusantara,
West Jakarta, Jakarta, Indonesia¹

Abstract. The purpose of this research is to redesign the structure of the school building of the Al-Murqoniyah Vocational High School using the code SNI 1726-2012 and SNI 2847-2013. It will be planned with 2-storey using bearers moment frame system with structural modeling using 3-dimensional portal with the help of the program ETABS 2013 version. This study is used to evaluate the feasibility of existing buildings or new building designs or referred to as redesign. SMK Al – Murqoniyah's building is designed with a reinforced concrete structure. The amount of reinforcement obtained from the analysis results for plate ($t=120$ mm) reinforcement is used D10-100 reinforcement for each support and field, the beam structure uses 3D13 flexural reinforcement in the compressive area and 3D13 in the tensile area, with the stirrup distance on the supports is D10-100 in the area. supports and D10-150 in the field area, as well as for (200X400 mm), column bending reinforcement 10D16 and D10-100 stirrups are used in the support area and D10-150 reinforcement in the field area. Based on the results of the analysis that has been carried out using the assistance of a structural analysis program, it can be stated that the structural elements of this building are safe in analysis and the structure of the Al-Murqoniyah Vocational School learning building has been planned according to the applicable design rules.

Keywords: Reinforced Concrete Structure, Redesign, Reinforcement Analysis

1. Introduction

School is an important means of improving human life and quality, especially in the quality of education for the nation's children. In it, there are learning and teaching activities for students by teachers in schools. One of the supporting factors for learning in schools is space for learning and a series of activities. The Al-Murqoniyah Vocational School is a private vocational high school located in Bogor Regency. Along with the need for study spaces that are in accordance with the capacity of students each year, it is planned to add new classrooms. For that, an analysis of the calculation of the structure of a new school building is needed to support learning activities at the Al-Murqoniyah Vocational School. This school previously had a 1 floor existing structure that was used in teaching and learning activities. As time increases and prospective new students, the addition of new classrooms for the teaching and

learning process will greatly assist academics in accommodating an increasing number of students, so that various kinds of material can be conveyed by the teacher while in the classroom. With the addition of classrooms at the second floor level in order to create a new learning atmosphere that will foster interest and create a learning spirit that is in accordance with the curriculum and effective and efficient learning methods.

The redesign of the Al-Murqoniyah Vocational High School is planned to be built on two floors which will function as classrooms, teachers' rooms, principal's room, and lab / practicum room for electronic engineering expertise program. The method used in its construction is using conventional methods with reinforced concrete material. Based on the above background, this research was conducted to design the structure of the SMK Al-Murqoniyah school building which consists of 2 floors, the main material used is reinforced concrete. The results of this research are in the form of dimensions and reinforcement in accordance with the strength requirements set in SNI 1726-2012 concerning Earthquake Resistance Planning Procedures for Buildings and SNI 2847-2013 concerning Procedures for Planning Concrete Structures for Buildings.

2. Literature Review

2.1. General

All structural components must be planned strong enough in accordance with the provisions required in the [1] procedure. The load acting on a structure is caused directly by natural or human forces where there are two basic sources of building load, namely geophysical and man-made. structure is a means of transferring loads resulting from the use and / or presence of buildings on the ground [2]

The nature of the concrete material is very strong to withstand compression but not strong enough to withstand tensile, so that the concrete can experience cracks if the load it carries causes a tensile stress .that exceeds its tensile strength. In order to withstand a sufficiently large tensile force on the lower edges of the beam fibers, reinforcing steel is necessary[3]. In a building construction, the column functions as a support for the loads from beams and plates, to be transmitted to the subgrade through the foundation [4]. Flat plate (flat plate) is a solid concrete plate with even thickness that transfers the load directly to the supporting column without the help of beams or column heads or drop panels [5].

2.2. Structure Loading

Provisions regarding planning in the procedure for [1] are based on the assumption that the structure is planned to bear the workload.

Based on the Indonesian Loading Regulations for Buildings of 1983 article 1 page 7 explains the definition of loading, including:

1. Dead load is the weight of all parts of a building that are fixed, including all additional elements, finishes, and equipment that are an integral part of the building.
2. Live loads are all loads that occur as a result of the use of a building and into it, including loads on the floor originating from the loads that can move, resulting in changes in floor and roof loading. Especially for roofs, live loads include rainwater loads caused by puddles and falling water droplets.
3. Wind load is all loads that work on the building or part of the building caused by differences in air pressure.

4. Earthquake Load is all equivalent static load acting on a building or part of a building that mimics the effect of ground motion due to the earthquake. The effect of the earthquake on the building structure is determined based on a dynamic analysis

2.3. Structural Rigidity

According to Wolfgang Schueller structural rigidity [6] a rigid frame is a rigid connection used between linear structural arrangements to form a vertical and horizontal plane. A vertical plane consists of columns and beams, usually on a square grid.

2.3.1. Main Factors and Risk Category Structure

Article 4.1.2 [7] , for various risk categories for building and non-building structures according to table 2.1 the effect of the earthquake plan on them must be multiplied by the priority factor I_e . Especially for building structures with risk category IV, if an entrance is required for operations and an adjacent building structure, then the adjoining building structure must be designed in accordance with risk category IV.

Table 1 Building and non-building risk categories for earthquake loads

Type of Use	Risk category
Buildings and non-buildings designated as essential facilities, including, but not limited to:	
- Buildings - monumental buildings	
- School buildings and educational facilities	
- Hospitals and other health facilities that have surgical facilities and an emergency department	IV
- Fire fighting facility, ambulance and police station, as well as emergency vehicle garage	

2.4. Reinforced Concrete Structures Design

[1]concrete is a mixture of Portland cement or other hydraulic cement, fine aggregate, coarse aggregate and water, with or without additives that form a solid mass.

[1]reinforced concrete is reinforced concrete with an area and number of reinforcements not less than the minimum value, which is required with or without prestress, and is planned based on the assumption that the two materials work together to withstand the working forces.

2.4.1. Design

All components of reinforced concrete structures must be planned to be strong enough in accordance with the provisions required in the [1] standard on the procedure for calculating concrete structures for buildings, using the appropriate load factor and strength reduction factor ϕ .

2.4.2. Modulus of Elasticity

The modulus of elasticity of concrete and reinforcing steel is determined as follows:

1. For the value of w_c between 1500 kg / m³ and 2500 kg / m³, the modulus of elasticity of E_c concrete can be taken as $(w_c) 1.5 \cdot 0.0043 \sqrt{f'_c}$ (MPa).
2. For normal concrete, E_c can be taken as much as $4700 \sqrt{f'_c}$.
3. The modulus of elasticity for non-stressed reinforcement is taken to be 200000 MPa.

2.4.3. Provisions Regarding Strengths and Capabilities Self

The load must have internal strength and resistance to various types of failures [8]. The structure must be planned so that all sections have a minimum design strength equal to the required strength, which is calculated based on a combination of load and factor forces (10).

2.4.4. Strength Required

The strength of a structural component or cross-section required to withstand a factored load or moment and the internal force associated with the load in a combination as specified in the SNI 2847-2013 procedure.

The necessary strength required in provision 9.2.1 of SNI 2847-2013 are:

$$U = 1.4 D$$

$$U = 1.2D + 1.6L$$

$$U = 0.75 (1.2.D + 1.6.L + 1.6.W)$$

$$U = 0.9.D + 1.3.W$$

$$U = 1.05 (D + 0.6.L + E)$$

$$U = 0.9 (D + E)$$

Where,

D = dead load,

L = live load,

W = wind load, and

E = earthquake load..

2.5. Strength Plan

The design strength of the structural components and their sections, with respect to their flexural behavior, normal loads, shear and torsion, shall be taken as the product of the nominal strength, which is calculated on the basis of the terms and assumptions of this procedure, with a strength reduction factor ϕ . The strength reduction factor ϕ is determined as follows:

Moment of bending without axial force

$$\phi = 0.90 \text{ SNI 2847-2013 article 9.3.2.7}$$

Tensile axial force, or moment with tensile force

$$\phi = 0.90 \text{ SNI 2847-2013 article 9.3.2.1}$$

Compressive axial force, or moment with compressive force

$$\phi = 0.75 \text{ SNI 2847-2013 article 9.3.2.2}$$

Shear force

$$\phi = 0.75 \text{ SNI 2847-2013 article 9.3.2.3}$$

3. Methods

Structural design is a stage that must be carried out before the construction process takes place by referring to the regulations relating to the structure of multi-storey buildings so that the results are as expected. The flow diagram explains in detail the design of the building structure (11).

In general, the method of designing the structure of the AL-Murqoniyah Vocational School building with the moment-bearer frame system is as follows:

3.1. Data Collection

- a. The regulatory books, among others: SNI 1726 - 2012 concerning Procedures for Earthquake Resistance Planning for Buildings, SNI 2847-2013 concerning Procedures for Planning Concrete Structures for Buildings, and SNI 03 - 1727 - 1989 concerning Procedures for Indonesian Loading for Houses and Building.
- b. Building Location
The building of SMK Al-Murqoniyah which is located on Jl. Tajur Tapos, RT 21/07 Kp. tajur tapos, Hambalang Village, kec. Citeureup, Kab. Bogor.



Figure 1. Location of SMK Al-Murqoniyah

3.2. Building Technical Data



Figure 2. Building Floor of SMK Al-Murqoniyah

Number of Floors: 1 Existing Floor

Type of Construction: Reinforced concrete

Concrete Quality: K225

Reinforcement Quality:

Reinforcement D = 13: U40 steel ($f_y = 390$ MPa)

Reinforcement D = 10: U24 steel ($f_y = 240$ MPa)

Steel Grade: BJ37

3.3. Design Code and Standard

- American Concrete Institute (ACI 318-99)
- SNI 2847–2013 Tata Cara Perencanaan Struktur Beton untuk Bangunan Gedung
- Peraturan Pembebanan Indonesia untuk Gedung (PPIUG) -1983
- SNI 1726–2012 Tata Cara Perencanaan Perencanaan Gempa untuk BangunanGedung.
- SNI 1729–2002 Tata Cara Perencanaan Struktur Baja untuk Bangunan Gedung..

3.4. Program / Software

- ETABS Versi 9.7.4
- PCACOL
- Spreadsheet Excel

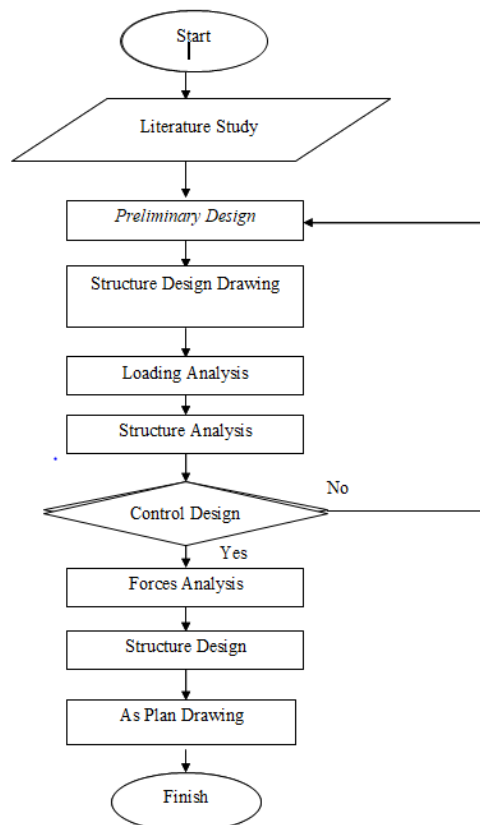


Figure 3. Design Flow Chart

4. Result and Discussion

In the analysis, the loading system that will be charged to the building is a horizontal loading system that includes earthquake and wind loads, and vertical loading includes live and dead loads, both the structure's own weight and additional dead loads as a result of using the building [9].

4.1. Load

1. Dead Load [10][11](DL)

Dead load is the structure's own weight

1. Density of concrete = 2400 kg/m³
2. wall weight = 150 kg/m²

2. Additional Dead Load Floor

1. Ceiling = 18 kg/m²
2. Ceramic 1 cm thick = 25 kg/m²
3. Finishing 3 cm = 66 kg/m²
4. ME = 20 kg/m²

3. Additional Dead Load Stairs

1. Ceramic 1 cm thick = 22 kg/m²
2. Species + tiles 5 cm thick = 110 kg/m²
3. Stair railing = 10 kg/m²
4. Dinding ½ Bata = 250 kg/m²

4. Live Load [11] (LL)

Live load for the school floor is 250 kg/m²

Live load for staircase is 300 kg/m²

Structure analysis of earthquake loads refers to SNI Earthquake Regulation (SNI 1726-2012).

The analysis was performed using the Equivalent Static Method. The determination of the earthquake force uses the spectra design parameters which are taken online from the puskim.go.id website [12].

Building Risk Category, KDRB : Category IV

Earthquake Priority Factors,

I_e : 1,5

Ground Acceleration parameters

S_s : 1,0434

S₁ : 0,4762

Kelas Situs

SE : (soft soil)

Faktor Koefisien Situs

F_a : 0,9

F_v : 2,4

Seismic Design Category

Category: KDS D

Structure system:

Moment Bearer Frame

4.2. Design Spectral Acceleration Parameters

The response parameters of acceleration spectral for maximum earthquake that have been adjusted class and site coefficient :

$$\begin{aligned}
 S_{ms} &= F_a \cdot S_s \\
 &= 0,9 \cdot 1,0434 \\
 &= 0,93906 \\
 S_{M1} &= F_v \cdot S_1 \\
 &= 2,4 \cdot 0,4762 \\
 &= 1,14288 \\
 S_{DS} &= \frac{2}{3} \cdot S_{MS} \\
 &= \frac{2}{3} \cdot 0,93906 \\
 &= 0,62604 \\
 S_{D1} &= \frac{2}{3} \cdot 1,14288 \\
 &= 0,76192
 \end{aligned}$$

4.3. Equivalent Lateral Static Force

The parameter for static earthquakes are :

$$\begin{aligned}
 T_a &= C_t \cdot h_n^x \\
 &= 0,0466 \cdot 8,6^{0,9} \\
 &= 0,32317 \\
 T &= C_u \cdot T_a \\
 &= 1,4 \cdot 0,32317 \\
 &= 0,45243
 \end{aligned}$$

In the ETABS program, building periode for x and y is $T_x = T_y = 1,12665$ seconds, because $T_a < T_c < C_u \cdot T_a$, the building periode has static limit periode limit requirements. The response acceleration parameter (SDS) depends on the earthquake area and the type of soil where the structure is planned, while the load size (W) is the total dead load of the building structure [13].

Table 2 Static Analysis Calculations

Story	HI	Wi	K	WiHi ^k	Cv
	M	Kg		kgf-m	
STORY2	8,6	11801,28	1,31	199171,64	0,75
STORY1	3,8	11238,29	1,31	64884,84	0,25
TOTAL	12,4	23039,57	2,62664596	264056,4839	1

4.4. Seismic Base

$$\begin{aligned}
 C_s &= \frac{S_{DS}}{\left(\frac{R}{I_e}\right)} \\
 &= \frac{0,62604}{\left(\frac{8}{1,5}\right)} \\
 &= 0,117383 \\
 C_s &< \frac{S_{D1}}{T\left(\frac{R}{I_e}\right)} \\
 &< \frac{0,76192}{1,126646\left(\frac{8}{1}\right)} \\
 &< 0,126801
 \end{aligned}$$

$$\begin{aligned}
 C_s &> 0,044 \cdot S_{DS} \cdot I_e \\
 &> 0,044 \cdot 0,117383 \cdot 1,5 \\
 &> 0,041319
 \end{aligned}$$

Based on the C_s value above, the C_s value is 0,05

$$\begin{aligned}
 V_{(x,y)} &= C_s \cdot W_t \\
 &= 0,126801 \cdot 23039,5699 \\
 &= 2921,443889 \text{ kg}
 \end{aligned}$$

Table 3 Result of Slab Structure Design Analysis

Reinforcement	Axis	Momen (Nmm)	As (mm ²)	reinforcement attached
Support	X	5701000	549,5	D10 – 150
	Y	3899000	549,5	D10 – 150
Filed	X	4042000	549,5	D10 – 150
	Y	3290500	549,5	D10 – 150

Table 4 Result of Beam Structure Design Analysis

Beam Type	Support Top Rebar	Support Bottom Rebar	Filed Top Rebar	Filed Bottom Rebar	Support Shear Reinforcement	Filed Shear Reinforcement
-----------	-------------------	----------------------	-----------------	--------------------	-----------------------------	---------------------------

B200X400	3D13	3D13	3D13	3D13	D10-100	D10-150
B200X300	2D13	2D13	2D13	2D13	D10-100	D10-150

Table 5 Result of Column Structure Design Analysis

Column	Longitudinal Rebar	Support Shear Reinforcement	Filed Shear Reinforcement
K200X250	10D16	D10-100	D10-150
K150X150	4D16	D10-100	D10-150

5. Conclusions

Based on the results of the analysis and calculations that have been carried out in the redesign of the learning room development of the Al-Murqoniyah Vocational School, Hambalang, it can be concluded that the number of reinforcement obtained from the analysis results for plate reinforcement ($t = 120$ mm) is used D10-150 reinforcement for each for each pedestal and field, the beam structure (200X400 mm) is used 3D13 bending reinforcement in the compressive area and 3D13 in the tensile area, with the spacing of the spacing on the pedestal is D10-100 in the bearing area and D10-150 in the field area, as well as for column bending reinforcement (200X250 mm) used 10D16 reinforcement and D10-100 stirrups in the support area and D10-150 reinforcement in the field area. Based on the results of the analysis that has been carried out using the assistance of a structural analysis program, it can be stated that the structural elements of this building are safe in analysis and the structure of the Al-Murqoniyah Vocational School learning building has been planned according to the applicable design rules, which are regulated in SNI 1726-2012 concerning Procedures. Earthquake Resistance Planning for Buildings and SNI 2847 - 2013 concerning Planning Procedures for Concrete Structures for Buildings.

Based on the analysis that has been carried out, there is a need for improvements through several suggestions as follows. It is necessary to take into account the analysis of the substructure, namely the foundation. This is because the conditions of the Covid-19 pandemic have made implementation not progressing properly resulting in the absence of land data in processing data and conducting analysis, it is necessary to have a further review of foundation planning, namely by carrying out soil investigations on site.

Reference

- [1] B. S. Nasional, "SNI 03-2847-2013 Tata cara Perhitungan Struktur Beton Untuk Bangunan Gedung," *Jakarta Badan Stand. Nas.*, 2013.
- [2] D. L. Schodek, D. Subagdja, and B. Suryoatmono, *Struktur*. Erlangga, 1999.
- [3] A. Asroni, "Balok dan pelat beton bertulang," *Yogyakarta Graha Ilmu*, 2010.
- [4] A. Asroni, "Kolom Fondasi dan Balok T Beton Bertulang," *Yogyakarta Graha Ilmu*, 2010.
- [5] A. AZLAMNI, "STUDI PERANCANGAN STRUKTUR GEDUNG HOTEL GOLDEN TULIP DENGAN MENGGUNAKAN SISTEM PELAT LANTAI DATAR (FLAT PLATE)." UNIVERSITAS MUHAMMADIYAH MATARAM, 2020.

- [6] W. Schueller, *The vertical building structure*. Van Nostrand Reinhold, 1990.
- [7] B. S. Nasional, "SNI 03-1726-2012 Tata Cara Perencanaan Ketahanan Gempa Untuk Bangunan Gedung," *Jakarta BSN*, 2012.
- [8] E. G. Nawy, T. Surjaman, and B. Suryatmono, *Beton Bertulang: Suatu Pendekatan Dasar*. PT. Eresco, Bandung, 1990.
- [9] E. Honggo, M. Yusuf, and A. Supriyadi, "Perhitungan Struktur Hotel 11 Lantai Jalan Teuku Umar Pontianak." Tanjungpura University, 2015.
- [10] B. S. Nasional, "Pedoman Perencanaan Pembebanan untuk Rumah dan Gedung," *BSN, Jakarta*, 1989.
- [11] "Beban minimum untuk perancangan bangunan gedung dan struktur lain Badan Standardisasi Nasional," 2013.
- [12] B. Baehaki, S. Soelarso, and S. Subandi, "Redesign Struktur Balok pada Gedung Kuliah FT. UNTIRTA berdasarkan SNI 1726-2012 dan SNI 2847-2013," *Tek. J. Sains dan Teknol.*, vol. 15, no. 1, pp. 13–22, 2019.
- [13] M. I. Zidny, W. A. Widiyanto, I. Nurhuda, and H. Indarto, "Perencanaan Struktur Gedung Politeknik Kesehatan Semarang," *J. KARYA Tek. SIPIL*, vol. 4, no. 4, pp. 362–370, 2015.

Analysis of Ideological Practices in News Program *Seputar Indonesia* RCTI Through The 2014 Presidential Election Campaign

Dani Setiadarma¹, Hendriyani²
{danisetiadarma77@gmail.com¹, hendriyani.sos@ui.ac.id²}

Communication Department, Faculty of Social and Political Sciences, University of Indonesia, Indonesia¹,
Communication Department, Faculty of Social and Political Sciences, University of Indonesia, Indonesia²

Abstract. This research is intended to conduct a critical analysis of the news production process in the newsroom of the private television broadcasting company, Rajawali Citra Televisi Indonesia (RCTI). The research objective is to analyze the ideological discourse of news program *Seputar Indonesia* during the 2014 presidential election campaign. This type of research is qualitative. The research method is content analysis with Norman Fairclough's Critical Discourse Analysis approach.. Based on the results of descriptive analysis at the text level, interpretive analysis at the level of discourse practice, and explanative analysis at the level of sociocultural practice, this research shows that the ideology of the news program *Seputar Indonesia*, theoretically and based on the recognition of key informants as the owner's representation, can be ascertained that the discourse news ideology *Seputar Indonesia* in the 2014 presidential election campaign is the Social Responsibility press that does not represent the public interest. In practice, the news editorial follows the interests of capital owners who seem to side with one of the presidential-vice presidential candidates, namely Prabowo-Hatta. In addition, RCTI also does not seem to give freedom of space for journalists of *Seputar Indonesia* to have a different attitude from the policies of media owners if the topic of coverage involves the owner's political economy interests.

Keywords: Ideology practice, Mass media, Campaign news, and predidential election

1. Introduction

At present, mass media is an important element in democratic life as the fourth pillar of democracy that controls power and allows people to express opinions in following the course of government. Indicators of democratic media and communication life are guaranteed freedom of expression, freedom of speech and freedom of the press. At a time when state intervention and control over the media had decreased considerably, in this reform era, repression to news editors was still happening. An international organization engaged in journalist advocacy, Reporters Without Borders (RSF), noted that one form of repression in the World Press Freedom Index in 2018 was the pressure from media owners on news editors. Out of 180 countries, Indonesia's press freedom rank is 124th [1].

Press freedom in Indonesia found its momentum through the 1998 reforms, after being restrained for 32 years during the Soeharto era. Law No. 32 of 2002 concerning broadcasting and Law no. 40 of 1999 concerning the press also opens up new opportunities in the broadcast media business with the hope that it will further increase the practice of independent journalism. A

number of businessmen have emerged as new players in the television broadcasting business, previously only controlled by the Soeharto family and their cronies. However, the opening of the tap for freedom in media management has created a new problem, namely the media conglomeration. The rapid development of the private television business is only focused on 12 business groups, namely MNC Group, Kompas Gramedia Group, Jawa Pos Group, Mahaka Media Group, Elang Mahkota Teknologi, CT Corp, Visi Asia Group, Media Group, MRA Media, Femina Group, Tempo Inti Media, and Berita Satu Media Holding. In terms of ownership of television broadcasting media, MNC Group owns RCTI, Global TV and MNC TV; Emtel Group controls SCTV, Indosiar and Omni Channel TV; Visi Media Asia controls ANTV and TV One; CT Corp owns TransTV and Trans7 [2].

A number of media owners who control several media at once are members of political parties in Indonesia, such as Hary Tanoesudibjo (MNC) in the Perindo Party, Surya Paloh (Media Group) in the Democratic National Party, and Aburizal Bakrie in the Golkar Party. The control of the television broadcasting media by a handful of businessmen is detrimental to the media audience because it has the potential to create a monopoly on information and intervention in the newsroom. Instead of creating a democratization of information, media conglomerates actually eliminate press freedom. Media workers, in this case journalists, are vulnerable to being influenced by media owners in the news production process and in making decisions to determine which news is appropriate and which is not suitable for publication in news programs [3].

The news of the presidential election campaign is important in implementing a direct democracy system that involves broad public participation in every presidential and vice presidential election in Indonesia. In a democratic system, before the presidential election takes place, there is a campaign process for candidates as one of the important stages in the election to strengthen the support of the voting candidates. During the presidential election campaign period from 4 June to 5 July 2014, the two candidate pairs who competed were the presidential and vice presidential candidates Joko Widodo-Jusuf Kalla (Jokowi-JK) and Prabowo-Hatta Rajasa. The balance of information and fairness of representation is a prerequisite for the realization of the idea of mass media as a public space. But in reality, the 2014 presidential election campaign coverage on the news program *Seputar Indonesia* RCTI did not appear to be independent due to the conflict of interest involving the media working class, namely journalists in the newsroom or news room with media owners who were also politicians. The newsroom is not a sterile blackbox, but there is an editorial policy that must be obeyed. In fact, the owners of capital have the right to enforce and enforce the policies of the media company. Due to pressure from the media owners, the news writing process encountered many conflicts of interest [4].

Media managers always carry out a selection process in presenting message content in carrying out its functions. Materials that are used as news programs and entertainment programs, as well as the socialization offered by the media, have been filtered beforehand. In the evening newscast NBC *Nightly News* and articles *New York Times* during the election period in 1996, 2000, 2004 and 2008 the volume coverage of the campaign and the percentage of coverage is not balanced against the candidates in future elections. Mass media is a filter that filters various things to be given attention or not. The selected issue or information is then packaged in such a way as to form a certain construction or appearance. Thus, the audience is not only chosen about something that according to the media deserves attention, but is also directed to see it from a certain point of view [5]. The news of *Seputar Indonesia* RCTI in the 2014 Indonesia presidential election campaign is the result of the construction of this media. In the United States, uneven in coverage that have effect to the voters who watch or read the news also happened. Evening newscast NBC *Nightly News* and articles *New York Times* during the election period in 1996, 2000, 2004 and 2008 was not balanced in the volume coverage of the campaign and the percentage of coverage is against the candidates in future elections [6]. There was also media bias in MSNBC, FOX and CNN, due to interference from their owners [7].

The ideology of news coverage in the mass media which is wrapped in the agenda of the presidential election campaign is part of social change that is increasingly fast and increasingly widespread. News management in RCTI's news room which produced the news program *Seputar Indonesia* has a tendency not to adhere to the principle of independence as an ideology that must be upheld because the interests of media owners strongly influence text construction in the news-making process. Those who control the media usually also have ownership in the business sector and have certain political interests [8]. In the case at RCTI, the news division is prohibited from producing content that is detrimental to the interests of the company or media owners. RCTI is part of the MNC Group, where the largest share is owned by Hary Tanoesudibyo, an activist of the Red and White Coalition (KMP) who supports Prabowo-Hatta. In the news, *Seputar Indonesia* tends to highlight and emphasize Prabowo-Hatta compared to Jokowi-JK. RCTI journalists who try to be critical of the news production process and uphold the journalistic code of ethics must even prepare to face conflicts with media owners. It is stated that news written by journalists should side with the public interest, not to companies and advertisers [9]. But in fact, critical journalists do not have a major place in the company.

Based on the description of the problem above, this research focuses on the discourse of media ideology in mass media coverage related to the 2014 presidential election campaign, by taking research on RCTI's news program *Seputar Indonesia*. Thus, the title of this research can be formulated, "The Analysis of Ideological Practices in Television Program of *Seputar Indonesia* RCTI through the News of the 2014 Presidential Election Campaign".

3. Methods

The paradigm used in this research is based on the critical paradigm. This paradigm aims to reveal the false awareness behind things that are considered objective. The goal, among others, is to obtain findings that have social significance, such as social criticism, awareness, empowerment, or social transformation. Research with a critical paradigm must be associated with efforts to address the problem of injustice felt by a particular society [23].

The type of research is part of qualitative research using the Content Analysis Method. Meanwhile, the analytical approach is Norman Fairclough's version of Critical Discourse Analysis. Therefore, this research is in the realm of a critical paradigm. In this stage, inductive thinking is used and finally it becomes a theory through the process of forming new concepts (conceptual formation) and theory formation (grounded theorizing) [24].

The subject of research is news *Seputar Indonesia* on RCTI regarding the 2014 presidential election campaign which it consisted of 8 (eight) news broadcast during the campaign period, the media journalist, commissioners and members of the research and development team of the Indonesian Broadcasting Commission (KPI, Komisi Penyiaran Indonesia), as well as audience representations of television viewers. The object of research is the ideology and political economy of the 2014 presidential election campaign news broadcast during the campaign period. Furthermore, the data collection techniques that will be used in this research are:

- a. Text Analysis, which is the collection of data on the structured dimension of the text by utilizing linguistic analysis of vocabulary, sentences, propositions, and paragraphs to explain a text. At this level, the news text *Seputar Indonesia* is analyzed linguistically by looking at vocabulary, semantics, and sentence structure. He also includes coherence and cohesiveness, how the combination of words or sentences can form the meaning of these elements aiming to see 3 problems, namely ideational, relation and identity. Ideational, which refers to a particular representation that you want to appear in the text, which generally carries a certain ideological content. Relations, which refers to the construction of the relationship between journalists and viewers. Identity, which refers to a certain construction of the identity of the journalist and

audience and how this person and identity is to be presented (micro-level analysis). The analysis was carried out on the news of *Seputar Indonesia* that had been collected and broadcast during the 2014 presidential election campaign period. This video recording was obtained from the Indonesian Broadcasting Commission which will be used for textual analysis.

- b. Indepth Interviews, this in-depth interview technique is a technique of collecting data by conducting in-depth interviews with related parties as key sources in order to complete primary data at the level of discourse practice, namely 3 journalists from *Seputar Indonesia*. Analysis at the level of discourse practice focuses on the production of the text *Seputar Indonesia*. Text is formed through a discourse practice that will determine how the text is produced. The production of the text *Seputar Indonesia* observes three things. The first is the identity of the discourse maker. If the discourse is in the form of news, then the discourse maker is the journalist who makes the news. The second thing is the relationship between the discourse maker and the media organization structure in which the discourse was formed. The third thing is the routine or work practice of the discourse production. These three things are an interrelated whole of discourse practice in a media.
In addition, at the sociocultural practice level or macro level, the author also conducted interviews with 4 resource persons who work as academics in the field of communication science, national political observers, commissioners and members of the research and development team of the Indonesian Broadcasting Commission as representatives of the public. readers to analyze media discourse on its social context.
- c. Literature and documentation study, which is a data collection technique carried out by collecting written materials, reading books, documents regarding government policies in the media industry, media organization policies, advertising data, in order to obtain various theories and concepts, which have relevance to the objectives of this study. This technique is to complement primary and secondary data at the level of sociocultural practice (level three analysis).
- d. Observation, which is a data collection technique that is carried out by direct observation and recording of the research subject in order to obtain primary and secondary data on both news programs. In addition to in-depth interviews, researchers also made observations, and the results of observations were recorded using field notes. Observations were made in a participant manner, this is related to the work experienced by researchers as producers of *Seputar Indonesia* during the 2014 presidential election campaign. In the process of compiling news, researchers have the opportunity to meet and chat with all journalists on duty, from reporters, producers, executives. producer and editor in chief.

4. Results and Discussions

In a discussion about the ideological discourse of the news program *Seputar Indonesia* RCTI in the coverage of the 2014 Presidential Election Campaign for the Republic of Indonesia during the period from 4 June to 5 July 2014, researchers obtained 8 news related to ideological discourse. Furthermore, in this sub-section of the discussion, the researcher will divide the eight stories into three major themes.

First, the theme of text construction that shows Prabowo's superiority over Jokowi, both personally and as a presidential-vice presidential candidate. This can be seen in the construction of the text in the news program *Seputar Indonesia* entitled "Prabowo Bicara" edition of June 4, 2014, where Prabowo was specially interviewed at his residence which has a number of farms. Prabowo for about four minutes talked about the potential of livestock and agriculture in Indonesia while conveying his vision in the economic sector regarding Indonesia which must return to being an

Asian tiger. On July 5 2014, the headline was "Indonesia's Chosen President". *Seputar Indonesia*, directing public opinion that Prabowo is superior to Jokowi and has the support of President Soesilo Bambang Yudhoyono along with seven other parties supporting the Red and White Coalition. As usual in every contestation, all participants compete to become champions / winners. Still in the 5 July 2014 edition, *Seputar Indonesia* with the title "Partai Demokrat Support Prabowo" is an affirmation of the construction of texts with the theme of Prabowo's superiority. This affirmation can be seen in the text: "Prabowo's vision and mission is in line with the Democratic Party in its economic and people's welfare programs".

In the 5 July 2014 edition, in the news entitled "Support Prabowo Hatta", *Seputar Indonesia*, further strengthening the text construction in the previous news which shows Prabowo's superiority over Jokowi by displaying the support of Indonesian Student Network students from 20 universities in Indonesia for Prabowo Hatta's partner. The construction of news on *Seputar Indonesia* further emphasizes the meaning that the importance of reporting is directed at affirming the superiority of Prabowo's figure as worthy of being the leader of Indonesia through the 2014 presidential election. This means that this meaning shows a very strong alignment for *Seputar Indonesia* towards Prabowo's presidential candidate.

Second, is the theme of text construction on public preference for Prabowo based on research results from survey institutions and on social media. The practice of discourse with the aim of constructing reality is carried out by referring to Hamad's opinion, that in constructing reality, the media makes use of three components: (1) Use of political symbols (language of politics), (2) framing strategies, and (3) Willingness of the media to give space (agenda setting function). These three are what determine the opinion that is formed (Hamad, 1999). The 4th edition of June 2014, *Seputar Indonesia* featured a story entitled "Indonesia's Chosen President". In the news, *Seputar Indonesia* featured Prabowo's speech as a presidential candidate as well as the results of a survey by the Indonesia Research Center which predicted Prabowo would outperform Joko Widodo. The support of various political parties and figures and mass organizations was shown to be Prabowo's advantage. Meanwhile, it was reported that Joko Widodo was supported by market traders, without being accompanied by a campaign speech or an interview with Joko Widodo. Through this news, *Seputar Indonesia* is constructing a discourse that has marginalized Jokowi. The marginalization was carried out with an emphasis on how Jokowi is positioned in the news text, where the IRC survey results stated that Prabowo was superior to Jokowi. Such a position, according to Rachmadi (1990), is not only a journalistic technique, but also related to the politics of news (Rachmadi, 1990: 6).

In the news entitled "Alleged Leaks of Presidential Candidate Debate Material", *Seputar Indonesia* was broadcasting that there is an allegation of leaking of Presidential Candidate Debate material which benefits the presidential-vice presidential candidate pair Joko Widodo and Jusuf Kalla. Even though this news was deemed to have no clear news source by the Press Council and lacking strong documents to support its accusations, the framing strategies with the theme of leaking debate material for the presidential candidates further marginalized Jokowi, and was broadcast repeatedly in *Seputar Indonesia* Sore news program on 11 June 2014, *Seputar Indonesia Malam* on 11 June 2014 and *Seputar Indonesia Pagi* on 12 June 2014.

In the news of 11 June 2014 edition, the news presenter *Seputar Indonesia* discussed the theme of the Koran Sindo newspaper headlines entitled "Prabowo Most Liked". *Seputar Indonesia*, implementing a framing strategy by presenting Prabowo as the fifth political figure in the world with the most likes by Facebook social media users. News presenter Michael Tjandra discusses Prabowo who is at the top of the newspaper page, alongside other popular international figures such as Barack Obama (US President), Narendra Modi (Indian Prime Minister), Mitt Romney (politician and former US presidential candidate), and Arvind Kejriwal (politician and former candidate for prime minister of India). Facebook has become a medium for Indonesia in constructing messages with the aim of influencing public opinion. The central point in this construction is the opinion that is manifested in the language as discussed in the news with the

theme of the level of public preference for the figure of Prabowo Subianto and as a candidate pair for the President-Cawapres Prabowo-Hatta.

Third, the text construction in which Wiranto's statement regarding Prabowo which related with the activist kidnapping case and the May 1998 riots actually became an advantage for Prabowo because he was considered the injured party. "Clarification of Prabowo", was the headline of the news program *Seputar Indonesia* on June 20, 2014. In the news, *Seputar Indonesia* constructed the news where Wiranto carried out a black campaign to 'attack' Prabowo with the activist kidnapping case, even though Prabowo had the documents dismissed with respect. Wiranto's statement regarding Prabowo who had violated the soldier's oath generated reactions against Wiranto but on the other hand it became an advantage for Prabowo, who was shown to be the loser. Prabowo's team stated that they would report Wiranto's statement as a 'black campaign' to Bawaslu. The practice of this discourse is considered counterproductive for Jokowi's camp and benefits Prabowo's camp.

The practice of media discourse cannot be separated from the interests of the owners of capital / media owners. Discourse is a reality that has been processed through being constructed by journalists into the form of news or opinions in the mass media. Therefore, apart from analyzing the text, the researcher also interviewed several internal sources on *Seputar Indonesia*, to confirm the results of the study regarding the practice of discourse (text consumption) *Seputar Indonesia*.

Regarding the practice of discourse and partiality *Seputar Indonesia* in the 2014 presidential election, the speakers shared their views. RCTI journalist Raymond Rondonuwu admitted that *Seputar Indonesia* seemed to side with Prabowo, and this attitude was carried out in violation of the Journalistic Code of Ethics. *Seputar Indonesia* was supporting Prabowo and criticizing Joko Widodo without paying attention to the Journalistic Code of Ethics. The Press Council decided that RCTI violated Article 1 and Article 3 of the Journalistic Code of Ethics regarding the clarity of the source of information related to the news "Alleged Leaking of Presidential Candidate Debate Material" which was held in the *Seputar Indonesia* program.

Regarding partiality *Seputar Indonesia*, the same thing was conveyed by Septiantoro. He did not deny that RCTI sided with Prabowo's camp, so that the news made did not prioritize a professional attitude and was less balanced, especially in the presentation of news on the 2014 presidential election campaign. The issue of professionalism and independence was strengthened by Septiantoro's statement which acknowledged the demand for various news angles that must focus the focus. on Jokowi's failure, for example regarding the Esemka car project which was considered a failure and vocational students who were disappointed because they were promised that after graduating they would get a job as the mayor of Solo. Another news angle is about the failure to organize the city of Solo. The Citywalk project became neglected when Jokowi became Governor of DKI Jakarta, resulting in a number of areas that had been converted to infrastructure development neglected.

Media observer Dhandy Dwi Laksono sees that media relations and political relations in the presidential election cannot avoid support. This process will take place automatically due to conflicts of interest of investors who already have certain political affiliations with certain candidates who are promoted by certain parties. It is hoped that professional journalists working in the media will have a bargaining position with media owners in the news production process. The mandate of the Press Law and the Broadcasting Law stipulates that the press must be independent and must not take sides. What RCTI has done clearly violates the Law, violates the Journalistic Code of Ethics and violates the rules of the KPI Broadcast Code of Conduct and Broadcast Program Standards (Pedoman Perilaku Penyiaran dan Standar Program Siaran, P3SPS). But the biggest violation committed was manipulating public rights by blocking and deceiving the public into objective facts. This mandate is defeated by the dominance of the interests of the owners of capital and their businesses. The same situation happened in Malaysia in the election general in 2014, where the case is biased newspaper for the interests of politic of the media owners. Nearly all the mainstream media in Malaysia bias towards the ruling coalition, Barisan Nasional. Bias

against political parties in the ruling coalition is associated with ownership of mainstream newspapers by political interests aligned with the current Malaysian government [25].

In a study of *Seputar Indonesia* regarding the domination of capital owners, Raymond Rondonuwu as a senior journalist at *Seputar Indonesia*, individually, does not have the freedom to write news. Raymond asked the editor-in-chief not to produce news about Prabowo's rivalry against Jokowi by using the Twitter source @triomacan for fear of not being objective. Raymond Rondonuwu gives advice to make balanced news and not attack without a clear source of news. Raymond Rondonuwu's consideration to remain independent and not attack either party is a reason for idealism, showing that the power relationship between the owners of capital, on the one hand, and the workers on the other gives birth to the hegemony of the owners of capital. In fact, the organizational structure of *Seputar Indonesia*, especially at the technical level of the editorial team between the Editor in Chief and the News Producer where the ideology of the owners of capital is 'disguised' is conveyed, in Raymond's case it does not allow individuals to choose.

Regarding the practice of discourse carried out politely by *Seputar Indonesia*, the research informant, Dendhy Laksono reminded the mass media to be able to carry out the supervisory function of interpreting or giving meaning to political social situations that educate the community, become a propaganda tool in forming healthy opinions so as to create conducive conditions and society. brightest.

Based on the explanation above, from the normative perspective of the press, the researcher argues that the ideological discourse on *Seputar Indonesia* is the practice of the value of the Social Responsibility press which does not represent the public interest (Public Interest) and the perspective of a professional press. In the Social Responsibility press system, the right to freedom of broadcasting is accompanied by obligations towards the wider community that go beyond personal interests. The positive notion of freedom described involves several social goals. Responsible media will maintain high standards by self-regulation, but government intervention is also involved. Accountability mechanisms for the community and the public also exist. In this case, the public is seen more as a "customer" and journalism cannot be separated from market-driven journalism because it tends to seek profit.

5. Conclusions

Based on the results of the descriptive analysis, there are several things that can be concluded as follows:

- 1) *Seputar Indonesia* claiming to uphold the values of Pancasila by providing space for opposing parties in it. But on the other hand, in the practice of reporting management in the news editorial, *Seputar Indonesia* prioritizes the interests of the owners of capital. *Seputar Indonesia* even attacking with negative issues, not prioritizing professional attitudes and maintaining independence with balanced coverage in the broadcasting of news on the 2014 presidential election campaign.
- 2) *Seputar Indonesia*, it seems that it does not provide space for individual journalists to have a slightly different attitude than owner policy. This attitude is actually driven by the orientation of the economic and political of the media owners.

Based on the two conclusions above, the researcher provides several suggestions as a solution to the current conditions in the news program of *Seputar Indonesia*, as follows:

- 1) *Seputar Indonesia*, it is necessary to reorganize the news editorial and management in the news production process, by holding back consistently to the essence of the press is in accordance with the National Press Law, Broadcasting Law, P3SPS KPI and the Journalistic Code of Ethics as subordinate to the sources of all national legal sources, namely Pancasila

and the 1945 Constitution. RCTI must carry out media business management in a professional and proportional manner, not through capitalistic business management. As a private broadcasting institution that uses public frequencies, it must strengthen its role in providing literacy education to the public.

- 2) To implement the ideals of reform in national democratization, *Seputar Indonesia* should not manipulate public rights by blocking the public from objective facts in the news production process. Journalists should not be defeated by the dominance of the economic and political interests of media owners. Media owners should prioritize public interests as a form of service to the nation.

References

- [1] I. P. I. P. F. Index, "World Press Freedom Index." 2018.
- [2] Y. Nugroho, D. A. Putri, and S. Laksmi, "Mapping the landscape of the media industry in contemporary Indonesia. Report Series. Engaging Media, Empowering Society: Assessing media policy and governance in Indonesia through the lens of citizens' rights," *Res. Collab. Cent. Innov. Policy Gov. HIVOS Reg. Off. Southeast Asia, funded by Ford Found. Jakarta CIPG HIVOS*, 2012.
- [3] I. Haryanto, "Media ownership and its implications for journalists and journalism in Indonesia," *Polit. media twenty-first century Indones. Decad. Democr.*, pp. 104–118, 2011.
- [4] W. Breed, "Social control in the newsroom: A functional analysis," *Soc. forces*, pp. 326–335, 1955.
- [5] D. McQuail, "Mass Communication Theory: an Introduction: Teori Komunikasi Massa, Terj. Edisi Ke-1." Erlangga: Jakarta, 1987.
- [6] J. J. Weikert, *Balancing act: How an unbalanced media affects the electorate*. Temple University, 2013.
- [7] H. Devaney, "Perceptions of media bias: viewing the news through ideological cues," *A Sr. Honor Thesis, Univ. California, San Diego*, 2013.
- [8] E. S. Herman and N. Chomsky, *Manufacturing consent: The political economy of the mass media*. Random House, 2010.
- [9] B. Kovach and T. Rosenstiel, *The elements of journalism: What newspeople should know and the public should expect*. Three Rivers Press (CA), 2014.
- [10] G. Murdock and P. Golding, "For a political economy of mass communications," *Social. Regist.*, vol. 10, 1973.
- [11] V. Mosco, *The political economy of communication: Rethinking and renewal*, vol. 13. Sage, 1996.
- [12] A. Giddens, *The constitution of society: Outline of the theory of structuration*. Univ of California Press, 1984.
- [13] J. H. McManus, *Market-driven journalism: Let the citizen beware?* Sage Publications, 1994.
- [14] A. Sobur, "Analisis Teks Media, PT," *Remaja Rosdakarya, Bandung*, 2002.
- [15] A. Armando, *Televisi Jakarta di atas Indonesia: kisah kegagalan sistem televisi berjaringan di Indonesia*. Bentang Pustaka, 2011.
- [16] E. E. Dennis and J. C. Merrill, *Media debates: Issues in mass communication*. Addison-Wesley Longman Ltd, 1991.
- [17] P. J. Shoemaker and S. D. Reese, *Mediating the Message: Theories of Influences on Mass Media Content*. 1996.
- [18] J. Nerone and J. Nerone, "Four Theories of the Press," *Oxford Res. Encycl. Commun.*, no. September, pp. 1–22, 2018.
- [19] P. L. Berger and T. Luckmann, *The social construction of reality: A treatise in the sociology of knowledge*, no. 10. Penguin Uk, 1991.
- [20] S. Hall, *Representation: Cultural representations and signifying practices*, vol. 2. Sage, 1997.
- [21] A. Briggs and P. Cobley, *The media: an introduction*. Pearson Education, 2002.
- [22] S. Hall, "Encoding/decoding," *Media Stud. A Read.*, vol. 3, pp. 28–38, 2000.
- [23] W. Lawrence Neuman, *Social research methods: qualitative and quantitative approaches*. Pearson, 2014.
- [24] I. Hamad, "Konstruksi Realitas Politik Dalam Media Massa (Studi Pesan Politik Dalam Media Cetak

- Pada Masa Pemilu 1999),” *Hubs-Asia*, vol. 10, no. 1, 2010.
- [25] M. A. M. Sani, “Malaysia’s 13th general election: Political partisanship in the mainstream print media,” *Asia Pacific Media Educ.*, vol. 24, no. 1, pp. 61–75, 2014.

Model of Improving Organizational Citizenship Behavior Lecturer Based on Organizational Commitment, Organizational Culture, and Job Satisfaction in Private Universities in Bandung

Mochamad Vrans Romi¹, Abdul Ahmad Hafidh N.², Asep Kurniawan³ Sofia Windiarti⁴
{vransromi@gmail.com¹, abdul.ahmad@lecture.unjani.ac.id², Asepkurniawan2010@gmail.com³, sofia
windiarti25@gmail.com}

Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia¹, Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia², Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia³, Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia⁴

Abstract. Problems related to improving organizational citizenship behavior are also important to be reviewed in the world of education, especially in order to improve the quality of services provided to students. This research has the aim to analyze the improvement of organizational citizenship behavior through organizational commitment, organizational culture, and job satisfaction. This research is a quantitative study with 415 Lecturers from 21 Private Universities in Bandung who were sampled in this study and taken using random sampling proportional techniques, data analysis techniques using structural Equation Modelling (SEM) using AMOS. The results showed there was a positive influence of organizational culture on job satisfaction, job satisfaction had a positive effect on organizational citizenship behavior, organizational culture has a positive impact on the organization's commitment, the organization's commitment to organizational citizenship behavior, and job satisfaction positively affects the organization's commitment to. It can then be suggested that the increasing commitment of the organization, organizational culture, and job satisfaction will have an impact on the improvement of the lecturer's organizational citizenship behavior.

Keywords: Organizational Citizenship Behavior, Organizational Commitment, Organizational Culture, Job satisfaction.

1 Introduction

Lecturers are an asset owned by educational institutions to develop programs to educate the lives of the nation that during the covid-19 pandemic must be able to adapt to technological developments to support the implementation of tridharma universities both education and teaching, research and community service [1]. Problems related to improving the quality of education where it will require resources that have good competence, this leads to extra hole as a lecturer such as willingness to help fellow lecturers [2], willingly do extra work, try to avoid conflicts between colleagues, and respect the rules in the organization [3]. An extra behavior in work or commonly called organizational citizenship behavior, this behavior is an action that is not a formal requirement for employees but can increase effectiveness in functions within an organization [4].

Organizational citizenship behavior owned by lecturers, especially those who work at private universities in Bandung, tends to still need to be improved, one of which is influenced by the strong organizational culture of the institution in which the lecturer works [5] where the culture of the organization intersects the values and practices that must be adhered to by everyone involved in the management of the organization [6]. A good organizational culture will impact the increased commitment to the vision and mission set by an organization, the commitment of the organization that has been formed will by itself identify employees who have a desire to maintain being a member in the organization [7].

An organization that has a good organizational culture, a high commitment from its members of the organization, will produce a behavior from members of the organization that if viewed from observation will show a positive attitude towards its work, this shows the work satisfaction of the members of its organization [8]. Once a member of the organization is satisfied with its work, it will be formed the behavior of employees who are willing to do extra work or commonly called organizational citizenship behavior (OCB), where this behavior is the type of behavior that shows the employee doing his or her job exceeds the company's request or the standard stipulated [9].

2 Literature Review

2.1 Organizational Culture

Organizational culture is a way, a principle, a tradition of carrying out work that must be adhered to jointly by members of the organization in an effort to influence the way members of the organization behave [7]. The cultural dimensions of the organization include results orientation, human orientation, team orientation, aggressiveness, stability, innovation and risk-taking, as well as attention to detail [10]. The cultural characteristics of the organization are very important for each leader to pay attention to, such characteristics as the culture of the organization given through socialization, affecting behavior in the workplace [7].

2.2 Job satisfaction

Job satisfaction is closely related to the attitude of a person who is shown to his or her work [11], employees who have high job satisfaction will show a positive attitude towards what the employee provides for his/her organs.[12], Employees who are satisfied with their work will show the difference in attitude between the award received and what it believes the employee should receive [4], Job satisfaction also involves the attitude of good and bad employees in their daily work [13], employee's job satisfaction is a person's feelings, actions, and attitudes in doing work within the organization [14]. Job satisfaction is also an effectiveness and emotional response of a job [15].

2.3 Organizational Commitment

Organizational commitment is a situation in which an employee identifies himself or herself with certain organisation with the purpose and desire to maintain his or her membership while in the organization [16]. Organizational commitment is also seen as a condition in which employees serve the company by prioritizing the objectives and desires in maintaining its membership in an organization.[17]. Organizational commitment can also be interpreted as a situation where employees will accept the company's objectives, have confidence in the

company and will remain part of the company [18]. Aspects of commitment such as affective commitment, continuance commitment, normative commitment.[19]

2.4 Organizational Citizenship Behavior

Organizational citizenship behavior is an action that does not include the formal work requirements of an employee and is not related to remuneration but can increase effectiveness in the functioning of the organization [14] dimensions of organizational citizenship behavior namely altruism, conscientiousness, sportmanship, courtesy and civic virtue [9]. Organizational citizenship behavior is also a type of employee behavior where the employee exhibits behavior that exceeds the company's request [20].

Conceptual framework

From the results of the library study that has been explained, the researchers devised the following research models;



Fig. 1. Conceptual Framework

3. Methodology

3.1 Population and sample

In this study, the population was lecturers at private universities in Bandung and samples taken by 415 Lecturers from 21 Private Universities in Bandung, using random sampling techniques.

3.2 Data Analysis Research and Engineering Instruments

Questionnaire in data collection in this study which has been distributed to Lecturers at 21 Private Universities in Bandung, to be further analyzed with data analysis techniques used in this study namely using Structural Equation Modelling (SEM) Amos.

Table 1 Respondent Demographic Background

Variabel		Frequency	%
Gender	Male	181	43,61%
	Female	234	56,39%
Age	20-30	189	45,54%
	31-40	143	34,36%
	41-50	67	16,14%
	<51	16	3,86%

Education	Bachelor	-	-
	Master	247	59,52%
Functional Position	PhD	168	40,48%
	Lecturer	43	10,36%
	Instructor	205	49,40%
	Assistan Professor	78	18,80%
	Associate professor	77	18,55%
	Professor	12	2,89%
n = 415			

3.3 Descriptive Test Results

The descriptive test results of the four research variables including organizational culture, job satisfaction, organizational commitment and organizational citizenship behavior are as follows;

Table 2. Descriptive Test Results of Research Variables

Variabel	Percentage score
Organizational Culture	60,36
Job Satisfaction	67,58
Organizational Commitment	71,84
Organizational Citizenship behavior	72,29

From the results of the analysis of four research variables including Organizational Culture, Job Satisfaction, Organizational Commitment, Organizational Citizenship behavior can be concluded that the organizational culture varibel and job satisfaction lecturers at Private Universities in Bandung are included in the category of enough, while other variables namely organizational commitment variables and organizational citizenship behavior fall into the high category.

4. Discussion

1. Hypothesis 1 (H1) : estimated standandardized regression weight coefficient between organizational cultural variables and job satisfaction results 0,656 and value P_{value} indicates a probability of 0,000 is smaller than 0.05, this indicates that the higher the culture of the organization, the higher the job satisfaction of the Lecturers. So it can be concluded that hypothesis 1 is accepted, the results of this study are in line with previous research[5], [21] that shows the influence of organizational culture on job satisfaction
2. Hypothesis 2 (H2) : estimated standandardized regression weight coefficient between variable job satisfaction to organizational citizenship behavior resulted in 0.493 and value P_{value} indicates a probability of 0.000 is smaller than 0.05, this indicates that the

higher the job satisfaction, the higher the organizational citizenship behavior of the Lecturers. So it can be concluded that hypothesis 2 is accepted, the results of this study are in line with previous research [22], [23] which indicates the effect of job satisfaction on organizational citizenship behavior.

3. Hypothesis 3 (H3) : estimated standardized regression weight coefficient between the organization's cultural variables to the organization's commitment to the result of 0.481 and the value of P_{value} indicates a probability of 0.000 smaller than 0.05, this indicates that the higher the culture of the organization, the higher the commitment of the lecturers. So it can be concluded that hypothesis 3 is accepted, the results of this study are in line with previous research [24], [25] that demonstrates the organization's cultural influence on the organization's commitment to.
4. Hypothesis 4 (H4) : estimated standardized regression weight coefficient between the organization's commitment variable to organizational citizenship behavior of 0.432 and the value of P_{value} indicates a probability of 0.000 smaller than 0.05, this indicates that the higher the commitment of the organization, the higher the organizational citizenship behavior of the Lecturers. So it can be concluded that hypothesis 4 is accepted, the results of this study are in line with previous research [3], [26] that demonstrates the influence of organizational commitment to organizational citizenship behavior.
5. Hypothesis 5 (H5) : estimated standardized regression weight coefficient between the work satisfaction variable to the organization's commitment of 0.271 and the P_{value} indicates a probability of 0.000 smaller than 0.05, this indicates that the higher the commitment of the organization, the higher the organizational citizenship behavior of the Lecturers. So it can be concluded that hypothesis 5 is accepted, the results of this study are in line with previous research [27], [28] which demonstrates the effect of job satisfaction on the commitment of.
6. Hypothesis 6 (H6) : estimated standardized regression weight coefficient between the work satisfaction variable to the organization's commitment of 0.271 and the P_{value} indicates a probability of 0.000 smaller than 0.05, this indicates that the higher the commitment of the organization, the higher the organizational citizenship behavior of the Lecturers. So it can be concluded that hypothesis 5 is accepted, the results of this study are in line with previous research [26], [29] which demonstrates the effect of job satisfaction on the commitment of.
7. Based on the results of processing research data obtained from the test results using Sobel test that the value obtained is 3,862 (> 1.96) with a value of P 0.00 and an estimated value of standardized direct effect and standardized indirect effect between organizational culture and organizational citizenship behavior Lecturers mediated by job satisfaction obtained direct value / indirect value, testing the relationship of the two variables shows the value $0.492 > 0.145$. Thus the first hypothesis (H6) is accepted meaning that the culture of the organization positively affects the lecturer's organizational citizenship behavior through the mediation of job satisfaction. The results are in line with research that has been conducted [30], [31]
8. Based on the results of processing research data obtained from the test results using Sobel test that the value obtained is 3,743 (> 1.96) with a value of P 0.00 and an estimated value of standardized direct effect and standardized indirect effect between organizational culture and organizational citizenship behavior Lecturers mediated by the organization's commitment obtained by direct value / indirect value, testing the relationship of the two variables shows the value $0.373 > 0.146$. Thus the first hypothesis (H7) is accepted meaning that the culture of the organization positively affects the

lecturer's organizational citizenship behavior through the mediation of organization commitments. The results are in line with research conducted by [32], [33].

5. Conclusion

The results showed there was a positive influence of organizational culture on job satisfaction, job satisfaction had a positive effect on organizational citizenship behavior, organizational culture had a positive effect on organizational commitment, the organization's commitment to organizational citizenship behavior, and job satisfaction had a positive effect on the organization's commitment. It can then be suggested that the increasing commitment of organization, organizational culture, and job satisfaction will have an impact on improving the organizational citizenship behavior of Lecturers at Private Universities in Bandung.

The limitations of research are found in research only at the University level so that it has not been able to describe other comprehensive universities such as institutions, colleges, academies, community academies, polytechnics and this research is also limited only to private universities in Bandung, so it will feel more comprehensive and representative if done also at state universities in Bandung.

References

- [1] M. V. Romi *et al.*, "Model For Improving Performance Of Employees Based On Organizational Commitment , Role Conflict And Emotional Intelligence In Education In Bandung Islamic University," 2019.
- [2] A. Irawan, E. Ludiya, and M. V. Romi, "Influence of Human Resource Management Practices on Competitive Advantage through Operational Excellence : Case study on SME Food and Beverages In Bandung Regency West Java Indonesia," 2019.
- [3] M. V. Romi, E. Ahman, Disman, E. Suryadi, and A. Riswanto, "Islamic work ethics-based organizational citizenship behavior to improve the job satisfaction and organizational commitment of higher education lecturers in Indonesia," *Int. J. High. Educ.*, vol. 9, no. 2, pp. 78–84, 2020.
- [4] S. P. and J. Robbins, *Perilaku Organisasi*, IV. Jakarta: Salemba., 2009.
- [5] D. L. Amperawan, S. Hendriani, and M. Marzolina, "Pengaruh Kepribadian dan Budaya Organisasi Terhadap Kepemimpinan dan Organizational Citizenship Behavior Pada Dosen UIN Suska Riau," *J. Psikol.*, vol. 12, no. 2, p. 74, 2017.
- [6] S. P. Robbins, *Perilaku Organisasi*. Jakarta: Bumi Aksara, 2011.
- [7] T. . Robbins, S.P., and Judge, *Perilaku Organisasi*, XII. Jakarta: Salemba Empat, 2013.
- [8] F. Luthans, *Perilaku Organisasi*, X. Yogyakarta: CV Andi Offset, 2006.
- [9] D. W. Organ, *Organizational citizenship behavior: The good soldier syndrome*. Lexington, MA: Lexington Books, 1988.
- [10] J. Psikologi and L. Budaya, "Psikologi," 2014.
- [11] J. James L. Gibson, John M. Ivancevich, James H. Donnelly, *Organisasi: Perilaku, Proses, Struktur*. Tangerang: Binarupa Aksara, 2011.
- [12] D. Katz, *Motivational basis of organizational behavior*. Katz, D. (1964). Motivational basis of organizational behavior. Behavioral Science, 9: Behavioral Science, 1964.
- [13] J. Baron, A. R., Greenberg, *Organizational Behaviour in Organization. Understanding and managing the human side of work*. Canada: Prentice Hall. Canada: Prentice Hall, 2003.
- [14] R. P. Vecchio, *Organizational Behavior*, IV. Rajawali Pers, 1995.
- [15] A. . A. P. Mangkunegara, *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: PT.

- Remaja Rosdakarya, 2009.
- [16] Robbins and Coulter, "Pengaruh lingkungan kerja, budaya organisasi dan kepemimpinan terhadap kinerja karyawan koran pt. tempo jateng dan d.i. yogyakarta," p. 79, 2010.
 - [17] E. Sutrisno, *Manajemen Sumber Daya Manusia*, 1st ed. Jakarta: Kencana Prenada Media, 2009.
 - [18] Veithzal Rivai., *Manajemen Sumber Daya Manusia untuk Perusahaan*, 6th ed. Depok 16956, 2014.
 - [19] K. D. Werther, W. B., *Human Resources and Personel Management*. Singapore: Mc-Graw Hill, 1996.
 - [20] E. al. Organ, Dennis W., *Organizational Citizenship Behavior. Its Nature Antecedents, and Consequences*. California: Sage Publications, Inc, 2006.
 - [21] Y. Bharata, Zunaidah, M.Diah, "Pengaruh kepuasan kerja dan budaya organisasi terhadap organizational citizenship behavior di PT Pupul Sriwijaya Palembang," *J. Manaj. Dan Bisnis Sriwij.*, vol. 14, pp. 258–276, 2016.
 - [22] T. Oliver, "The Importance of Subordinate Emotional Intelligence Development in the Workplace," *Int. Trade J.*, vol. 0, no. 00, pp. 1–11, 2019.
 - [23] M. Ristiana, "Pengaruh Komitmen Organisasi Dan Kepuasan Kerja Terhadap Organizational Citizenship Behavior (OCB) Dan Kinerja Karyawan Rumah Sakit Bhayangkara Trijata Denpasar," *DIE, J. Ilmu Ekon. Manaj.*, vol. 9, no. 1, pp. 57–70, 2013.
 - [24] R. Fischer *et al.*, "Does organizational formalization facilitate voice and helping organizational citizenship behaviors ? It depends on (national) uncertainty norms," *J. Int. Bus. Stud.*, no. October, 2017.
 - [25] A. Hakim and A. Hadipapo, "Peran Kepemimpinan Dan Budaya Organisasi Terhadap Kinerja Sumber Daya Manusia Di Wawatobi," *Ekon. Bisnis*, vol. 16, no. 1, pp. 1–11, 2015.
 - [26] R. Nur Irawan, "intellectual quotient, spiritual THE EFFECT OF INTELLECTUAL QUOTIENT, SPIRITUAL QUOTIENT, INDIVIDUAL CHARACTERISTICS AND ACHIEVEMENT MOTIVATION TOWARD COMPETENCE, ORGANIZATIONAL COMMITMENTS AND LECTURERS' DEVELOPMENT (STUDY AT ISLAMIC UNIVERSITIES IN EAST," *Arch. Bus. Res.*, vol. 7, no. 9, pp. 185–191, 2019.
 - [27] K. Skrzypińska, "Does Spiritual Intelligence (SI) Exist ? A Theoretical Investigation of a Tool Useful for Finding the Meaning of Life," *J. Relig. Health*, no. 0123456789, 2020.
 - [28] S. K. Singh and A. P. Singh, "Interplay of organizational justice, psychological empowerment, organizational citizenship behavior, and job satisfaction in the context of circular economy," *Manag. Decis.*, vol. 57, no. 4, pp. 937–952, 2019.
 - [29] J. X. Tan, T. H. Cham, D. Zawawi, and Y. A. Aziz, "Antecedents of organizational citizenship behavior and the mediating effect of organization commitment in the hotel industry," *Asian J. Bus. Res.*, vol. 9, no. 2, pp. 121–139, 2019.
 - [30] L. Ticoalu, "Organizational Citizenship Behavior (Ocb) Dan Komitmen Organisasi Pengaruhnya Terhadap Kinerja Karyawan," *J. Ris. Ekon. Manajemen, Bisnis dan Akunt.*, vol. 1, no. 4, pp. 782–790, 2013.
 - [31] O. Dixit and S. Singh, "Moderating Influence of Emotional Intelligence on Organisational Citizenship Behaviour and Counterproductive Work Behaviour.," *J. Strateg. Hum. Resour. Manag.*, vol. 8, no. 1, pp. 26–31, 2019.
 - [32] A. Kurniawan, "Pengaruh Komitmen Organisasi Terhadap Organizational Citizenship Behavior (OCB) PT X Bandung," *J. Manaj. Maranatha*, vol. 15, no. 1, pp. 95–118, 2015.
 - [33] C. Miao, R. H. Humphrey, and S. Qian, "A cross-cultural meta-analysis of how leader emotional intelligence influences subordinate task performance and organizational citizenship behavior," *J. World Bus.*, vol. 53, no. 4, pp. 463–474, 2018.

The Effect of Macroeconomy Towards The Infrastructure, Utilities, and Transportation Sector's Stock Return in The Indonesian Stock Exchange

Frido Saritua Simatupang¹, Sofia Windiarti²
 {frido.s@lecture.unjani.ac.id¹, sofiawindiarti@yahoo.co.id²}

Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia¹, Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia²

Abstract. This study aims to identify the effect of macroeconomic variables on stock returns, where macroeconomic fluctuations can affect stock prices and have an impact on stock returns. The macroeconomic variables used in this study are inflation, interest rates (BI rate), and the Rupiah exchange rate against the US Dollar. The population used by researchers is the Infrastructure, Utilities, and Transportation sector in the Indonesian Stock Exchange with a population of 60 companies. The sampling technique used was purposive sampling in order to obtain 37 sample companies. The data processing technique that is used is panel data. The results showed that simultaneously there was a macroeconomic influence on stock returns, and partially there was a significant negative effect between inflation and exchange rates on stock returns, while the interest rate (BI rate) had no effect on stock returns.

Keywords: Inflation; exchange rate; stock returns; interest rate.

1. Introduction

The investment climate of a country is usually influenced by its high or low macroeconomic conditions. Large investment risk means that high inflation will have an adverse impact on the rate of return of an investment. If inflation is high, the prices of goods and services will tend to increase. This increase will affect the decline in market demand, which results in decreased sales and has an impact on company revenues Suyati [1]

The interest rate has a negative relationship to stock return; if the interest rates on credit experience increase, then the stock return will decline, and this also works in reverse. If the interest rate decreases, the stock return will increase. This is caused because when the interest rate loans go up, owners tend to their capital to the form of deposits that could adversely affect stock prices in the capital market.

When the Rupiah exchange rate depreciates against the US Dollar, it will affect companies that rely on imported materials. This means that the material price will increase and will affect the selling price of the product and have an impact on market demand. When market demand falls, it will affect the company's performance

Research on factors that affect stock returns has been carried out by many upstream researchers, in this case, is macroeconomic, but the results of the study showed mixed results. This means that researchers have not pinpointed to which macroeconomic variable can most dominantly affect stock returns.

Research conducted by Suyati [1], Asri and Suwarta [2], Jamaludin, et al [3], and Amrillah [4] states that inflation has a negative effect on stock returns. This is in contrast to the results of researches that were conducted by Menina [5], Mahilo and Parengkuan [6], Sutrisno [7], Nisha [8], and Andes, et al [9], who found that there is no influence between inflation and stock returns. Meanwhile, research conducted by Ndlovu, et al [10], Kibria et al., [11], Alam and Rashid [12], and Ouma and Muriu [13] stated that inflation has a positive effect on company stock returns in Johannesburg, South Africa.

Suyati [1], Sutrisno [7], Ndlovu, et al [10], and Jamaludin, et al [3] in their research results state that deposit rates have a negative effect on stock returns. The results of this study contradict the results of research conducted by Asri and Suwarta [2], Mahilo and Parengkuan [6], Barakat, et al [14], Ouma and Muriu [13], and Andes, et al [9] who mentioned that sump deposit rates did not have a negative effect on the return stock.

Suyati [1], Amrillah [4], Sutrisno [7], Ndlovu, et al [10], and Andes, et al [9] in their research results state that exchange rates have a negative effect on stock returns. This statement was in contrast to the results of research by Mahilo and Parengkuan [6], Barakat, et al [14], Gay, et al [15], where the results show that there is no negative influence between exchange rates on stock returns. Moreover, Kibria, et al [11] stated in their research that the exchange rate positively affects stock returns in Pakistan.

Based on the gap analysis above, the following research questions are formed:

1. Does macroeconomy influence the stock returns in infrastructure, utilities, and transportation companies in the IDX?
2. Does inflation affect stock returns in infrastructure, utility, and transportation companies on the IDX?
3. Does the interest rate (BI rate) affect the stock returns of infrastructure, utility, and transportation companies on the IDX?
4. Does the exchange rate affect stock returns in infrastructure, utility, and transportation companies in BEI?

The purpose of this study was to determine the simultaneous and partial effect of macroeconomy (inflation, interest rates, and exchange rates) on stock returns.

1.1. The Effect of Inflation on Stock Returns

If a country's inflation is out of control, it will have an impact on reducing people's purchasing power for goods and services. The decrease of purchasing power will influence the performance of the company, which will have an effect also on the decline in stock prices, for which, in turn, the stock returns will go down too.

Suyati [1] and Asri and Suwarta [2] mentions that inflation gives a negative effect on the return of shares, which means that when inflation increases and not controlled, then it will have an impact on the decline in the return of shares resulting from the decrease in the price of the stock. The results of their studies are supported by research conducted by Amrillah [4], Jamaludin, et al [3], Kabeer, et al [16], and Gay, et al [15].

1.2. The Effect of Interest Rates on Stock Returns

Suyati [1] and Sutrisno [7], in their research, explain that interest rates negatively affect the return of the company's shares. The same thing was conveyed by Jamaludin, et al [3]. They stated that interest rates have a negative effect on company stock returns in ASEAN countries, of which was unlike Nisha [8] research result, who indicated that interest rates have a negative impact on stock returns companies in India.

1.3. The Effect of Exchange Rates on Stock Returns

The exchange rate is one of the macroeconomic variables that could impact the volatility of companies' stock prices. The depression of domestic currency will increase the country's export volume. Suyati [1], Amrillah [4], Sutrisno [7], and Andes, et al [9] in their research results state that the Rupiah exchange rate against the US Dollar has a negative effect on companies' stock returns. This research was supported by Ndlovu, et al [10], which stated that the South African currency exchange rate (Rand) had an effect on stock returns. The same thing was conveyed by Kabeer, et al [16], Nisha [17], Ouma and Muriu [13], Abbas, [17], and Alam and Rashid [12].

1.4. Research Model

Based on the previous research above, the research model can be described as follows:

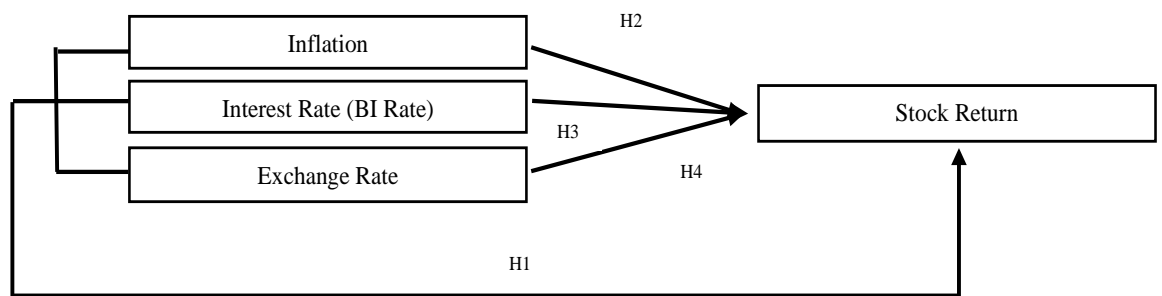


Fig 1. Research Model

Based on the research model above, the following hypotheses are formulated:

- H1: Macroeconomy can affect stock returns
- H2: Inflation has a negative effect on stock returns
- H3: Interest rates have a negative impact on stock returns
- H4: Exchange rates have a negative impact on stock returns

2. Research Method

The research method in this study is the multiple regression analysis. The data sources that were used are secondary data, comprising of monthly data derived from the financial statements of companies in the infrastructure, utilities, and transportation sector in the IDX period of 2014 to 2018, monthly closing price, monthly inflation data, annual interest rate which were interpolated to monthly data, and exchange rate data taken at the end of each month. The type of data used is panel data. The population in this study were companies in the infrastructure, utility, and transportation sectors on the IDX for the 2014-2018 period, for as many as 60 companies. The sampling technique used is *purposive sampling*, namely the selection of research samples based on specific considerations. The considerations are (1) issuers were already listed in the Stock Exchange during the period of research and (2) actively traded during the study period. Through these criterias, the sample size was narrowed to 37 companies. The research variables consist of stock return as the dependent variable and inflation, interest rates, and measurement value as the independent variable. The test tool that was used is Eviews version 6.

3. Results and Discussion

3.1. Descriptive Analysis

Descriptive analysis is a characteristic of the examined variables. It is used to determine the minimum value, maximum value, average value, and standard deviation of the studied variables:

Table 1. Descriptive analysis

	Y	X1	X2	X3
Mean	0.019691	4.717833	6.145833	13333.67
Median	0.000000	3.809167	6.000000	13465.42
Maximum	0.712366	6.419167	7.541667	14337.83
Minimum	-0.157058	3.197500	4.562500	11943.92
Std. Dev.	0.110657	1.395229	1.224153	776.3833
Skewness	4.061088	0.330396	0.023793	-0.716129
Kurtosis	23.42004	1.219247	1.335449	2.642482
Jarque-Bera	3722.721	27.80956	21.37517	16.79786
Probability	0.000000	0.000001	0.000023	0.000225
Sum	3.642866	872.7992	1136.979	2466728.
Sum Sq. Dev.	2.253064	358.1862	275.7335	1.11E+08
Observations	185	185	185	185

Source: Data Processing Results

Based on Table 1 above, it is known that the lowest inflation is 3.198%, and the highest is 6.419%. The average inflation rate is 4.718%, which means that inflation is concentrated at 4.718 ± 1.395 . Meanwhile, the lowest interest rate is 4.563%, and the highest is 7.542%, with the average in

the 2014-2018 period was 6.146% with a standard deviation of 1.224%. This indicates that the interest rate for the period 2014-2018 is centered at $6.146 \pm 1.224\%$.

At the same time, the lowest exchange rate was IDR 11,943.92, and the highest was IDR 14,337.83, with the average was 13,333.67 with a standard deviation of IDR 776.38. This shows that the exchange rate data is centered on the figure of $13,333.67 \pm 776.383$. Then, the lowest stock return in the same period was -0.157 points and the highest was 0.712 points. The average stock return index was 0.020 points with a standard deviation of 0.111 points, which shows that the stock returns data is centered at 0.020 ± 0.111 points.

3.2. Hypothesis Testing

3.2.1. Simultaneous Hypothesis Testing

Simultaneous hypothesis testing is used to determine whether there is an effect of inflation, interest rates, and exchange rates on stock returns. The test criteria stated that if the probability < level of significance (α), then there is a significant effect simultaneously between inflation, interest rates, and exchange rates on stock returns.

Table 2. Result of F Testing (Simultaneously)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.037839	0.015841	-2.388690	0.0179
X2	0.021614	0.016551	1.305924	0.1932
X3	-5.55E-05	1.42E-05	-3.921271	0.0001
C	0.806024	0.217381	3.707883	0.0003
R-squared	0.083537	Mean dependent var		0.019691
Adjusted R-squared	0.068347	S.D. dependent var		0.110657
S.E. of regression	0.106808	Akaike info criterion		-1.614179
Sum squared resid	2.064849	Schwarz criterion		-1.544549
Log likelihood	153.3115	Hannan-Quinn criter.		-1.585959
F-statistic	5.499500	Durbin-Watson stat		1.967156
Prob(F-statistic)	0.001227			

Source: E-Views processing results, 2019

Simultaneous hypothesis testing resulted in the value of $F_{\text{statistic}} = 5.499$ with a probability of 0.001. This result shows that the probability < level of significance ($\alpha = 5\%$). This means a significant effect of inflation, interest rates, and exchange rates on stock returns.

3.2.2. Partial Hypothesis Testing

Partial hypothesis testing is used to determine whether there is an effect of inflation, interest rates, and exchange rates on stock returns. The test criteria stated that if the regression coefficient is positive and probability < level of significance (α), then there are a significant individual effect of inflation on stock returns, a significant individual effect of interest rates on stock returns, and a significant individual effect of the exchange rate on stock returns.

Table 3. Results of T Testing (Partial)

Dependent Variable: Y
Method: Panel Least Squares
Date: 01/09/20 Time: 22:44
Sample: 2014 2018
Periods included: 5
Cross-sections included: 37
Total panel (balanced) observations: 185

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.037839	0.015841	-2.388690	0.0179
X2	0.021614	0.016551	1.305924	0.1932
X3	-5.55E-05	1.42E-05	-3.921271	0.0001
C	0.806024	0.217381	3.707883	0.0003

Source: E-Views processing results, 2020

3.2.2.1. Partial Hypothesis Testing of Inflation on Stock Returns

Partial hypothesis testing of inflation on stock returns produces a $t_{\text{statistic}}$ value of -2,389 with a probability of 0.018. The test results show the probability < level of significance ($\alpha = 5\%$). This indicates that there is a significant negative effect of inflation on stock returns. The results of this study are supported by research conducted by Suyati [1], Asri and Suwarta [2], Amrillah [4], Kabeer, et al [16], Gay, et al [15], and Jamaludin, et al [3], which state that an increase in inflation has a negative effect on stock returns.

3.2.2.2. Partial Hypothesis Testing of Interest Rates on Stock Returns

The partial hypothesis testing of interest rates on stock returns results in a $t_{\text{statistic}}$ value of 1.306 with a probability of 0.193. The test results show the probability > level of significance ($\alpha = 5\%$). This signifies that there is no significant effect of interest rates on stock returns. The results of this study are supported by research conducted by Asri and Suwarta [2], Mahilo and Parengkuan [6], Barakat, et al [14], Ouma and Muriu [13], and Andes, et al [9], which state that interest rates deposit has no negative effect on stock returns.

3.2.2.3. Partial Hypothesis Testing of Exchange Rates on Stock Returns

The partial hypothesis testing of the exchange rate on stock returns results in a $t_{\text{statistic}}$ value of -3.921 with a probability of 0.000. The test results show the probability < level of significance ($\alpha = 5\%$). This indicates that there is a partially significant negative effect of exchange rates on stock returns. This result is supported by research conducted by Suyati [1], Amrillah [4], Sutrisno [7], Ndlovu, et al [10], Andes, et al [9], Kabeer, et al [16], Nisha [17], Ouma and Muriu [13], Abbas, et al [17], and Alam and Rashid [12].

3.2.3 Empirical Model of Regression Panel

The regression equation from the estimation results of regression panel analysis is:

Common Effect Model

→ Stock return = $0.806 - 0.038 \text{ Inflation} + 0.022 \text{ Interest rates} - 5.55 \times 10^{-5} \text{ Exchange rates}$ (1)

This equation shows the following:

- a) A constant value of 0.806 indicates that if inflation, interest rates, and exchange rates are constant (fixed), stock returns will be 0.806 points.
- b) The inflation coefficient of -0.038 indicates that inflation has a negative and insignificant effect on stock returns. This means that an increase in inflation of 1% will reduce the stock return by 0.038 points.
- c) The interest rate coefficient of 0.022 indicates that interest rates have a positive and insignificant effect on stock returns. This means that if there is an increase in interest rates by 1% rupiah, it will increase stock returns by 1.074 points, even though the increase is not significant.
- d) The exchange rate coefficient of -5.55×10^{-5} indicates that the exchange rate has a negative and significant effect on stock returns. This means that an increase in the exchange rate of 1 rupiah will reduce the stock return by 5.55×10^{-5} points.

4. Conclusions and Suggestions

4.1. Conclusion

Based on the results and discussion above, it can be concluded that, simultaneously, there are effects of inflation, interest rates, and exchange rates on stock returns. However, the inflation and exchange rate variables only partially affect stock returns, while another macro variable, namely interest rates, does not affect stock returns.

4.2. Suggestions

Based on the conclusions in the previous sub-chapter, we suggest the following:

1. Advice for investors / potential investors
Macroeconomic conditions in a country are very dynamic. Therefore, investors and potential investors should pay attention to issues related to macroeconomics before making investment decisions.
2. Advice for future researcher

Researchers suggest examining other variables besides inflation, interest rates, and exchange rates in future research. They could be population growth, the circulation of money, and other macro issues.

5. Acknowledgements

Acknowledgements. The researchers are very grateful for the support from LPPM Unjani for the full funding of this research. We also thank Dr. V. Santi Paramita, SE., M.Si, and Dr. Heni Nurani H., SE., M.Si, as Unjani's internal reviewers who have provided many inputs in the completion of this research.

Reference

- [1] S. Suyati, "Pengaruh Inflasi , Tingkat Suku Bunga Dan Nilai Tukar Rupiah / Us Dollar Terhadap Return Saham Properti Yang Terdaftar Di," *J. Ilm. UNTAG Semarang*, vol. 4, no. 3, pp. 70–86, 2015.
- [2] I. G. A. A. Y. Asri and I. K. Suwarta, "Pengaruh Faktor Fundamental Dan Ekonomi Makro Pada Return Saham Perusahaan Consumer Good," *E-Jurnal Akunt. Univ. Udayana*, vol. 8, no. 3, pp. 353–370, 2014.
- [3] N. Jamaludin, S. Ismail, and S. A. Manaf, "Macroeconomic Variables and Stock Market Returns : Panel Analysis from Selected ASEAN Countries," *Int. J. Econ. Financ. Issues*, vol. 7, no. 1, pp. 37–45, 2017.
- [4] M. F. Amrillah, "Pengaruh Nilai Tukar Rupiah (Kurs), Inflasi Dan Pertumbuhan Ekonomi Terhadap Return Saham Pada Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia (Bei) Periode 2008-2014," *J. Valuta*, vol. 2, no. 2, pp. 232–250, 2016.
- [5] D. D. . Menina, "Pengaruh Nilai Tukar Rupiah, Suku Bunga SBI, Volume perdagangan Saham, Inflasi, dan Beta Saham terhadap Harga Saham," Universitas Diponegoro, 2009.
- [6] M. B. Mahilo and T. Parengkuan, "Perusahaan Makanan Dan Minuman Yang Go Public Di Bursa Efek Indonesia," *J. EMBA*, vol. 3, no. 3, pp. 1–10, 2015.
- [7] B. Sutrisno, "Macroeconomic Variables And Sectoral Indices: Case In The Indonesian Stock Exchange," *J. UIN Jakarta Etikonomi*, vol. 16, no. 1, pp. 71–80, 2017.
- [8] N. Nisha, "Impact of Macroeconomic Variables on Stock Returns : Evidence from Bombay Stock Exchange (BSE)," *J. Invest. Manag.*, vol. 4, no. 5, pp. 162–170, 2015.
- [9] S. L. Andes, Z. Puspitaningtyas, and A. Prakoso, "Digital Digital Repository Repository Universitas Universitas Jember Digital Digital Repository Repository Universitas Universitas Jember Jember," *J. Politek. Caltex Riau*, vol. 10, no. 2, 2017.
- [10] B. Ndlovu, F. Faisal, N. G. Resatoglu, and T. Türsoy, "The Impact of Macroeconomic Variables on Stock Returns : A Case of the Johannesburg Stock Exchange," *Rom. Stat. Rev.*, no. 2, pp. 87–104, 2018.
- [11] U. Kibria, Y. Mehmood, M. Kamran, M. U. Arshad, R. Perveen, and M. Sajid, "The Impact of Macroeconomic Variables on Stock Market Returns : A Case of Pakistan," *Res. J. Manag. Sci.*, vol. 3, no. 8, pp. 1–7, 2014.
- [12] Z. Alam and K. Rashid, "Time Series Analysis of the Relationship between Macroeconomic Factors

- and the Stock Market Returns in,” *J. Yasar Univ.*, vol. 9, no. 36, 2014.
- [13] W. N. Ouma and P. Muriu, “The Impact Of Macroeconomic Variables On Stock,” *Int. J. Bus. Commer.*, vol. 3, no. 11, pp. 1–31, 2014.
 - [14] M. R. Barakat, S. H. Elgazzar, and K. M. Hanafy, “Impact of Macroeconomic Variables on Stock Markets : Evidence from Emerging Markets,” *Int. J. Econ. Financ.*, vol. 8, no. 1, pp. 195–207, 2016.
 - [15] R. D. Gay, E. Rates, O. Prices, and S. Prices, “Effect Of Macroeconomic Variables On Stock Market Returns For Four Emerging Economies: Brazil, Russia, India, And China,” *Int. Bus. Econ. Res. J.*, vol. 15, no. 3, pp. 1–8, 2016.
 - [16] M. A. Kabeer, A. Iqbal, R. Najaf, and K. Najaf, “The Influences Of Macro-Economic Factors On Capital,” *Int. J. Res. Granthaalayah*, vol. 4, no. 2, 2016.
 - [17] S. Abbas, S. H. Tahir, and S. Raza, “Impact of Macroeconomic Variables on Stock Returns : Evidence from KSE-100 Impact of Macroeconomic Variables on Stock Returns : Evidence from KSE-100 Index of Pakistan,” *Int. Journal’s Res. J. Econ. Bus. Stud.*, vol. 3, no. 7, pp. 70–77, 2014.

Predicting Financial Distress of Manufacturing Sectors in Indonesia Using Logistic Regression

Ifan Wicaksana Siregar¹, Eka Yulianti²
 {ifan.wicaksana.s@lecture.unjani.ac.id¹, eka.yulianti@lecture.unjani.ac.id²}

Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia¹, Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia²

Abstract. In this era of globalization, the manufacturing sector has developed rapidly in line with the number of customers growing, but the growth has been unmatched by an increase in operating income. Therefore, it is important to analyze the financial distress of manufacturing companies to avoid bankruptcy. This study aims to determine the effect of financial ratios to predict the probability of financial distress. Financial ratio indicators use profitability ratios and leverage ratios. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange 2014-2019. Based on the purposive sampling method, the financial distress criteria in this study were measured using a negative profit balance, while the statistical analysis used logistic regression with a significance level of 5%. The result is the profitability ratio and the leverage ratio have a significant positive value for predicting financial difficulties.

Keywords: Profitability, Leverage, Financial Distress, Binary Logit

1 Introduction

The capital market as an intermediary institution today consists of various companies grouped into certain sectors. One of the sectors in the capital market is the manufacturing sector. The Central Statistics Agency noted the growth of large and medium-sized manufacturing industries was experiencing a slowdown in the second quarter of 2019 compared to the conditions in the last two years. This is because the performance of the metal goods industry, not its machines and equipment, has dropped dramatically. The growth of medium and large manufacturing industries was 3.62 percent. Meanwhile, the second quarter of 2018 was able to reach 4.36% and in 2017 it reached 3.89%. However, this data shows a declining growth trend. One of the causes of the slowdown was a decline in production in a number of manufacturing industries. The metal goods industry, not machinery and equipment, was the type of industry with the most significant decline in the second quarter of July, namely up to 21.46% compared to the second quarter of the previous year.

By observing the condition of this slowdown in growth, there are even some of them that have decreased, and no growth has occurred, so companies that are members of the manufacturing industry group can make decisions and take actions to survive and not experience financial distress due to a crisis that could threaten. Companies, especially those that have encountered financial distress, should be able to conduct a predictive modeling and early treatment before going into

bankruptcy. This analysis can also be considered for related parties, such as investors, regulators, auditors, competing companies and the wider community.

Financial distress is a stage of deteriorating financial conditions prior to bankruptcy [1]. Financial distress is a difficult condition to define. This condition can originate from the company's inability to manage the company, resulting in operating losses or net losses for the current year and/or operating cash flows that are smaller than the operating profit. If this condition cannot be recovered, it will interfere with the equity component and the company's ability to meet its long-term, even short-term obligations. Thus, financial hardship can be seen as a long-term continuum, ranging from mild to most severe [2].

Almost all studies regarding financial difficulties, measures, and financial ratios play a dominant role in almost all the variables used as predictors. This proves the fact that the ratio makes a big contribution to understanding the company's financial performance and future financial status [3]. Research related to the prediction of financial distress and bankruptcy using financial ratios as predictors has been widely conducted. Altman (1968) conducted research using the first multivariate model which produced a Z-Score to predict financial distress. This model was further refined to produce the Modified Altman Model in 1995. The Modified Altman Model involves financial liquidity ratios, financial structure, and management efficiency to predict financial distress.

Various studies on financial distress have been carried out. As stated by Iskandar [4] revealed that many studies have been carried out on the topic of financial distress both in terms of data collection techniques, analysis techniques, and so on with the objective equation that is finding optimal solutions for the estimated performance formed. Some of the models that have been made include the logit model (Rowland [5], Antikasari & Juminah [6]; Vu [7]; Sun [8]; Hassan, Zainuddin, and Nordin [9]; Mraihi [10]; Waqas [11]; Dewi [12]; Kerroucha [13]; Jones [14]). Regarding the object of research, there are also various objects, like regional objects (country, region, etc.), industry classification, time span, economic conditions, and others. Several previous studies that conducted research on financial distress through various models showed different results including that conducted by Iskandar [15] showing the financial ratios in the company's financial statements consisted of Current Ratio (CR), Operating Profit Margin (OPM), Return On Asset (ROA), Return On Equity (ROE) and stock beta value (YLD) can be used to differentiate and classify companies into groups experiencing financial distress and non-financial distress. Based on the differences in the research results that have been started, the researcher will review and analyze financial distress using the binary logit model approach. The binary logit model approach has better prediction accuracy in the long run (over one and a half years) [16].

2 Literature Review

Financial problems will most likely occur if the company experiences profitability and leverage problems. If these conditions are not paid attention to and are immediately unresolved, it can result in bankruptcy. Financial distress is a condition that needs immediate attention from the company so that the company can continue surviving the company. "Financial distress is defined as a condition when a firm incurs more debt than its firm size, profitability, and asset composition can sustain. With declining ability to generate revenue coupled with inadequate cash flow from operations, a

financially distressed firm will be trapped into severe liquidity problems, consequently affecting its solvency” [17]. This definition indicates that when financial distress occurs. It means that the company has a lot of debt compared to the value of the company, as well as a low level of profitability and even loss. This needs being a concern for the company so that the company must be able to predict the occurrence of financial distress to take preventive action.

Companies that experience financial distress can be seen or determined by various factors, namely: (1) for 2 years experiencing negative net operating income and for more than one year it has not paid dividends [18]. Employment dismissal or eliminating dividend payments [19]. (3) The company has a performance that shows negative operating profit, negative net income, negative equity book value, and the company is doing the merger. (4) Measuring financial distress by means of a smaller cash flow than current long-term debt [20]. (5) Economic Value Added (EVA) negative [5]. This study is different from previous studies by using negative retained earnings as a determining factor for financial distress.

The financial distress model needs to be developed, because knowing the company's financial distress from an early age is expected to take actions that anticipate the direction of bankruptcy. Brahmana [21] stated that there are two motives for conducting research on the financial distress of a company. The first is to examine the relationship and influence between financial factor variables and the measurement of failure or bankruptcy. The second is to develop a model in forecasting or predicting bankruptcy. In this research, it is conducted related to the first motive. The ratio used in this study is the ratio of profitability and leverage.

According to Putra [22], the profitability ratio is a ratio that measures the effectiveness of company management and executives as evidenced by the ability to create profit value. The effectiveness of the use of company assets will reduce costs incurred by the company. The company will get savings and will have sufficient funds to run its business. With sufficient funds, the company will likely experience financial distress will be smaller.

The higher the company's ability to generate profits, the less likely the company will experience financial distress. In this study, the profitability ratio is measured by ROA, indicating the ability of the capital invested in all assets to generate net profits. Profitability ratios have a negative and significant effect in predicting financial distress [23]. Research conducted by Al-Khatib [24] reveals that profitability does not affect financial distress. The Return of Asset (ROA) ratio can predict the likelihood of financial distress with a positive effect [15]. This ratio is used to measure the effectiveness of the company in managing its assets. Too many assets will cause a large capital cost, so it will reduce profits. Conversely, too small assets will cause the loss of profitable sales.

Leverage Ratio and Financial Distress According to Kasmir [25], the leverage ratio is a ratio used to measure the extent to which the company's assets are financed by debt. This ratio can be calculated based on information from the balance sheet, namely in the accounts of assets and items of debt. According to Iskandar [15], companies that have a higher level of debt will experience financial distress and bankruptcy more easily than companies that have less debt. In this study, the leverage ratio is measured by debt to total asset. This ratio shows some of the assets used to guarantee debt. In a study conducted by Hapsari [26], the leverage ratio affects financial distress.

3 Research Method

This study uses a quantitative research approach using statistical tests. The population observed in this study are manufacturing companies listed on the Indonesia Stock Exchange from 2014-2019. The sample selection is done by using purposive sampling technique. The dependent variable used in this study is the company's financial distress, which is a categorical variable, zero for companies experiencing financial distress and one for healthy companies. The category of experiencing financial distress is seen from the company's negative retained earnings where Hess [27] said that retained earnings were still the best predictor of bankruptcy. The independent variables used in this study are leverage and profitability.

Based on the sample selection criteria, the companies that met the criteria and were sampled in this study were 137 companies. This study uses secondary data about the company's financial statements sourced from Indonesia Stock Exchange (IDX) from 2014 to 2019.

4 Result and Discussion

4.1 Goodness of Fit Test and Overall Model Fit

The Chi Square value is 277.766 with a sig value of 0.000. From these results, it can be seen that the Sig value is smaller, namely $0.000 < 0.05$, meaning there is a significant difference between the predicted classification and the observed classification. This means the logistic regression model is suitable for further analysis.

The -2Log probability statistic is used to determine whether the independent variables added to the model can significantly improve the model. At Block Number = 0 (Beginning Block), namely the first model only with constants without any independent variables, the value of -2 Log likelihood is 874,165. The initial -2 log likelihood value (block number 0 result) is 874,165 and the -2 log likelihood value for block number 1 is 596,398. With the decrease in the -2 log likelihood value, this indicates the model used is a good regression model and is feasible to use.

4.2 Test of The Coefficient of Determination and Qualification Matrix

The coefficient of determination in the logistic regression can be seen in the Nagelkerke R Square value. The Nagelkerke R Square value is 0.438, indicating that the ability of the independent variable to explain the dependent variable is 0.438 or 43.8 percent. Or in other words that 43.8 percent of the dependent variable (financial distress and non-distress) can be predicted by the independent variable in the form of financial ratios: ROA and DTC. While the remaining 56.2 percent can be predicted and explained by other independent variables that are unincluded in the model.

The qualification matrix will show the predictive power of the regression model to predict the likelihood of a company experiencing financial distress. The results of the overall classification, the percentage of truth for companies experiencing FD (financial distress) and NFD (non financial distress) has the same prediction figure, namely 85.2%, that is, 80 observations are predicted correctly and only 18 observations are predicted to be the opposite.

4.3 Logistic Regression Analysis Test Results

To test the hypothesis, a logistic regression test was used which was carried out on all variables, namely profitability and leverage in predicting financial distress. Based on Table 1 the test results are as follows:

$$Y = -1,764666 + -23,606452 \text{ ROA} + 1,673446 \text{ DTC}$$

Table 1. Hypothesis Testing

	B	Wald	df	Sig.
ROA	-23.606	95.669	1	0.000
DTC	1.673	15.408	1	0.000
Constant	-1.764	50.278	1	0.000

The results of hypothesis 1 testing of the profitability ratio as measured by return on assets (ROA) show a regression coefficient of -23.606 and a significance value of 0.000. The significance value of $0.000 < 0.05$ means that the profitability ratio has a significant negative effect in predicting financial distress. These results support the hypothesis which states that the profitability ratio has a negative effect.

The results of hypothesis testing 2 of the leverage ratio as measured by debt to total assets (DTA) show a regression coefficient of 1,673 and a significance value of 0,000. This result means that the leverage ratio has a significant effect in predicting financial distress.

4.4 Discussion

Through logistic regression, it is known that profitability has a significant influence in predicting financial distress. The results of these tests indicate that profitability has a significant and positive influence in predicting financial distress. ROA results can predict the possibility of financial distress with a positive effect. Too many assets will cause a large capital cost, so it will reduce profits. Conversely, too small assets will cause the loss of profitable sales. The greater the ratio obtained, the better because the company is quicker to convert its inventory into cash so that the possibility of financial difficulties will be smaller. This result is not in line with the hypothesis which suspects that the profitability ratio has a negative effect and is not in line with the research of Iskandar [15] who found that the ROA ratio has a negative effect on the probability of financial distress.

Through logistic regression, it is known that the leverage ratio has a significant influence in predicting financial distress. The results of these tests indicate that profitability has a significant and positive influence in predicting financial distress with a significance value of $0.015 < 0.05$. Companies that experience financial distress generally have a high DTA ratio and show a total and almost as large debt as their total assets and some companies even have total debt. Companies that have a greater amount of debt than their total assets generally have negative equity. So it does not rule out companies that have a high enough amount of debt will violate the debt agreement with creditors because the number of assets owned is not able to guarantee the debt owned by the company and companies that have high debt will also be charged with high interest costs while the amount of debt is higher. than the total assets of the company cause the book value of the company's

equity to be negative. The results of this study are also consistent with the research of Spica [18] and Pasaribu [5], and Hapsari [26] which states that the leverage ratio can be used to predict financial distress conditions.

5 Conclusions and Suggestions

It can be concluded that the profitability ratio as measured by Return on Assets (ROA) has a negative and significant influence in predicting financial distress and the leverage ratio measured by Debt to Total Asset (DTA) has a positive and significant effect in predicting financial distress. Suggestions for management to be used as a basis for taking corrective action in which there are indications that the company is experiencing financial distress. For investors, it can be used as a basis for having a strategic plan to invest in the stock market. By paying attention to the profitability and leverage ratios proven empirically in this study, these financial ratios are able to influence financial distress. For further research, it is better to use certain measures to project the financial distress of a corporation or to use more than one proxy to assess financial distress, such as the use of interest coverage ratios, negative book value of equity and cash flow, or to use macro-economic factors which can be used to predict corporate financial distress.

References

- [1] H. D. Piatt and M. B. Piatt, "Predicting corporate financial distress: Reflections on choice-based sample bias," *J. Econ. Financ.*, vol. 26, no. 2, pp. 184–199, 2002, doi: 10.1007/bf02755985.
- [2] I. Hanafi, "Prediksi Financial Distress Perusahaan Manufaktur yang Terdapat di Bursa Efek Indonesia," *Univ. Diponegoro*, vol. 4, no. 1, pp. 26–51, 2018.
- [3] B. C. F. Yap, S. Munuswamy, and Z. Mohamed, "Evaluating Company Failure in Malaysia Using Financial Ratios and Logistic Regression," *Asian J. Financ. Account.*, vol. 4, no. 1, May 2012, doi: 10.5296/ajfa.v4i1.1752.
- [4] A. Iskandar, "Model Prediksi Financial Distress Dengan Binary Logit (Studi Kasus Emiten Jakarta Islamic Index) (Application of Binary Logit Regression on Financial Distress Prediction of Jakarta Islamic Index)," *SSRN Electron. J.*, Mar. 2018, doi: 10.2139/ssrn.2834658.
- [5] R. Bismark Pasaribu, "Financial Distress Prediction in Indonesia Stock Exchange - Case Study of Trade Industry Public Company," *J. Econ.*, 2008.
- [6] T. W. Antikasari and D. Djuminah, "Memprediksi Financial Distress Dengan Binary Logit Regression Perusahaan Telekomunikasi," *J. Keuang. dan Perbank.*, vol. 21, no. 2, pp. 265–275, 2017, doi: 10.26905/jkdp.v21i2.654.
- [7] L. T. Vu, L. T. Vu, N. T. Nguyen, P. T. Thuy Do, and D. P. Dao, "Feature selection methods and sampling techniques to financial distress prediction for Vietnamese listed companies," *Invest. Manag. Financ. Innov.*, vol. 16, no. 1, pp. 276–290, 2019, doi: 10.21511/imfi.16(1).2019.22.
- [8] J. Sun, M. Zhou, W. Ai, and H. Li, "Dynamic prediction of relative financial distress based on imbalanced data stream: from the view of one industry," *Risk Manag.*, vol. 21, no. 4, pp. 215–242, 2019, doi: 10.1057/s41283-018-0047-y.
- [9] E. Ul Hassan, Z. Zainuddin, and S. Nordin, "A Review of Financial Distress Prediction Models: Logistic Regression and Multivariate Discriminant Analysis," *J. Account. Financ.*, vol. 1, no. 3, pp.

- 13–23, 2017.
- [10] F. Mraihi, “Distressed Company Prediction using Logistic Regression: Tunisian’s Case,” vol. 15, no. 3, 2015.
 - [11] H. Waqas and R. Md-Rus, “Predicting financial distress: Importance of accounting and firm-specific market variables for Pakistan’s listed firms,” *Cogent Econ. Financ.*, vol. 6, no. 1, pp. 1–16, Jan. 2018, doi: 10.1080/23322039.2018.1545739.
 - [12] A. Dewi, M. Hadri, A. Dewi, and M. Hadri, “Financial distress prediction in Indonesia companies: finding an alternative model,” *Russ. J. Agric. Socio-Economic Sci.*, vol. 61, no. 1, pp. 29–38, 2017.
 - [13] F. Z. Kerroucha and H. Naimi, “Analysis of the Power of Predicting Financial Distress of Jordanian Industrial Firms Listed in Amman Stock Exchange Using logistic regression for the period (1995-,” vol. 6, pp. 12–18, 2016.
 - [14] S. Jones and D. A. Hensher, “Predicting Firm Financial Distress: A Mixed Logit Model,” *The Accounting Review*, vol. 79. American Accounting Association, pp. 1011–1038, 2004, doi: 10.2307/4093084.
 - [15] A. Iskandar, “Model Prediksi Financial Distress Dengan Binary Logit (Studi Model Prediksi Financial Distress Dengan Binary Logit (Studi,” *J. BPPK*, vol. Volume 8 N, no. December, 2015.
 - [16] M. Y. Chen, “Predicting corporate financial distress based on integration of decision tree classification and logistic regression,” *Expert Syst. Appl.*, vol. 38, no. 9, pp. 11261–11272, 2011, doi: 10.1016/j.eswa.2011.02.173.
 - [17] M. Schmuck, *Financial distress and corporate turnaround : an empirical analysis of the automotive supplier industry*. Springer Gabler, 2013.
 - [18] L. Spica and A. & Kristijadi, “Analisis Rasio Keuangan Untuk Memprediksi Kondisi Financial Distress Perusahaan Manufaktur yang Terdaftar di Bursa Efek Jakarta,” 2003.
 - [19] N. T. Hill, S. E. Perry, and S. Andes, “Evaluating Firms In Financial Distress: An Event History Analysis,” *J. Appl. Bus. Res.*, 2011, doi: 10.19030/jabr.v12i3.5804.
 - [20] R. B. Whitaker, “The early stages of financial distress,” *J. Econ. Financ.*, 1999, doi: 10.1007/bf02745946.
 - [21] R. K. Brahmana, “Identifying Financial Distress Condition in Indonesia Manufacture Industry,” *J. Bus.*, pp. 1–19, 2007.
 - [22] H. S. R. Putra, *Manajemen Keuangan dan Akuntansi Untuk Eksekutif Perusahaan*. Jakarta: Salemba Empat, 2009.
 - [23] J. R. Lawrence, S. Pongsat, and H. Lawrence, “The use of ohlson’s o-score for bankruptcy prediction in Thailand,” *J. Appl. Bus. Res.*, vol. 31, no. 6, pp. 2069–2078, 2015, doi: 10.19030/jabr.v31i6.9468.
 - [24] H. B. Al-Khatib and A. Al-Horani, “PREDICTING FINANCIAL DISTRESS OF PUBLIC COMPANIES LISTED IN AMMAN STOCK EXCHANGE,” *Eur. Sci. J. July Ed.*, vol. 8, no. 15, Jul. 2012.
 - [25] Kasmir, *Analisis Laporan Keuangan*, Cetakan 11. Rajagrafindo Persada, 2018.
 - [26] E. I. Hapsari, “Kekuatan Rasio Keuangan Dalam Memprediksi Kondisi Financial Distress Perusahaan Manufaktur Di BEI,” *J. Din. Manaj.*, vol. 3, no. 2, pp. 101–109, 2012.
 - [27] D. Hess and M. Huettemann, “Predicting Bankruptcy via Cross-Sectional Earnings Forecasts,” *SSRN Electron. J.*, Mar. 2018, doi: 10.2139/ssrn.3136978.

Analysis of Indonesian Capital Market Reaction to the Covid-19

Eka Yulianti¹, Ifan Wicaksana Siregar¹
 {eka.yulianti@lecture.unjani.ac.id¹, ifan.wicaksana.s@lecture.unjani.ac.id²}

Faculty of Economics and Business, Jenderal Achmad Yani University, Indonesia¹, Faculty of
 Economics and Business, Jenderal Achmad Yani University, Indonesia²

Abstract. This study analyzes the reaction of the Indonesian capital market to the Covid-19 incident by using the Liquid-45 market index (LQ-45). The method used to analyze abnormal returns is the event study method. The research period used is 111 stock exchange days consisting of an estimation period and a window period. The results showed that during the Covid-19 pandemic, the Indonesian capital market was said to be efficient in a half-strong form both in information and decisions. Information efficiency means that the market responds quickly and efficiently in a decision meaning that the market responds appropriately. The negative and significant Average Abnormal Return also reflects the Covid-19 Pandemic has had a negative impact on the Indonesian capital market.

Keywords: COVID-19, Event study, Stock Market, Abnormal Return

1 Introduction

The capital market is an intermediary that connects parties who are deficient and excess funds. The existence of a capital market can be a solution for companies that lack funds to develop their business by issuing the security. Meanwhile, capital market investors can act as an investment vehicle to channel their funds in the hope of obtaining a return on the investment. However, investing in the capital market does not always mean it is profitable, because various uncertainties can cause losses on the investment. This uncertainty is referred to as investment risk, which is the gap between the expected return and the actual return. This indicates that return and risk are two important aspects that need to be considered in investing in the capital market.

Stock price fluctuations that occur in the capital market are very likely to be influenced by various information regarding certain events. Events that can affect the capital market contain information for investors and may influence investors to buy, sell, and hold shares they own. So that it can affect stock price movements which in turn also affect the return fluctuation. When an investor invests in the capital market, the compensation is returned, but given that returns tend to fluctuate, investors also need to consider the consequences of this investment, namely in terms of taking risks.

Relevant Information to the capital market can be one of the considerations for investors in managing their investments. Along with the development of science and technology, information can easily be spread through various media and absorbed by various parties including investors in the capital market [1]. One of the information that can affect the fluctuation of return is the events that occur in the world, both economic and non-economic,

although basically the non-economic environment is not directly related to the dynamics of the capital market. Returns in the capital market which tend to fluctuate can be caused by information and should be taken into consideration in investors' decisions to buy or sell shares. The relationship between market reactions to an event is related to the theory of market efficiency. An efficient market is a market where the prices of all securities reflect all available information [2]. In addition, the efficiency of the capital market can also describe a condition in which the prices of securities adjust quickly to new information, and the price reflects all information [3]. Relevant Information to the capital market can serve as an illustration for investors regarding the possible returns and risks that may be borne. If the prices of securities reflect all available information, the market is said to be efficient. In addition, the efficient market is also a market in which the prices of securities adjust quickly to new relevant information.

The Covid-19 disaster is one of the phenomenal events that have occurred in 2020 today. Not only hit Indonesia, the Covid 19 disaster also occurred in various countries around the world. Covid-19 was detected for the first time in early December 2019 and appeared in an animal and seafood market in Wuhan City, China. Covid-19 is a threat to people around the world because of its rapid spread and has caused many fatalities in just two weeks. This pandemic has had a huge impact on economic activity, although the exact extent of the impact is yet unknown. By the end of March 2020, more than 100 countries around the world have implemented lockdown policies [4] Dunford et al. This event is classified as an unexpected event that can become a systematic risk in the context of investment risk. Systematic risk itself is an event that occurs in the market which is not a specific risk that only affects certain companies. Apart from that, this event is also thought to affect capital market activities. This is because these events contain information which can provide negative signals (bad news) for the capital market [5].

On March 2, 2020, for the first time, the government announced two cases of positive Covid-19 patients who infected Indonesian citizens (WNI). The two Indonesian citizens had contact with Japanese citizens who came to Indonesia. In the following days, Covid-19 patients continued to increase until March 9, 2020, for the first time there was a high spike compared to the previous day. On March 8, 2020, there were 8 positive people for Covid-19, and on March 9, 2020, there were 19 people who tested positive [6]. This high case spike for the first time had a negative impact on the capital market where on March 9, 2020, the Jakarta Composite Index (JCI) closed down 6.5% to 5,136 levels [7]. This incident is a rare occurrence where the JCI can drop so deeply unless it is in serious circumstances like an economic crisis. This situation prompted the capital market regulators and supervisors to take action. On March 10, 2020, the Indonesia Stock Exchange (IDX) announced the implementation of the trading stop or trading halt policy. The policy was taken by IDX by following up on the Order of the Head of the Capital Market Supervision Department 2A of the Financial Services Authority dated March 10, 2020, regarding orders to trade halt trading on the IDX. Under conditions of capital market pressures [8]. The JCI movement before and after the announcement of positive patients for Covid-19 on March 9, 2020, can be seen on the following page:

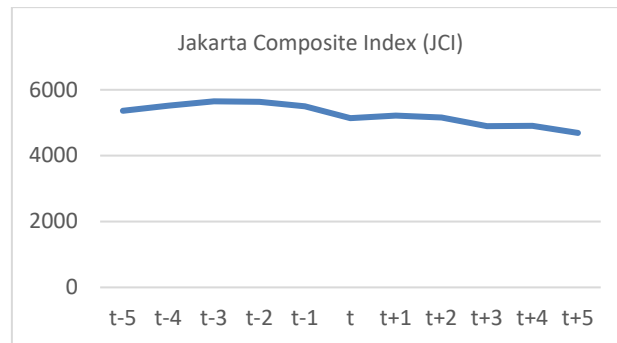


Fig. 1. Development of JCI During The Event Period

Based on the graph above, the JCI decline around the date of the event can be an indicator that the announcement of Covid-19 on March 9, 2020, is considered negative news by investors. Then on March 10, 2020, the IDX carried out halt trading and several other policies so that this was thought to have caused the JCI to increase again. However, because positive cases of Covid-19 continued to increase, the JCI movement trend declined again. This is relevant to the movement of one other index in the capital market, namely the LQ-45 index. This index is a stock market index on the IDX which consists of 45 stocks that have high levels of liquidity and market capitalization. So that the shares of the companies listed on this index are the best stocks that have been selected through certain criteria. In addition, the LQ45 index is a stock that is in great demand by investors in the capital market, so it consists of actively traded stocks. In addition, most of the companies that are members of the LQ45 index have supported the JCI movement. The movement of the LQ 45 index before and after the announcement of Covid-19 patients on March 9, 2020, is as follows:

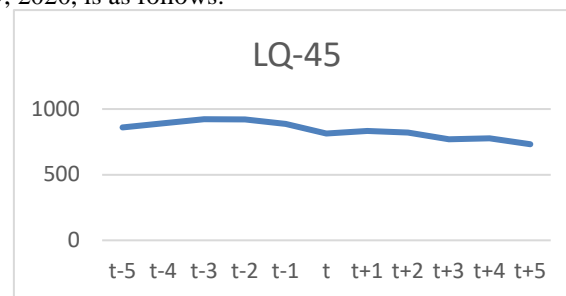


Fig. 2. Development of LQ-45 During The Event Period

Based on the chart above, it can be seen that the movement of the LQ-45 index is relevant to the movement of the JCI. The decline in the value of LQ-45 around the event period was thought to have been caused by the Covid-19 disaster that occurred. Likewise, the JCI the day after the event date, the trend was again increasing. This has become a phenomenon because as stated by Nurmasari [5], the covid-19 news provides a negative signal (bad news) for the capital market. Even so, the increase is thought to be due to policies implemented by the IDX in dealing with the depressed capital market conditions. To ascertain whether this reaction is an effect of Covid-19 and whether the reaction is significant or not, it is necessary to have a more in-depth

analysis of these events related to testing the efficiency of the capital market. The presence or absence of this reaction can be analyzed using a market efficiency analysis method, namely an event study. An event study is a technique in empirical research in finance that can help researchers to determine the impact or influence of a particular event on stock prices [9]. Measurement of the reaction to an event using an event study can be done by analyzing the abnormal return. If an abnormal return is used, an announcement containing information will give an abnormal return to the market and if it does not contain information, it will not give an abnormal return to the market.

Previous research related to event studies has begun to be carried out in many countries. Research conducted in countries other than Indonesia was conducted by Sansa [10], Alam et al [11], He et al [12], Ashraf [13], Liu et al [14], Khanthavit [15], and Heyden & Heyden [16]. Meanwhile in Indonesia, the analysis of the capital market reaction to the Covid-19 pandemic and using an event study was conducted by Nurmasari [5]. Nurmasari's research is limited to specific company case studies. Based on the phenomena that have been described and given the limited research on market reactions to the Covid-19 pandemic in Indonesia, the authors would like to try to analyze the reaction of the Indonesian capital market using the LQ-45 market index to this pandemic.

2. Literature Review

2.1 Efficient Market Hypothesis

The efficient market hypothesis emerged in the 1990s when there was an assumption that the stock market, especially the United States and the United Kingdom, was inefficient. This theory implies that no investor can get above-average profit (abnormal return) [17]. Furthermore, Jones [18] said that market efficiency shows a condition where the price of securities quickly and fully reflects all relevant information available. An efficient market can be categorized as a market whose share price combines and reflects all available information both past and present [19]. Based on these definitions it can be said that market efficiency is related to how securities prices respond quickly and correctly to available information that can be easily accessed and the information is relevant.

Fama [20] classifies three main forms of market efficiency based on the type of information used. The first is the weak form of market efficiency which assumes the market is said to be efficient if the prices of securities do not fully reflect past information. This past information is information that has happened. The weak form of market efficiency is related to the random walk theory which assumes that past data are not related to present values. If the market is efficient in a weak form, then past values cannot be used to predict current prices. This means that in this form of market efficiency, investors cannot use past information to gain an abnormal profit. Second, the semi-strong form of market efficiency, which assumes the market is said to be efficient in the half-strong form if securities prices fully reflect all published information (all publicly available information). The purpose of published information is information that is publicly available so that it is easily accessible by capital market players. Third, a strong form of market efficiency assumes that the market is efficient when securities prices fully reflect all available information including private information. If the market is efficient in this form, then no individual or individual investor can get an abnormal return because they have private information. Furthermore, in 1991, Fama perfected the three forms of market efficiency, including the weak form efficiency into a form to test the predictability of

returns. The efficiency of the semi-strong form is transformed into an event study and testing of market efficiency in the strong form is known as private information testing.

2.2 Event Study

Event study or event study is a method that can be used to measure the impact of an event on securities prices. In addition, Jogiyanto [21] suggests an event study can be said to be a way of research to measure the effect of a specific event using financial data on the value of a company. This event study can also be used to test the content of information, Mackinlay [22]. This information content can be in the form of good information and bad information. Fama [20] revealed the market is said to be efficient in the form of a half strong if the stock price quickly fully reflects the newly available and relevant information. This means there are two main elements that are the main characteristics of an efficient capital market, namely the availability of relevant information and prices adjusting quickly to new information.

The reaction to the information in the event study method is measured by the abnormal return which is the difference between the actual return and the expected return. The steps that can be taken in conducting an event study, in general, are as follows, Tandelilin [2]:

1. Determine events or events of interest
2. Determining the event window (window period), in this study the estimation period is also determined. The estimation period (T-n-e to T-n) is the period used to forecast the expected return in the event period. The estimation period is required if the calculation of abnormal returns uses statistical models and economic models. Meanwhile, if the calculation of abnormal returns uses a model adjusted to the market, there is no need for an estimation period.
3. Select a sample of companies to be analyzed
4. Elimination of annoying events that can reduce the accuracy of the analysis
5. Determine the abnormal return

This abnormal return is the difference between the actual return and the expected return (normal return). The formula that can be used to calculate abnormal returns is as follows:

$$AR_{it} = R_{it} - E(R_{it} | X_t)$$

Furthermore, in this study the expected return is calculated using the Mean Adjusted Model with the following formula:

$$E(R_{it}) = \frac{\sum_{t=-n}^{t=-n-e} R_{it}}{T}$$

1. Determining Average Abnormal Return (AAR) and Cumulative Average Abnormal Return (CAAR)
2. Testing the significance of abnormal return to see whether there is a significant reaction around the event. If there is a significant abnormal return, it means that there is a reaction from the analyzed events on stocks and vice versa.

Previous research on individual studies that measure the reaction of the capital market to a disaster has been widely carried out. Some research related to the Covid-19 disaster was conducted by Sansa [10]. Sansa [10] conducted research related to the effects of the Covid-19 pandemic on capital markets in China and the USA. The index used as a sample from China is the Shanghai Stock Exchange (SSE) and the New York Dow Jones (NYDJ) as samples from the USA. This study uses a simple regression technique where the Covid-19 case is the

independent variable while SSE and NYDJ are the dependent variables. The results of their research show that the Covid-19 Pandemic had a significant impact on the capital markets of China and the USA in the period March 1, 2020, to March 25, 2020. Furthermore, Alam et al [11] conducted research on the reaction of the Indian capital market to the announcement of the lockdown policy caused by the Covid-19 pandemic. The research technique used is an event study that analyzes 31 companies that are members of the Bombay Stock Exchange (BSE) index. The results showed investors reacted positively to the implementation of the lockdown policy as evidenced by the significant positive abnormal returns around the lockdown announcement. In line with Sansa [10], He et al [12] conducted research on the reaction of the capital market in various industrial sectors in China to the Covid 19 pandemic. The results of their research show that the transportation, mining, electricity & heating, and environmental sectors have been affected by the pandemic. Meanwhile, the manufacturing, information technology, education, and health care industries can survive the pandemic. Furthermore, Ashraf [13] conducted a more extensive study, namely analyzing the reaction of the capital market to the COVID-19 pandemic by using daily positive cases and deaths due to confirmed Covid-19 data and stock return data from 64 countries around the world. The period used is from January 22, 2020, to April 17, 2020. The results show the stock market has responded negatively to the growth in confirmed cases of COVID-19. That is, stock market returns decrease as the number of confirmed cases increases. In addition, the results also show that the stock market reacts more proactively to growth in the number of confirmed cases compared to growth in the number of deaths. The results of this study, if generalized, show that the stock market is rapidly responding to the COVID-19 pandemic and this response varies over time depending on the extent of the pandemic's spread. Then, Liu et al [14] conducted a study on the short-term impact of the coronavirus outbreak on 21 leading stocks that are included in market indexes in the main affected countries including Japan, Korea, Singapore, the US, Germany, Italy, and the UK, etc. This research using the event study method shows that the main countries and regions affected by the Covid-19 stock market experienced a rapid decline after the pandemic hit. Abnormal returns in negative countries are greater than in other countries. This means that the capital market reacted negatively to the Covid-19 pandemic. Khantavhit [15] also conducted an event study analysis to test the stock market's reaction to COVID-19. The research was carried out on the capital markets of France, Germany, Italy, Spain, UK, USA, China, the Philippines, and Thailand. This study shows there is a significant negative reaction to the disease. Furthermore, Heyden & Heyden [16] research analyzes the short-term market reaction of US and European stocks during the COVID-19 pandemic. The research was conducted using an event study. The results showed that the market reacted negatively to the Covid-19 pandemic case that occurred. In addition, the research results also show that several policies implemented by the government during the pandemic have a negative effect on returns.

In Indonesia, research on the reaction of the capital market to the Covid-19 pandemic was conducted by Nurmasari [5]. This study uses the event study method but only analyzes one company, namely PT. Ramayana Lestari Sentosa, Tbk). The event date used was the announcement of Covid-19 patients on March 2, 2020. The results showed there was a significant difference in stock prices before and after the announcement of the first Covid-19 case in Indonesia. Where the stock price has decreased compared to before the Covid-19 case. Meanwhile, the volume of stock transactions also shows a significant difference.

3. Research Methods

This research uses a quantitative research approach with a descriptive analysis method. The descriptive analysis method is used because this study aims to determine whether or not the Indonesian capital market has reacted to the Covid-19 incident. In addition, the method used to analyze abnormal returns is the event study method. The research period used was 111 stock exchange days consisting of an estimation period and a window period. The estimation period used in this study is 100 days, namely t-6 to t-105 before the event date. Furthermore, the window period is determined as 11 days, namely 5 days before the event, 1 day of the event date, and 5 days after the announcement of Covid 19 on March 9, 2020.

The population in this study is all stocks included in the LQ-45 index on the Indonesia Stock Exchange. Furthermore, the sampling technique is a saturated sample because the entire population is used as the sample. The author uses documents, namely the closing price data for the stock index i on day t , and the JCI. This method is also supported by data collection from internet media to achieve the research objectives.

4. Results And Discussion

4.1. Discussion (One-Sample T-Test Results Against the Calculation of Average Abnormal Return (AAR))

The purpose of this study was to determine the reaction of the capital market to the Covid-19 announcement on March 9, 2020. This reaction can be measured by conducting the One-Sample T-test on the variables studied on the observation days. In this study, the One-Sample T-test was carried out on the Average Abnormal Return (AAR) variable which was first tested for data normality as follows:

Table 1. Normality Test Results

NO	VARIABLE	P: value	TESTING	
			Level of Significance	eXPLANATION
1	AAR before	0.053	0.05	Normal
2	AAR after	0.150	0.05	Normal

Source: Data Processing Results, 2020

Based on the SPSS output in the table above, the results of the Kolmogorov Smirnov test on the AAR variable both before and after the event were normally distributed. This can be seen from the P: value before AAR is 0.053 and P: after value is 0.153 which is greater than 0.05. The results of the One-Sample T-Test can be seen on the following page:

Table 2. The Results of the One-Sample T-Test AAR

WINDOW PERIOD	AVERAGE ABNORMAL RETURN (AAR)	TESTING		
		p- Value	0,05	Explanation
t-5	0,7739	0,000	0,05	Significant
t-4	0,7946	0,000	0,05	Significant
t-3	-0,2170	0,035	0,05	Significant
t-2	-0,8241	0,001	0,05	Significant
t-1	-0,1777	0,000	0,05	Significant
t0	-0,3740	0,001	0,05	Significant
t+1	-0,5829	0,001	0,05	Significant
t+2	-0,1205	0,000	0,05	Significant
t+3	-0,0259	0,797	0,05	Not Significant
t+4	-0,0239	0,000	0,05	Significant
t+5	-0,1400	0,000	0,05	Significant

Source: Data processing results, 2020

Based on Table 2, the announcement of Covid-19 patients that occurred on March 9, 2020, there were 2 positive AARs, 9 negative AARs, and most of them were significant. As said by Sansa [10], Alam et al [11], He et al [12], Ashraf [13], Liu et al [14], Khanthavit [15], and Heyden & Heyden [16] that pandemic events Covid-19 is negative news which causes the market index to fall and results in the negative abnormal return value. The existence of AAR is positive at t-5 and t-4 and it is significant the market has not responded to the Covid-19 pandemic because before t-0 Covid-19 patients in Indonesia were still confirmed to be under five cases except for t-1 which had six cases.

Furthermore, at t-3 to t + 5 cases, positive patients with Covid-19 increased so that it caused AAR to be negative and almost entirely significant except at t + 3. This means the stock market reacted negatively to this pandemic event. In addition, the event date and the period approaching the event date such as t-1, t-2, t + 1, t + 2, and t + 3 are all negative and significant. This reflects the market is information efficient because it responds quickly and is also efficient in terms of decisions because this negative news is also responded negatively by the market. This decision-based market efficiency statement is also supported by the theory put forward by Tandelilin [2] which states that market efficiency by a decision can be seen from the negative or positive sign of the abnormal return value.

Furthermore, the insignificant AAR value is probably due to the implementation of capital market policies by the financial services authority to overcome stressed capital market conditions such as trading halt. So that this policy can at least reduce the impact of the pandemic on the capital market. The results of this study are relevant to the research of Nurmasari [5], Sansa [10], Alam et al [11], He et al [12], Ashraf [13], Liu et al [14], Khanthavit [15], and Heyden & Heyden [16] who showed the results that the Covid-19 pandemic had a negative impact on the capital market, both on the Indonesian capital market, and in various other countries in the world.

5. Conclusions and Suggestions

Based on the results and discussion previously described, it can be concluded that during the Covid-19 pandemic the market was said to be efficient in a half-strong form both in information and decisions. Information efficiency means that the market responds quickly and efficiently in a decision meaning that the market responds appropriately because negative news is responded negatively by the market. A negative and significant AAR also reflects that the Covid-19 Pandemic has had a negative impact on the Indonesian capital market.

Based on the conclusions in the previous sub-chapter, the suggestions that can be given are as follows: investors should reconsider their investment strategies in a pandemic situation such as the Covid-19 pandemic. Periodic portfolio reviews are required in line with the initial investment objectives. The decline in the stock market provides many opportunities for investors to start building portfolios. Buying, if done properly with sufficient knowledge, will have the opportunity to provide benefits. Although there are still concerns, historically there are several sectors that tend to be defensive, such as the consumer and health sectors.

Currently, there are many other options for investing in addition to capital market instruments such as stocks, bonds, and mutual funds. Investment diversification can be through alternative investments widely offered by fintech platforms such as Equity Crowdfunding (ECF), Project Financing, and Peer-to-Peer (P2P). investors need to allocate more emergency funds to stay awake at a certain time. Emergency funds can be held directly by cash or allocated in savings, time deposits, or money market mutual funds.

For further research, the researcher should increase the observation period to see the extent of the effect given from news related to health problems and also should be able to use a compounding effect.

References

- [1] E. Yulianti and D. Jayanti, "Penerapan Model Garch Untuk Menguji Efisiensi Pasar Bentuk Lemah | Yulianti | Sains: Jurnal Manajemen dan Bisnis," *Sains J. Manaj. dan Bisnis*, vol. 12, 2020.
- [2] E. Tandelilin, *Analisis Investasi dan Manajemen Portofolio*, 1st ed. Yogyakarta: BPFE, 2017.
- [3] K. C. Brown and R. F. K., *Analysis of Investments and Managements Portofolios*, Ninth. south western, Texas indiana: Cengage Learning, 2008.
- [4] D. Dunford, B. Dale, and I. T. Stylianou, Nassos, Ed, Lowther, Ahmed, M., Arenas, "Coronavirus: the World in Lockdown in Maps and Charts," 2020.
- [5] I. Nurmasari, "Dampak Covid - 19 Terhadap Perubahan Harga Saham dan Volume Transaksi (Studi Kasus Pada PT. Ramayana Lestari Sentosa, Tbk.)," *J. Sekuritas*, vol. 3, no. 1, pp. 230–236, 2020.
- [6] A. Bayu, "Rekap Kasus Virus Corona di Indonesia, sejak 2 Maret hingga 7 April 2020 - Halaman 2 - Tribunnews.com," *Tribun News*, Apr-2020.
- [7] D. Sugianto, "Perjalanan IHSG Sejak RI Positif Virus Corona," *detikFinance News*, Apr-2020.
- [8] BEI, "PT Bursa Efek Indonesia (BEI) Terapkan Ketentuan mengenai Trading Halt atas Perdagangan di Bursa," *BEI press release*, 2020. .
- [9] Z. K. Bodie and A. Maarcus, *Investments: Investasi.*, Internatio. Jakarta: Salemba Empat, 2008.
- [10] N. A. Sansa, "The Impact of the COVID-19 on the Financial Markets: Evidence from China and USA," *SSRN Electron. J.*, no. April, 2020.
- [11] M. N. Alam, M. S. Alam, and K. Chavali, "Stock market response during COVID-19 lockdown period in India: An event study," *J. Asian Financ. Econ. Bus.*, vol. 7, no. 7, pp. 131–137, 2020.

- [12] P. He, Y. Sun, Y. Zhang, and T. Li, "COVID-19's Impact on Stock Prices Across Different Sectors—An Event Study Based on the Chinese Stock Market," *Emerg. Mark. Financ. Trade*, vol. 56, no. 10, pp. 2198–2212, 2020.
- [13] B. N. Ashraf, "Since January 2020 Elsevier has created a COVID-19 resource centre with free information in English and Mandarin on the novel coronavirus COVID- 19 . The COVID-19 resource centre is hosted on Elsevier Connect , the company ' s public news and information ,," no. January, 2020.
- [14] H. Liu, A. Manzoor, C. Wang, L. Zhang, and Z. Manzoor, "The COVID-19 outbreak and affected countries stock markets response," *Int. J. Environ. Res. Public Health*, vol. 17, no. 8, pp. 1–19, 2020.
- [15] A. Khanthavit, "World and National Stock Market Reactions to COVID-19," no. 2019, pp. 1–17, 2020.
- [16] K. J. Heyden and T. Heyden, "Market Reactions to the Arrival and Containment of COVID-19: An Event Study," *SSRN Electron. J.*, no. April, 2020.
- [17] A. . Khan and S. Ikram, "Testing Semi-Strong Form of Efficient Market Hypothesis in Relation to the Impact of Foreign Institutional Investors' (FII's) Investments on Indian Capital Market," *Int. J. Trade, Econ. Financ.*, vol. Vol.1, No., 2010.
- [18] C. P. Jones, *Investments*, 10 edition. New York, 2007.
- [19] A. Timmermann and C. W. J. Granger, "Efficient market hypothesis and forecasting," *Int. J. Forecast.*, vol. 20, no. 1, pp. 15–27, 2004.
- [20] E. Fama, "Efficient Capital Markets: A Review Of Theory And Empirical Work.," *J. Financ.* 25 383-417, 1970.
- [21] H. Jogiyanto, *Teori Portofolio dan Analisis Investasi*, Enam. Yogyakarta: BPFE, 2010.

Improving Ethical Behavior Through Emotional Intelligence, Spiritual Intelligence and Organizational Ethical Culture

Mochamad Vrans Romi¹, Aam Rachmat Mulyana.², Yunyun³ Sofia Windiarti⁴
 {vransromi@gmail.com¹, aam.rachmat@lecture.unjani.ac.id², yunyun.tcp@gmail.com³, sofia
 windiarti25@gmail.com⁴}

Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia¹, Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia², Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia³, Universitas Jenderal Achmad Yani, Jawa Barat, Indonesia⁴

Abstract. Behavioral problems in the world of education are interesting to review, where there are often many ethical behaviors that still need to be developed. This research has the aim of analyzing the improvement of ethical behavior through emotional intelligence, spiritual intelligence and the ethical culture of the organization. This research is a quantitative study with 382 Scholars Students Management study program from 21 Private Universities in Bandung which was sampled in this study and taken using proportional random sampling technique, Data collection method is a questionnaire. Data analysis instrument is multiple regression with IBM SPSS 24 statistics (windows). With hypothesis (1) Emotional intelligence exerts a significant and positive influence on the ethical behavior of Management students. (2) Spiritual intelligence exerts significant and positive influence on student management and (3) the ethical culture of the organization has no effect on the ethical behavior of management students at private universities in Bandung. It can then be suggested that the increasing emotional and spiritual intelligence, ethical culture, will have an impact on improving the ethical behavior of students at private universities in Bandung.

Keywords: Ethical Behavior, Emotional Intelligence, Spiritual Intelligence, Organizational Ethical Culture.

1 Introduction

A person's behavior will affect how the person interacts socially, including in the world of education, the behavior of students in their daily life studying in educational institutions. The issue related to improving the quality of education is an effort that is very considered by the government to apply the purpose of the state in order to educate the life of the nation [1]. In supporting these objectives the Educational Institution must have development in the ethical behavior of its students as well as the ethical culture that the organization has. One of the supporting factors of improving ethical behavior is the intelligence of the students themselves, such intelligence, among others, emotional and spiritual intelligence that is the basis of behavioral development at the individual level [2].

The problem related to the ethical behavior and ethical culture of the organization that occurs today is the decline of ethical values and work culture in the educational environment. Ethical culture is closely related to the combined ethical values of leaders in an organization

[3]. Some research has been conducted finding that factors that allegedly influence the level of ethical behavior are the ethical culture of the organization, emotional intelligence, spiritual[4]. The purpose of this research is to create a development model of improving ethical behavior through the ethical culture of the organization, emotional intelligence and spiritual intelligence.

2 Literature Review

2.1 Ethical Behavior

Ethical behavior is often associated with a person's behavior or attitude through the determination of right or wrong in conduct and also with regard to moral principles in his or her life.[5] Ethical conduct may also be interpreted as such person's conduct in accordance with ethical standards or actions in order to distinguish right and wrong in accordance with the applicable rules or norms [6].

2.2 Emotional intelligence

Emotional intelligence is an individual's ability to manage individual emotions both themselves and recognize other people's emotions, emotional intelligence is associated with how one person motivates and understands the feelings of other individuals [7]. Emotional intelligence enables individuals to manage emotions in the form of self-control, resilience to problems, being able to manage empathy moods and foster relationships with others [8].

2.3 Spiritual Intelligence

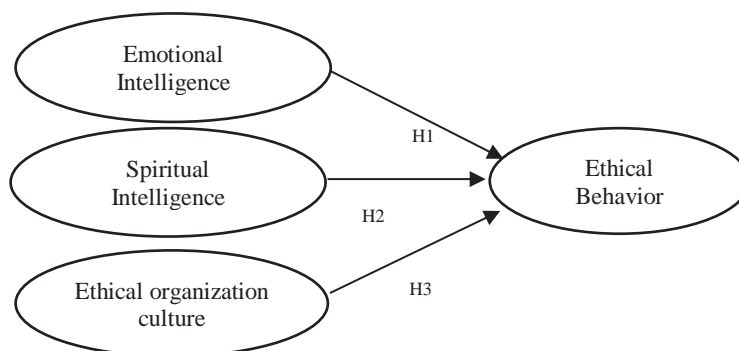
Spiritual intelligence is one's intelligence in confronting and solving problems of meaning and value by placing human behavior and life in the context of broad meaning [9], this intelligence makes a person rest in an individual closely related to inner consciousness in measuring the values in one's life [10].

2.4 Organizational Ethical Culture

The ethical culture of the organization is a standard that combines external and internal adaptation in an organization [11] established through the growing values of the organization as an identity in the organization and to facilitate the synergy of shared commitments, the drivers of social system stability and make members of the organization perform their respective functions.

Conceptual framework

From the results of the library study that has been explained, the researchers devised the following research models;



3. Methodology

3.1 Population and sample

In this study where the population is undergraduate students of Management Study Program at private universities throughout Bandung and the sample taken is 382 students from 21 private universities in Bandung, using random sampling technique.

3.2 Research Instruments and Data Analysis Techniques

The questionnaire in data collection in this study has been distributed to students at 21 private universities in Bandung, to be further analyzed by data analysis techniques used in this study, namely using multiple regression test.

3.3 Descriptive Testing Results

The results of descriptive testing of the four research variables, including emotional intelligence, spiritual intelligence, ethical organization culture, ethical behavior, are as follows;

Table 1. Demographic Background of respondents

Variable	Score percentage
Emotional Intelligence	65,36
Spiritual Intelligence	62,72
Ethical organization culture	40,94
Ethical Behavior	68,75

From the results of the analysis of the four research variables, which include emotional intelligence, spiritual intelligence, ethical organization culture, ethical behavior, it can be

concluded that the variables of emotional intelligence and spiritual intelligence, while other variables, namely ethical organizational learning, are in the low category and Ethical Behavior is in the sufficient category.

3.4 Hypothesis test

The results of hypothesis testing from the four research variables, including emotional intelligence, spiritual intelligence, ethical organization culture, ethical behavior, show that Adjusted R. square is 0.193 which means that the variables of emotional intelligence (KE), spiritual intelligence (KS) and organizational ethical culture (BO) can explain the ethical behavior of students (PE) by 19.3% then the remaining 80.7% is explained by other independent variables outside the model. This test aims to determine the effect of the independent variables simultaneously as shown by the table in ANOVA. If the sig value <0.05 , it has a significant effect simultaneously. The simultaneous test results show that the sig value is $0.000 <0.05$. This means that simultaneously the independent variables are emotional intelligence (KE), spiritual intelligence (KS) and ethical culture. The test results obtained a regression equation $PE = 10,546 + 0,130 KE + 0,203 KS + 0,030BO + e$

4. Discussion

1. 1. The partial test results show that the independent variable, namely emotional intelligence, has a sig value of $0.008 <0.05$ and the direction of the regression coefficient is positive. This means that the emotional intelligence variable (KE) affects the ethical behavior of students. Thus the first hypothesis (H1) which states emotional intelligence has a positive and significant effect on student ethical behavior is accepted. Based on the data analysis that has been done, it can be concluded that the emotional intelligence variable affects students' ethical behavior. The results of this study support previous research [12][13], [14] shows that emotional intelligence has a significant positive effect on student ethical behavior.
2. 2. The partial test results show that the independent variable, namely spiritual intelligence, has a sig value of $0.008 <0.05$ and the direction of the regression coefficient is positive. This means that the spiritual intelligence variable (KS) has a positive and significant effect on students' ethical behavior. Thus the second hypothesis (H2) states that spiritual intelligence has a positive and significant effect on ethical behavior of students. Based on the data analysis that has been done, it can be concluded that the spiritual intelligence variable has a positive and significant effect on students' ethical behavior. The results of this study support research conducted by previous researchers [15], [16][17][18]–[20].
3. The partial test results show that the independent variable, namely organizational ethical culture, has a sig value of $0.719 > 0.05$ and the direction of the regression coefficient is positive. This means that the variable organizational ethical culture (BO) has no effect on ethical behavior of students. Thus the third hypothesis (H3) which states that organizational ethical culture has a positive and significant effect on student ethical behavior is rejected. Based on the data analysis that has been done, it can be concluded that the variable organizational ethical culture has no effect on the ethical behavior of students as has been done [21] [22] which supports the variable organizational ethical culture has a significant positive effect on ethical behavior of students.

5. Conclusion

The results showed that emotional intelligence had a positive effect on student ethical behavior, spiritual intelligence had a positive effect on student ethical behavior, and organizational ethical culture had a positive effect on student ethical behavior. So it can be concluded that the increasing emotional intelligence and spiritual intelligence, it will have an impact on increasing the ethical behavior of undergraduate students in private universities throughout Bandung.

The limitations of this research are that this research is also limited to private universities in the city of Bandung, so that it will be considered more comprehensive and representative if it is also carried out at the State University in the city of Bandung and the research only covers the university level so that it cannot describe other universities as a whole such as institutions, College, Academy, Community Academy, Polytechnic.

References

- [1] A. Irawan, E. Ludiya, and M. V. Romi, "Influence of Human Resource Management Practices on Competitive Advantage through Operational Excellence : Case study on SME Food and Beverages In Bandung Regency West Java Indonesia," 2019.
- [2] T. . Robbins, S.P., and Judge, *Perilaku Organisasi*, XII. Jakarta: Salemba Empat, 2013.
- [3] Robbins and Coulter, "Pengaruh lingkungan kerja, budaya organisasi dan kepemimpinan terhadap kinerja karyawan koran pt. tempo jateng dan d.i. yogyakarta," p. 79, 2010.
- [4] M. V. Romi *et al.*, "Model For Improving Performance Of Employees Based On Organizational Commitment , Role Conflict And Emotional Intelligence In Education In Bandung Islamic University," 2019.
- [5] D. Katz, *Motivational basis of organizational behavior*. Katz, D. (1964). Motivational basis of organizational behavior. Behavioral Science, 9: Behavioral Science, 1964.
- [6] Sutrisno, A. T. Haryono, and M. M. Warso, "Pengaruh Kepuasan Kerja dan Komitmen Organisasi Terhadap Kinerja Karyawan Melalui Organizational Citizenship Behavior Sebagai Variabel Intervening," *Manaj. Fak. Ekon. dan Bisnis Univ. Pandanaran Semarang*, vol. 02, no. 02, pp. 1–11, 2016.
- [7] D. 2006 Goleman, *Kecerdasan Emosi : Mengapa Emotional Intelligent Lebih Tinggi dari Intelektual Quotient*, Alih Bahasa : T. Hermay. Jakarta: PT Gramedia Pustaka Utama, 1995.
- [8] H. E. Stein, S.J dan Book, *Ledakan EQ. Limabelas Prinsip Dasar Januarsari, Kecerdasan Emosi Meraih Sukses*. Bandung, 2004.
- [9] S. Zohar D. dan Marshall, *SQ, Memanfaatkan Kecerdasan Spiritual Dalam :, Berpikir Integralistik dan Holistik untuk Memaknai Kehidupan*. Bandung: Mizan, 1999.
- [10] D. Goleman, *Emotional Intelligence : Kecerdasan emosional mengapa EI lebih penting daripada IQ*. Jakarta: PT. Gramedia Pustaka Utama, 2015.
- [11] S. J. Hogan and L. V Coote, "Organizational culture , innovation , and performance : A test of Schein ' s model," *J. Bus. Res.*, 2013.
- [12] M. V. Romi, E. Ahman, Disman, E. Suryadi, and A. Riswanto, "Islamic work ethics-based organizational citizenship behavior to improve the job satisfaction and organizational commitment of higher education lecturers in Indonesia," *Int. J. High. Educ.*, vol. 9, no. 2, pp. 78–84, 2020.
- [13] Z. Levitats, E. Vigoda-Gadot, and D. R. Vashdi, "Engage Them through Emotions: Exploring the Role of Emotional Intelligence in Public Sector Engagement," *Public Adm. Rev.*, vol. 79, no. 6, pp. 841–852, 2019.
- [14] J. Brockner, F. J. Flynn, R. J. Dolan, A. Ostfield, D. Pace, and I. V. Ziskin, "Commentary on

- ‘radical HRM innovation and competitive advantage: The Moneyball story,’” *Hum. Resour. Manage.*, vol. 45, no. 1, pp. 127–145, 2006.
- [15] R. Sancoko, M. Setiawan, and E. A. Troena, “The influence of organizational culture and spiritual intelligence on employee performance through emotional intelligence,” *Manag. Econ. J.*, vol. 3, no. 1, p. 67, 2019.
 - [16] E. Rahmawati, K. I. Ahmad, and A. Suriansyah, “Relationship Between Emotional Intelligence , Spiritual Intelligence and Teacher Performance Through Work Motivation As Intervening Variable in Islamic Elementary School in Banjarmasin , Indonesia,” *Eur. J. Educ. Stud.*, vol. 5, no. 11, pp. 142–160, 2019.
 - [17] D. Wea, F. Fakhrudin, Y. L. Sukestiyarno, and T. Prihatin, “Antecedent And Consequent Of Altruistic Professional Behavior Of Catholic Religious Education (CRE) Teachers In South Papua,” 2020.
 - [18] Z. Khuzaini, “Organizational Citizenship and Employee Performance : The Role of Spirituality Organizational Citizenship and Employee Performance : The Role of Spirituality,” *Pakistan Adm. Rev.*, vol. 3, no. 1, pp. 16–26, 2019.
 - [19] A. S. Supriyanto, V. M. Ekowati, and U. Maghfuroh, “Do organizational citizenship behavior and work satisfaction mediate the relationship between spiritual leadership and employee performance?,” *Manag. Sci. Lett.*, vol. 10, no. 5, pp. 1107–1114, 2019.
 - [20] E. Rashvand, Omid & Bahrevar, “A Study of the Relationship among Spiritual intelligence, Organizational Citizenship Behavior and Turnover Intentions. International Journal of Research in Organizational Behavior and Human Resource Management, Vol. 1, No. 2, pp. 25-34. Rashvand, Omid & Ba,” *Int. J. Res. Organ. Behav. Hum. Resour. Manag.*, vol. 1, no. 2, pp. 25–34, 2013.
 - [21] W. Rokhman, “Pengaruh Islam Etika Kerja di Kerja Hasil,” vol. 15, no. 1, pp. 21–27, 2010.
 - [22] T. Suryanto, “Etika Kerja Islam dan Audit Opini : Profesionalisme Audit dan Perilaku disfungsi sebagai,” vol. 8, no. 1, pp. 49–64, 2016.

The Perception of Students of UiTM, Cawangan Pulau Pinang Towards the Use of Salutations in WhatsApp Conversations

Noraziah Mohd Amin¹, Wan Noorli Razali²
{noraziahm@uitm.edu.my¹, wannoorli093@uitm.edu.my²}

Akademi Pengajian Bahasa, Universiti Teknologi MARA, Cawangan Pulau Pinang, Permatang Pauh, Pulau Pinang, Malaysia¹, Akademi Pengajian Bahasa, Universiti Teknologi MARA, Cawangan Pulau Pinang, Permatang Pauh, Pulau Pinang, Malaysia²

Abstract. Instant messaging service has become prevalent in today's life with the ubiquitous use of mobile devices like smartphones. One of the most popular instant messaging applications is WhatsApp. Due to WhatsApp being a common application used by the majority of the students of Universiti Teknologi MARA (UiTM), Cawangan Pulau Pinang, the present study aimed to determine the perception of this university's students towards salutation or greeting use in WhatsApp conversations. The study employed a quantitative research design for its data collection. 100 respondents from the university involved in a survey conducted for this study. It was found that the majority of them were aware of their use of salutations or greetings in WhatsApp conversations as well as their preferred language for salutations on WhatsApp. The findings revealed that the students believed it is important for them to utilise full-word and formal form of salutation when communicating with their lecturers via WhatsApp.

Keywords: Salutation, Students of UiTM, Cawangan Pulau Pinang, WhatsApp

1 Introduction

1.1 Background Information

WhatsApp is a cross-platform instant messaging app for mobile devices which depends on the internet for transmission of messages and WhatsApp is the world's most popular mobile chat application with about 1.6 billion active monthly users as of 2019 [1]. University students like the ones of UiTM, Cawangan Pulau Pinang mostly have a WhatsApp account, as it is the primary medium of communication between them and their lecturers especially. As virtual communication like conversations on Whatsapp is usually lack of non-verbal cues like facial expressions and tone of voice, the message recipients have to rely solely on the written texts received for social and interpersonal interpretations between the senders and the receivers.

Fangl, Lu, Zhang, Gu and Gu [2] believe that showing linguistic politeness is a fundamental way of developing communicative skills and being socially comfortable. Besides, Fangl, Lu, Zhang, Gu and Gu [2] also claim that linguistic politeness plays a massive role in human contact and some examples of linguistic politeness are greetings, salutations, and gratitude expressions. Based on this claim, the present study intended to discover if students of UiTM, Cawangan Pulau Pinang use salutations in their WhatsApp conversations and how they usually use such linguistic components. Apart from greetings or salutations, the study also aimed at uncovering

the if there is any employment of abbreviations or shortened words in WhatsApp conversations among the students of UiTM, Cawangan Pulau Pinang as these linguistic forms are very common in instant messaging. This is evident in the study of Salem [3] that exposed the use of abbreviations by Kuwaiti students on WhatsApp such as “Ty” for “Thank you”, “I L u” for “I love you”, “W l c” for “Welcome”, “Nn” for “No need”, “Np” for “No problem”, “Nw” for “now” and “Bk” for “back”. These are among the WhatsApp language manifestations that are claimed by Salem [3] to have negative effects on English language use such as in terms of vocabulary and spelling. Despite this, people especially the youngsters continue to use abbreviations on instant messaging applications. Thus, the present study was conducted to investigate salutations, abbreviations as well as preferred language for salutations in WhatsApp conversations among a university’s students who could represent the other youngsters.

1.2 Problem Statement

Clement [1] claims that WhatsApp is the world’s most popular mobile messaging application with roughly 1.6 billion monthly active users as of 2019, outstripping Facebook Messenger at 1.3 billion and WeChat at 1.1 billion users. It is also the third most popular networking site globally, after Facebook and YouTube. This is clear that WhatsApp is used widely in many countries including Malaysia. Due to its popularity, the use of WhatsApp is worth studying especially in terms of linguistic elements in teenage users’ texts in their conversations on WhatsApp. As claimed by Salem [3], online messaging apps such as WhatsApp have a negative effect on the use of English. It is also claimed by Salem [3] that Kuwaiti teenagers particularly and young people generally use certain abbreviations or shortcut codes to communicate their thoughts to the extent that this spoils their both English grammar and spelling. English learners using modern communication technologies (like WhatsApp) in particular text messaging are making various errors ranging from inaccurate spelling to non-grammatical sentence structure [3]. As this is true for Kuwaiti youngsters, it is unclear if university students like the ones of UiTM, Cawangan Pulau Pinang also practice the same thing, and thus this prompted the present study to be conducted in order to discover if these students use any abbreviations in their WhatsApp conversations and how they use the shortened words.

Apart from abbreviations, another issue that is important to be examined is the use of salutations or greetings on WhatsApp because there is some evidence that university students do not use these politeness markers in their virtual communication. For example, the conclusion made by Harizah and Suhaila [4] based on the results obtained in their study is that the majority of the university students did not succeed at employing suitable politeness strategies that could reduce face-threatening acts between themselves and their lecturers. This shows that the improper manner and having lack of professional attitude in conversations between the youngsters and those older than them is a worrisome issue. Besides, the analysis of 278 SMS text messages in a study conducted by Rettie [5] exposed that most of the messages were not formal with minimal structure where only 23% consisted of opening or closing phrases (e.g: 19% salutations, 12% sign-off expressions. The lack of salutations used in instant messaging texts among youngsters is probably true for these researchers’ study participants, but it is possibly not the same case for students of UiTM, Cawangan Pulau Pinang and thus a study has to be conducted in order to discover this.

1.3 Research Objectives

This study was conducted to investigate the perceptions of students of UiTM, Cawangan Pulau Pinang towards salutations or greetings in WhatsApp conversations. There are three objectives of this study of which are:

1. To investigate if students of UiTM, Cawangan Pulau Pinang prefer full-word or short-form salutations in their WhatsApp conversations.
2. To investigate if students of UiTM, Cawangan Pulau Pinang prefer formal or informal salutations in their WhatsApp conversations.
3. To investigate if students of UiTM, Cawangan Pulau Pinang prefer English or Malay salutations in their WhatsApp conversations.

1.4 Significance of the Study

It is hoped that this study will serve as a source of additional knowledge regarding the topic of the use of salutations on WhatsApp and also spread awareness about the importance of paying attention to linguistics cues for social and interpersonal purposes. Besides, through this study, it is expected that it could be an inspiration for many other researchers to conduct more research on the same issue as more evidence can be obtained for a more definitive generalization.

2 Literature Review

2.1 The Features and Uses of WhatsApp as a Medium of Communication

Clement [1] believes that WhatsApp, particularly for global or group messaging, is a convenient option to carrier-billed text messaging via SMS. The mobile messaging app allows users to exchange text, picture, video, voice text, and video calling as well. In addition, every day, the service manages billions of pictures and text messages. According to Robinson et. al [6], WhatsApp is a cross-platform mobile instant messaging (MIM) that is free to download and it allows people to exchange texts without needing to pay for their text messages. Also, WhatsApp immediacy seems to offer advantages over embedded social media sites like the discussion boards [6]. According to Ersöz [7], one of WhatsApp's most valuable features is that it permits mobile users to send instant messages in real time, at no expense to individuals or groups of friends. Ersöz [7] also believes that WhatsApp's rapid and widespread growth helps its users to communicate with one another despite the fact of the distance.

2.2 Abbreviation Use in WhatsApp Conversations

A research conducted by Farhang-Ju [8] on WhatsApp conversations containing graduate students' requests to their instructors revealed that the students had a tendency to use short messages and more abbreviations. Farhang-Ju [8] also claims that the use of abbreviated expressions such as "plz", "tnx", "thanx", and "u" is possibly due to the restricted amount of time and phone keyboards' small size. Indrajith and Varghese [9] claim that people have different abbreviations for similar messages. Based on their study, it is concluded that salutation, "Good Morning" can be expressed in various ways on WhatsApp as it can be articulated as "gdmng", "gudmng" or simply "gm". It is also the same case with the salutation, "Good Night" where the teenagers tend to write "gdnt", "gudnite" or just "gn". However, the most frequent abbreviations used were found to be "hru?" and "wru?" [9]. According to Shahid [10], during the analysis of her study, a number of abbreviations were observed on WhatsApp conversations involving 25 students and 25 professionals such as "asap" ("as soon as possible"), "tc" ("take care") and "lol" ("lots of laughter").

2.3 The Usage of Formal and Informal Greetings or Salutations on Instant Messengers

The study conducted by Harizah and Suhaila [4] analyzed the practice of social greetings in computer-mediated communication, concentrating on 50 Short Message Service (SMS) messages from students to lecturers in a private university in Malaysia. It was discovered in the study that most of the students did not use the more common salutations such as “Good Morning” and “Good Afternoon” (14%), but instead used a more informal greeting such as “Miss” (20%) instead of the traditional style anticipated. Other informal greetings that students used as indicated in the study include “Hi” and its variants (8%) and also “Hello” (12%). To summarize, a majority of the students failed to use proper politeness approaches in their conversations with their lecturers that could minimize face-threatening acts between the students and their lecturers [4]. It was revealed in a study performed by Marzuki and Walter [11] that the Malay L1 users were discovered to have employed formal letter-type salutations and professional titles, frequently in their first language text messages and sometimes in their second language one. Matli [12] conducted a study on undergraduates’ language use in a messaging service application, WhatsApp conversations with their fellow peers and lecturers by analyzing their textual interactions. It was found that the students used a slang, “Ta” which is a word commonly used by people in the ghetto as compared to “Hello” or “Hi”. The study of Pérez-Sabater [13] revealed that males generally are more straightforward, while females usually use greetings to introduce their texts. It was also disclosed that men-only chat represents the briskness of masculine interactions, in the sense that there are generally no salutations or farewells and there are a lot of imperative forms, even though in this case, there exist some kind of greeting through a rather colloquial word such as “Yeeee,” the equivalent of “Wassuup” in English.

3 Methodology

3.1 Research Design

The present study employed a quantitative research design using a questionnaire survey to investigate the perception of students of UiTM, Cawangan Pulau Pinang towards salutations or greetings in WhatsApp conversations. The research did not involve any observations or lab experiment and it is basically descriptive in nature.

3.2 Respondent

The respondents who participated in the research and contributed to the study’s data were from UiTM, Cawangan Pulau Pinang, who were 100 degree students aged between 20-23 years old. The number of the respondents qualified for the present research was decided after eliminating the questionnaires returned with missing data. Their demographic details, such as their gender, age, or fields of studies, were not investigated or measured in this study. Thus, such data was not utilized for the discussions of the research questions posed, but it is presented as supplementary information.

3.3 Sampling Method Research Design

In this study, convenience sampling was performed. Convenience sampling is a category of non-probability or non-random sampling where people of the target population that meet certain practical conditions, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are chosen for achieving the objective of the study

[14]. Thus, the researchers decided to ask the available students at the time of questionnaire distribution. This helped the researchers to get the respondents quickly.

3.4 Instrument

A questionnaire was created to be the research instrument for collecting data from the respondents. This method was more effective than interviewing them face-to-face as interviews can be time-consuming. The questionnaire was not adapted by any measurement scales of the previous quantitative studies as most studies regarding the use of salutations in instant messaging used content analysis. Thus, the present study's questionnaire was adapted from the studies of Tagliamonte and Denis [15] and Harizah and Suhaila [4]. The questionnaire was created using Google form and it contained 20 questions. The items in the questionnaire were measured in terms of the respondents' levels of agreement or disagreement with the 20 statements by using a 5-point Likert scale. The response options are: Strongly disagree= 1; Disagree= 2; Undecided= 3; Agree= 4 and Strongly agree= 5.

3.5 Data Collection Method

The data was collected using a Google form link sent to the students' WhatsApp groups and their participation was voluntary. A brief introduction and instructions were given to the respondents in the message containing the Google form link sent to the respondents and they were given a number to contact should they have any doubts pertaining to the questionnaire. A duration of two weeks was given to the students to complete the questionnaire.

3.6 Data Analysis Method

The data obtained was analyzed using Statistical Package for the Social Sciences (SPSS) version 18. The data was computed into this software and generated mainly in terms of mean and standard deviation values as well as percentages.

4 Findings

4.1 Reliability Test Result

Table 1. Cronbach's Alpha Reliability Coefficient for the Instrument

Cronbach's Alpha	Cronbach's Alpha Based on Number of Standardized Items	items
0.927	0.928	20

An analysis was carried out to test the items' reliability. 0.927 was the Cronbach's alpha value generated from the test. This value indicated acceptable values that showed the items in the questionnaire were reliable as well reasonable to be utilized for the present research.

4.2 Research Objective 1: To investigate if students of UiTM, Cawangan Pulau Pinang prefer full-word or short-form salutations in their WhatsApp conversations.

Table 2. Results of Research Objective 1

No.	Items	Mean	Std. Dev	Response Option					
				SD	D	U	A	SA	
	Full-word or Short-form Salutation in WhatsApp Conversations			%	%	%	%	%	
1	I prefer short-form salutations when chatting with my friends on WhatsApp such as “Salam” rather than full-word salutations such as “Assalamualaikum.”	3.06	1.377	15	26	18	20	21	
2	I think I should use full-word salutations to greet my friends on WhatsApp rather than short-form salutations because full-word ones are more convenient to start a conversation.	3.41	1.281	8	19	24	22	27	
3	I think I should use short-form salutations to greet my friends because it seems friendlier to do so in WhatsApp conversations.	3.27	1.207	8	20	28	25	19	
4	I tend to use short-form salutations with people that I already know or close to rather than full word salutations because the short-form ones make me feel more comfortable.	3.74	1.222	6	12	19	28	35	
5	I prefer to use full-word salutations when I contact my lecturers rather than short-form salutation on WhatsApp as this can show my proper manners.	4.05	1.329	7	12	8	15	58	
6	I prefer to use full-word salutations because they can show that I am more committed to the conversations on WhatsApp as compared to the short-form ones.	3.46	1.260	8	17	22	27	26	
7	I prefer to use short-form salutations with online sellers that I contact on WhatsApp.	3.01	1.299	14	26	21	23	16	
8	I prefer to use full-word salutations because they are more appropriate to start a discussion on a WhatsApp group with many different people rather than short-form salutations.	3.48	1.261	8	17	20	29	26	

To evaluate the first objective, responses provided by the participants to items 1-8 were analyzed. It was discovered that 41% of the respondents (Item1: $M=3.06$, $SD=1.377$) preferred short-form salutations when chatting with their friends through WhatsApp such as “Salam” rather than full-word salutations such like “Assalamualaikum.” Most respondents (49%) believed they should use full-word salutations with their friends due to their convenience (Item 2: $M=3.41$, $SD=1.281$). 44% of them believed it is friendlier to use short-form salutations (Item 3: $M=3.27$, $SD=1.207$). 63% (28% + 35%) of them agreed that they were more comfortable using short-form salutations especially with those known to them or closely related to them (Item 4: $M=3.74$, $SD=1.222$). 73% of the students also preferred the use of full-word salutations when communicating with their lecturers (Item 5: $M=4.05$, $SD=1.329$) as this could present their proper manners. A majority of the respondents (53%) favored full-word than short-form salutations (Item 6: $M=3.46$, $SD=1.260$) as they believed such words reflected their commitment to the conversations. A majority of the respondents, 26% disagreed with the use of short-form salutations when communicating with online sellers on WhatsApp (Item 7: $M=3.01$, $SD=1.299$). 55% of them (Item 8: $M=3.48$, $SD=1.261$) agreed that it was more appropriate to use full-word salutations when starting a discussion.

4.4 Research Objective 2: To investigate if students of UiTM, Cawangan Pulau Pinang prefer formal or informal salutations in their WhatsApp conversations.

Table 3. Results of Research Objective 2

No.	Items	Mean	Std. Dev	Response Option					
				SD	D	U	A	SA	
	Formal or Informal Salutations in WhatsApp Conversations			%	%	%	%	%	%
9	I like to be called “bro” or “sis” (informal salutations) rather than ‘Mr’, ‘Ms’ or ‘Madam’ (formal salutations) in WhatsApp conversations.	3.41	1.326	11	14	24	24	27	
10	I think formal salutations should be used with someone that I'm not familiar with in WhatsApp conversations.	3.71	1.320	9	13	16	26	36	
11	I tend to use formal salutations mostly because they more polite in WhatsApp conversations rather than informal salutations.	3.16	1.150	10	18	33	28	11	
12	When chatting with a lecturer or someone that is more superior than me, I prefer to use formal salutations rather than informal salutations to show my good manners.	4.02	1.365	10	10	5	21	54	
13	I think I should use informal salutations with the closest people, such as family members or good friends, because it is more comfortable for me to use such words on WhatsApp.	3.83	1.280	8	10	11	32	39	
14	I would like to be greeted with formal salutations from people that I do not know well on WhatsApp.	3.69	1.207	7	10	23	29	31	
15	I would like to be greeted with informal salutations by my friends on WhatsApp.	3.86	1.202	8	5	19	31	37	

In achieving research objective 2, Items 9-15 were analyzed. It was discovered that 51% of the respondents preferred to be addressed informally on WhatsApp (Item 9: M=3.41, SD=1.526). 62% of them believed that formal salutations were used to greet those who were unfamiliar to them (Item 10: M=3.71, SD=1.320). 39% (28% + 11%) of them believed that it was more polite to use formal salutations on WhatsApp (Item 11: M=3.16, SD=1.150). To display good manners, 75% (21% + 54%) of the respondents believed that formal salutations were required when communicating with their lecturers or someone superior on WhatsApp (Item 12: M=4.02, SD=1.365). Nevertheless, they mostly favored informal salutations when talking to family members or close friends (Item 13: M=3.83, SD=1.280). When being greeted by people not close to the respondents, the respondents in majority preferred to be greeted formally (Item 14: M=3.69, SD=1.207). However, informal greetings from their friends on WhatsApp were more favored by the respondents (Item 15: M=3.86, SD=1.202).

4.5 Research Objective 3: To investigate if students of UiTM, Cawangan Pulau Pinang prefer English or Malay salutations in their WhatsApp conversations.

Table 4. Result of Research Objective 3

No.	Items	Mean	Std. Dev	Response Option					
				SD	D	U	A	SA	
	English or Malay salutations in WhatsApp Conversations			%	%	%	%	%	
16	I prefer to use English salutations such as “Hello” or “Hi” to start a conversation rather than Malay salutations such as “Salam” or “Selamat Sejahtera” on WhatsApp.	3.04	1.365	16	23	23	20	18	
17	I think we should use Malay salutations more often on WhatsApp as Malay is Malaysia’s official language.	3.61	1.136	4	14	29	27	26	
18	I think Malay salutations are more preferable for me to use on WhatsApp with most people as they are more universal in Malaysia as they represent Malaysians’ national language.	3.71	1.163	6	13	14	42	25	
19	English salutations are more preferable for me to use on WhatsApp because they can show that I have good English.	3.12	1.168	12	17	33	28	10	
20	I agree that the use of a certain language for salutations on WhatsApp can reflect someone’s cultural politeness.	3.88	1.168	5	11	14	34	36	

In terms of completing research objective 3, items 16-20 were analyzed. 39% (16% + 23%) of the respondents disagreed with using English salutations when communicating on WhatsApp (Item 16: $M=3.04$, $SD=1.365$). A majority of the respondents, 53% (27% + 26%) agreed that they favored Malay more often compared to English salutations (Item 17: $M=3.61$, $SD=1.136$) and a higher percentage of 67% (42% + 25%) believed that Malay salutations were more preferable as Malay is more common in this country (Item 18: $M=3.71$, $SD=1.163$). When responding to the statement, “English salutations are more preferable for me to use on WhatsApp because they can show that I have good English”, 28% of the respondents agreed with this (Item 19: $M=3.12$, $SD=1.168$). A huge percentage, 70% (34% + 36%) of the respondents had the opinion that the language preference for salutations used on WhatsApp signaled the users’ cultural politeness (Item 20: $M=3.88$, $SD=1.168$).

5 Discussion and Conclusion

Based on the findings, it is clear that short-form salutations are preferred by the respondents when conversing with those they are familiar with on WhatsApp due to the fact that it is friendlier to do so. Full-word salutations on the other hand, are preferred by the respondents due to their convenience of use as well as their polite and appropriate nature especially when dealing with their lecturers or someone unfamiliar to them. Such words are also deemed more appropriate to be used when initiating a discussion on WhatsApp. With regard to formal and informal salutations, informal ones are more favored by the respondents when dealing with those whom they know and are close to. In contrast, formal salutations are viewed as a polite way of addressing someone superior or unfamiliar to them and this includes their lecturers. In terms of language preference when giving salutations, the students have almost similar preference of for both Malay and English salutations. Malay is seen as a more universal language in the country compared to English by the respondents as it stands by its status as the

national language and the medium of interaction among those whose first language is Malay. English salutations however are used when the students wish to be seen as proficient language users.

Here, it can be concluded that the respondents realize that full-word salutations signal their politeness and are needed to be used when interacting with their lecturers on WhatsApp despite the claim by Farhang-Ju [8] that most students have the tendency to use abbreviations and short messages with their instructors. They also acknowledge the need to address a person formally to display politeness especially when communicating with those superior to them. However, realization and acknowledgement may not be sufficient to ensure that proper salutations are used when students communicate with their lecturers on WhatsApp. Constant reminder and advice need to be given to students to instill politeness in them and to inculcate respectful environment on WhatsApp. In conclusion, the current study has paved a direction for future research in exploring the practice of politeness in greetings and use of salutations among university students.

6 Acknowledgements

Acknowledgements. The researchers would like to thank UiTM, Cawangan Pulau Pinang for its support to academics in conducting research concerning their related field and financial opportunities in disseminating research findings and sharing them either locally or internationally.

References

- [1] J. Clement, "WhatsApp - Statistics & Facts," *Statista*, 2019. [Online]. Available: <https://www.statista.com/topics/2018/whatsapp/>.
- [2] Y. Fangl, T. Lu, P. Zhang, H. Gu, and N. Gu, "Exploring the Effect of Politeness on User Contribution in Q&A sites: A Case Study of Stack Overflow," in *2018 IEEE 22nd International Conference on Computer Supported Cooperative Work in Design ((CSCWD))*, 2018, pp. 713–718.
- [3] A. A. M. S. Salem, "The impact of Technology (BBM and WhatsApp Applications) on English Linguistics in Kuwait," *Int. J. Appl. Linguist. English Lit.*, vol. 2, no. 4, 2013.
- [4] H. Faiz and N. S. Suhaila, "Use of Greetings in SMS Messages from Students to Lecturers at a Malaysian University," *Int. J. Soc. Sci. Humanit.*, vol. 3, no. 2, pp. 125–128, 2013.
- [5] R. Rettie, "SMS: Exploiting the interactional characteristics of near-synchrony," *Information, Commun. Soc.*, vol. 12, no. 8, pp. 1131–1148, Dec. 2009.
- [6] L. Robinson *et al.*, "Evaluation of Whatsapp for Promoting Social Presence in a First Year Undergraduate Radiography Problem-Based Learning Group," *J. Med. Imaging Radiat. Sci.*, vol. 46, no. 3, pp. 280–286, 2015.
- [7] S. Ersöz, "Understanding Whatsapp Parent Groups' Dynamics: Group Communication and Information Sharing," *Manas Sos. Araştırmalar Dergisi*, 8(Ek Sayı 1), vol. 8, no. 1, pp. 1167–1183, 2019.
- [8] M. Farhang-ju, "A Window to L2 Learners' Requests to Faculty in Instant Text-Based Communication," *CALL-EJ*, vol. 21, no. 1, pp. 29–41, 2020.
- [9] T. Varghese and I. J. Indrajith, "Language to 'Lang': WhatsApp Imprints on Teenagers," *Acme Int. J. Multidiscip. Res.*, vol. 6, no. 1, Jan. 2018.
- [10] S. Shahid, "Content Analysis of Whatsapp Conversations: An Analytical Study to Evaluate the Effectiveness of Whatsapp Application in Karachi," *Int. J. Media, Journal. Mass Commun.*, vol. 4, no. 1, pp. 14–26, 2018.
- [11] E. Marzuki and C. Walter, "English and Malay Text Messages and What They Say about Texts and Cultures," *Open J. Mod. Linguist.*, vol. 3, no. 4, pp. 295–304, Jan. 2013.
- [12] W. Matli, "How Undergraduate Students 'Chat Language' in Whatsapp," in *2019 Open Innovations (OI)*, 2019, pp. 401–407.
- [13] C. Pérez-Sabater, "Emoticons in relational writing practices on WhatsApp: Some reflections on gender," in *Analyzing Digital Discourse: New Insights and Future Directions*, P. Bou-Franch and P. G.-C. Blitvich, Eds. Cham, Switzerland: Palgrave Macmillan., 2017.
- [14] I. Etikan, S. A. Musa, and R. S. Alkassim, "Comparison of Convenience Sampling and Purposive Sampling," *Am. J. Theor. Appl. Stat.*, vol. 5, no. 1, pp. 1–4, 2016.
- [15] S. A. Tagliamonte and D. Denis, "Linguistic ruin? Lol! Instant messaging and teen language," *Am. Speech*, vol. 83, no. 1, pp. 3–34, Feb. 2008.

A Story of Mother's Struggle in the Rural: The Narratives of Children Learning Mentoring during the Covid-19 Outbreak

Suhriman¹, Kasman², Rohman³, Emzinetri⁴, Ihsan Rahmat⁵
 {suhirmn@gmail.com¹, kasman@stain-madina.ac.id², rohman@stain-madina.ac.id³,
 emzinetriaff@gmail.com⁴, ihsanrahmat@iainbengkulu.ac.id⁵}

Institut Agama Islam Negeri Bengkulu, Indonesia¹, Sekolah Tinggi Agama Islam Negeri Mandailing Natal, Indonesia², Sekolah Tinggi Agama Islam Negeri Mandailing Natal, Indonesia³, Institut Agama Islam Negeri Bengkulu, Indonesia⁴, Institut Agama Islam Negeri Bengkulu, Indonesia⁵

Abstract. This paper discusses the mother's struggle for children learning mentoring during the Covid-19 Outbreak in the Rural. We argue the unpreparedness of the education system in dealing with crises puts mothers in unpredictable and submissive situations. Interesting research because earlier studies have not been able to properly reveal their role. The narrative approach is used to access heroic stories, sacrifices, and full of meaning. We collected 47 informant data, but only 16 women were willing to be interviewed in-depth using six open-ended questions. We find five key narratives of mothers' experiences: the knowledge struggle, the technology struggle, the economic struggle, the emotional struggle, and the physical struggle. Unexpectedly before, mothers also suffer fatigue and pain for physical struggle. Gender stereotypes and social norms as village women are discussed. This research emphasizes the importance of education policy intervention in times of crisis, especially in the areas of human resources, economy, and access to information.

Keywords: Risk online education; Parent-child monitoring; E-Learning impact; the Covid-19 outbreak.

1. Introduction

Since the circular letter issued by the Minister of Education and Culture No. 4 of 2020 with reference to the Implementation of Education amid the Coronavirus Disease (Covid-19) Emergency, the face of education in Indonesia has experienced drastic changes. They are seen in the six rules, one of which is the policy implementation of learning from home through the distance system (online), which is an unprecedented condition in the history of national education. This situation is a direct impact of the closure of most public facilities and educational services at all levels. Social restrictions are initiated for all citizens, including students who are strictly prohibited from leaving home except for the limited purposes permitted by the Orders. Glover et al. [1], Yousefpour et al. [2] and Nicola et al. [3] review each of the policies taken aiming to put a halt to Covid-19, despite the fact that Viner et al. [4] found the closure of school services had no major impact, only preventing 2-4% of the total of deaths, far less than other social distance interventions.

The patterns of mothers and children's daily life activities at home changes drastically.

Social distancing policies implemented outside cause confinement of family members. On the one hand, the interaction intensity between family members is increasing, which potentially trigger mental health problems [5],[6],[7],[8]. Most parents do not commute to work anymore as they have to accomplish all the office jobs at their dwelling house because of the Work From Home policy, this becomes more difficult. They must manage family life, office work, and their children's needs for learning on daily bases. Some of them have to do smart work, and handle the time and space to work with children around may be very problematic. On the other hand, parents have more expanded opportunities to educate their children than they have had before. Children are highly dependent on the ability of parents to promote positive development and new learning experiences [9],[10]. For example, Amlen [11] suggests that during the quarantine, parents ask their children to play guessing games or what Osmanski [12] advices games such as arranging treasure hunts, training dogs, and playing word guessing.

Earlier studies during the Covid-19 outbreak regarding the role of parents in assisting children's learning at home has been conducted. However, that cannot be said to have covered the void of educational literature in this time of crisis. Past studies seem to superficially only explain the role of parents in general and use diverse respondents. Dewi [13] and Cahyati & Kusumah [14] offered questions that had been prepared, then described the results of the respondents' answers. Hikam [15], Lutfi & Ahsani [16], and Wardhani & Krisnani [17] generally explained their findings that there was mentoring, understanding of learning styles, providing information, and providing facilities. As far as we are searching, there is no research that focuses on narrating the struggle of mothers in meeting the demands of children's education during the Covid-19 period. The use of narratives is believed to be able to reach data that is not conveyed by other approaches.

In our focus we will narrate the struggle of mothers in their efforts to assist children's learning in the time of the Covid-19 pandemic in the context of remote villages. Then, the challenges they might faces in the future will also be revealed. While policies tend to equalize the parents' environments and conditions, we argue that in the context of regionalism, the unpreparedness of the education system in dealing with crises has caused mothers to struggle with unpredictable situations and surrender. Jægera & Blaabæk's found that Covid-19 actually increases inequality in learning opportunities including access to reading material [18]. Students from remote areas became marginalized during this pandemic [19]. This study is important and relevant to provide input for educational intervention programs in times of crisis.

2. Method

2.1 Research Design

We used a narrative approach to obtain and analyze the experience of the struggling mothers in assisting children's learning in the difficult times of the Covid-19 pandemic in remote villages. Riessman suggests a narrative approach has a pattern similar to storytelling in order to gain insight into some aspects of a person's life that cannot be reached by other qualitative approaches [20]. We assess by paying a full attention to the stories of mothers to make interpretation or find relationship among online system education in difficult times, limited resources and the stories they had from their encounters of the situation. We realize that that this approach did not a hundred percent represent the whole struggle of mothers in

remote areas. However, we put our focus on the constructions and interpretations of women who had very limited resources, but were forced to survive in hard times which they shared through storytelling [21],[22].

2.2 Samples and Settings

Our team's first initial step was to contact several students at universities to gain information about prospective respondents' from remote areas in the districts of North Bengkulu, Central Bengkulu, and South Bengkulu within the scope of Province Bengkulu, Indonesia. We collected 47 names of potential participants, along with their cellphone numbers and locations. Through consideration of sample criteria, access to locations, and communication networks, only 24 people were qualified. We interviewed the participants using mobile phones and videocall from Whatsapp. For the final data, there were only 16 of them giving their consent to take part in the full interview (see: Table 1). The mothers were considered to have eligible participant criteria if they had the following situations: (1) Having children attending elementary school or junior high school with active student status; (2) living in a remote village at least 30 km away from the city center/district, (2) having assisted children in the learning process at least for the last one month, (4) giving their written consent prior to participating.

2.3 Data Collection

Each of the participants was interviewed 2-3 times with an average duration of about 46.3 minutes for one interview, depending on the need to the data. Every word from the interview was recorded, transcribed and reviewed. The participants were asked for another interview when needed. Primary data collection took two months (May - June 2020). The constraints in data collection were generally technical problems, such as bad signals, less supportive participant mobile devices, crying children around them, and inaccurate participant's responses. The adjustment of the interview schedule of some participants was also challenging because they had personal duties and work schedules on their sides.

Each interview was launched by offering simple questions such as personal data, children's data, and description of participants' living places. The use of humor in the interview was emphasized to make the participants relaxed, comfortable, and undisturbed by time. Six items of open-ended questions were prepared, which started with a question 'Can you tell us how your family is now?' (see: Table 2). This refers to Webster & Mertova's guide that structuring interview questions for a narrative approach would encourage reflection and sharing longer sections [23].

No	Data of Mother				Data of Children		Location	
	Participant code	Age	Education Level	Occupation	Participant code	Education Level	Village	Distance to nearest city/district
1	A3-Rya	35 yrs	DIII	Midwife	Rya-A3	SD	Padang Siring	73 KM
2	A2-Hna	32 yrs	SMA	Non-Job	Hna-A2	SD	Dusun Baru II	88 KM
3	A2-Nta	43 yrs	SMA	Fisherman	Nta-A2	SD	Kahyapu	200 KM

4	A2-Arm	40 yrs	SMK	Farmer	Arm-A2	SD	Gedung Sako	181 KM
5	A1-Uta	36 yrs	SMP	Farmer	Arm-A21	SD	Sebayur Jaya	32 KM
6	A4-Wda	34 yrs	Strata 1	ES Teacher	Uta-A1	SDIT	Lubuk Mindai	26 KM
7	A2-Smi	35 yrs	SMK	Farmer	Wda-A4	SD	Kepala Pasar	178 KM
8	A2-Oka	36 yrs	SMK	Non-Job	Wda-A41	SD	Ulak Pandan	189 KM
9	A2-Sas	39 yrs	SMA	Staff	Smi-A2	SD	Penanding	39 KM
10	A1-Nnk	41 yrs	SMP	Fisherman	Smi-A21	SDIT	Kahyapu	200 KM
11	A4-Amr	34 yrs	Strata 1	Non-Job	Nnk-A1	SD	Urai	102 KM
12	A1-Rzk	39 yrs	SMP	Housemaid	Amr-A4	SD	Pasar Tebat	36 KM
13	A1-Rvi	41 yrs	SMP	Farmer	Rzk-A1	SD	Penanding	49 KM
14	A4-Nhn	35 yrs	Strata 1	Farmer	Rvi-A1	SD	Ujung Karang	106 KM
15	A3-Mla	38 yrs	D III	Seller	Nhn-A4	SD	Karang Anyar	70 KM
16	A4-Chr	43 yrs	Strata 1	Non-Job	Nhn-A41	SD	Rena Semanek	124 KM
					Chr-A4	SD		
					Chr-A41	SD		

Tabel 1. The Participants' Demographic Data

2.4 Data Analysis

In analyzing the data of the mothers' struggles, the combined method of Riessman [20] and Miles & Huberman [24] were applied. Our team contacted participants via telephone with a recording device installed under their consent. Recording was then transcribed verbatim from local language into Indonesian. This applied to each interview in one unit, which was then filtered into codes and finally grouped by categories.

The analysis was conducted in five steps. First, the interviews were transcribed and verbally translated. Second, the transcript was thoroughly read to find the part of the answer that needs to be explored further for the second stage interview if necessary. The third step involved a period of deep reflection in each individual interview. The keywords for every utterance, spoken language, and doubt were marked. Fourth, each keyword from one participant was compared to the keywords used by other participants. Fifth, the same keywords were grouped in a sub-category. Finally, sub-categories were grouped into several main categories, so the accurate data were finally established.

Table 2. Qualitative Interview Guide

No	Interview Questions
1	Can you tell us about your family's current situation?
2	What do you think of the learning system that your children are currently experiencing?
3	Can you tell us about your experiences from the beginning until now providing support to your children in doing the school work?
4	Can you talk about the challenges you have in assisting children's learning?
5	In your opinion, can you find solutions for any difficulties you encounter?
6	Is there anything else you want to share with us about your experience in assisting children's learning?

3. Findings

The results showed that the struggles of mothers in assisting children's learning during Covid-19 was divided into several categories: the struggle of knowledge, the struggle for technology, the struggle for economy the struggle for emotional, and the physical struggle. The sub-findings were ranked based on the from the primary data which showed the frequency of occurrence of each category.

3.1 The Knowledge Struggle

The highest percentage of experiences shared by the participants was the struggle for knowledge. Mothers were demanded to understand student assignments, find the pages for the assignment given, learn the materials, and teach them to their children. This was the impact of the rules of the task given by the teacher. Generally, a teacher handed out several questions or instructions. Answers to questions were available in the Student Worksheet (LKS), textbooks from school, or other relevant textbooks. Frequently the teacher combined textbook learning with online media, such as learning from Youtube, where students were instructed to understand video content and explain it. There was also a combination of textbook learning with environmental or natural conditions, for example students were asked to name vertebrate animals around the house. Two mothers described the assignment and their response to it:

"...Sometimes the assignments given by teachers at school are easy. I understand mathematical calculation or multiplication. But there are also teachers who are unreasonable. At that time my son was asked to look for frogs ...My husband and I were forced to go to the rice field in the afternoon. The first day we could not find any, finally the next day the neighbors helped us to get one. I couldn't do anything about this matter. My child, if he is not able to do his schoolwork, he cries." (A2-Arm, first interview)

"My son, who is in grade 5 (Smi-A21), has a unfair assignment, but for one subject only. I think the Culture and Arts teacher does not understand the situation and conditions. I was told to make bamboo satay fan. We live by the sea, so there is no bamboo around... I told the children, just make it from coconut leaves. I don't care if the teacher is angry, as long as my child has a satay fan job." (A2-Smi, first interview).

Other participants focused more on the new knowledge they were forced to learn. Mothers were demanded to understand all subjects in school. At the elementary level, there were at least seven subjects: bahasa Indonesia Mathematics, Science, Social Science, Religion, Arts and Culture, and Physical and Health Education. Mathematics was still the most difficult subject while Science was considered as a demanding subject because the assignment given was directly related to environment. According to A3-Mla:

"I am the one who always dislikes mathematics. During this Covid-19 I have to guide children to learn mathematics. Especially if it's about square numbers, I have to open Youtube. So basically recall my old school days." (A3-Mla, first interview)

In the second interview, A3-Mla added that when he did not understand the lesson, he would contact the teacher via the Whatsapp video call application. Although most of the mothers complained about having to go back to studying to finish their children's school work, it was not a problem for those who once attended high school education.

For the participants with rather high education level, teaching children may be an easy job, but mothers with low level of education, this became very challenging. A participant shared her experience:

"... have forgotten that lesson (that is, mathematics). That was a long time ago, about 30 years ago. Moreover, I am not smart, I once failed a class, so oftentimes I can't help my children doing the homework. Rvi-A1. I drove to his grandmother's house, there was his cousin who had studied at IAIN Bengkulu."
(A1-Rvi, second interview)

A1-Rvi emphasized that she had difficulty accompanying her children because it was difficult to focus on the reading resources. Especially for some subjects she said 'have fear in the past'. During Covid-19, children were assisted if she understood the purpose of the assignment given by the teacher. There were three other participants sharing the same experiences as A1-Rvi. In fact, A2-Nta admitted that she did not pay too much attention to her children's school work.

"...I don't understand, especially when it comes to math or bahasa Indonesia. They make me confused. Looking at numbers make me dizzy. When I am too overwhelmed with the stuff, I just leave it alone." (A2-Nta, second interview)

3.2 The Technology Struggle

The women who taking part in this study shared their stories how they were forced by the situation to learn to use smartphones. This did not apply to all participants, however, only those who did not use a smartphone. We found mothers over the age of 38 had more difficulty than others. A4-Chr stated:

"... I have no option; I have to learn to use it. So far I only use monochrome phone... So, I ask the neighbors to help me with smartphone. Once I am used to it, then I monitor my child. But what the funny from this is that my children is a better user than me. But still, I accompany them to make sure they didn't play the snake game." (A4-Chr, first interview)

A1-Rvi has another way. She trusted his niece who studies at IAIN Bengkulu. During the pandemic, learning activities for all levels of school were transferred to the learning system from home. This was an opportunity to A1-Rvi to take advantage of the situation. She believed his child would study seriously, even without her assistance. So that she could continue the work. When there was an online assignment from the teacher, in the morning her husband would take their kid to the cousin's house. They would pick up the child in the afternoon after returning from work in the fields.

All of the participants came from villages far from the city / district. There were even two participants coming from Enggano Island. Even though it was part of North Bengkulu Regency, the distance from Enggano Island to Bengkulu Utara or Bengkulu City was about 200 km. In this remote village it was difficult to use smartphone devices. Ideally, a teacher did not use internet devices to give assignments or access reading resources, but the fact was there were teachers who deliberately used the internet or parents who were forced to find other sources of knowledge from the internet. In the struggle to find signal, some of the participants narrated their stories, and here were four of which that we share:

"I accompanied the children to the village boundary. There was a market, in the corner of the market there were locations where other villagers used to look for signals." (A4-Nhn, first interview)

"His father went up to the balcony, then my child was screaming from below ... Not that there is no signal, in the living room sometimes signals were sometimes lost... what appears most of the time is only the word 'edge', then there is a flickering arrow. If the signaling stem is full, there are four stems. " (A3-Rya, first interview)

"... good signal. But if the lights go out, the internet signal is lost. When there is a heavy rain, the signal is also gone It often rains here, because it's a mountainous area. Electricity blackout frequently happens here. " (A1-Rvi, first interview)

".... There is sometimes signal of Telkomsel. My son was taken by his brother, usually under the transmitter tower to find a signal. " (A1-Rzk, second interview)

When they were asked what they did when bad signal wasn't resolved, most parents surrendered because they knew the teacher could understand the limitations. But A4-Wda was looking for another way:

"Last month there was an incident, the father of Wda-A41 actually went to the teacher's house to talk about the situation. Usually the teacher would understand.

" (A4-Wda, second interview)

3.3 The Economic Struggle

A lot of research and information in the mass media suggested that farmers, fishermen, and laborers in rural areas were experiencing economic struggle. They survived from day to day. Likewise, the participants of this research were outraged when asked about how their economic conditions were when Covid-19 hit? Some said that they did not fully impact, but there were also those who claimed that they owed several times at the e-credit shop. A2-Hna actually blamed the education policy makers that issued the #dirumahaja and #wfh policies, but it was not supported by learning subsidies.

"Yeah ... the schools did as they liked. They asked children to do many things. However, we still pay for the school tuition. They should help the children to buy credit, not only give so much schoolwork. Yes ... do not just say # home, but there is no help. What do you want to eat? Tomorrow what do you want to eat? Yes ... the credit is still in debt until now. 33,000. Last week her sister bought internet quota. "(A2-Hna, first interview)

A2-Hna explained that her husband experienced a reduction in work hours as a handyman because the owner of the house where he worked was unable to pay wages. During Covid-19, A2-Hna, which initially only focused on raising children, has offered several times as a cleaning service in the village office and several residents' homes. Apparently, she said that the temporary work she took actually had a negative impact on his child. We saw an awareness that her child who was still in grade 2 needed a companion.

We did the second interview to A2-Hna, focusing on the question "how is the continuation of the children's learning assistance at home, when you work temporarily outside?" This was considered important to be explored in order to know the solution of economic problems versus children's education.

"I now help washing, ironing, and taking care of neighboring children in the village. Alhamdulillah, you can help a little (family economy). Hna-A2 is studying with her brother. " (A2-Hna, second interview)

At the end of the A2-Hna talk, she explained that Hna-A2 was not a type of child who was easy to control. His brother frequently reported that Hna-A2 was difficult to study with.

His mother admitted that sometimes she used physical violence and threats to force her children to study.

We have explained before that A4-Chr who only had a monochrome type cellphone before Covid-19, was forced to buy a smartphone

"For me, this old cellphone is enough. It can be used to make a call, send a text, that's enough. But because it is impossible to continue to ask help to our neighbors, finally, Chr-A41 bought one. The price is quite expensive, we have to postpone the Eid al-Adha sacrifice this year, may Allah SWT replace it with something better. Actually we were hesitant to buy this cellphone. However, internet signals are difficult in our home. " (A4-Chr, second interview)

Mothers usually borrowed a smartphone owned by a neighbor or they had their own cellphone, but they were not understand how to use it is a kind of technology struggle that were also experienced by mothers. There were also cases of paying a number of 'services' because a mother asks for an internet quota every time accompanying her child looking for a task on a neighbor's smartphone.

"Luckily one of my neighbors installed wifi. Since online school is system, I accompanied my children there. It is usually in the morning or evening, depending on my work time at rice field. in We did not visit out neighbor at mid day because we afraid that we disturb their resting time ... Initially I gave 50,000 to my neighbor, but he refused. I felt bad. Finally I decide to bring fruits or snacks, sowe can eat together. "(A1-Uta, third interview)

3.4 The Emotional Struggle

The term 'impromptu teacher' has been attached to mothers in assisting children's learning in the Covid-19 times. The term came out of one of the the participants in this research. They expressed a term that contained emotions that they were forced to replace the role of the teacher in school. Most of the mothers stated that rhey were not ready for it because they were required to understand all the subjects. Stress, anger, and grumblings often arouse when accompanying children who did not understand the explanation of the mother or did not follow the rules.

"My emotions are provoked, just angry innate. Being instructed to answer the questions, this child instead run away to his friend's house. I looked for him and told him to go home. When he was at home, he just opened the book for 5 minutes then he was sleepy. How couldn't I not angry? " (A2-Oka, second interview)

Was there physical violence? Some parents admitted that there were pinches, beatings, and other punishments. They believe that physical punishment needed to be given in order to frighten children. But they limit all of this above fairness.

"My parents are like that to me too. It's been hereditary. When we are in the village, scolding children accompanied by pinching is common. Most of our children cried and the next day he repeated it. " (A2-Hna, second interview)

A4-Wda used an agreement mechanism to her children before learning began. A4-Wda provided several punishment options if the child did not do the exercise assignments from school. At the same time she promised to give an award if the child was able to follow the rules of the game from beginning to end. The child could determine where he would go. This pattern could be made effective perhaps because A4-Wda had the experience of educating children as a teacher. He understood the best way to encourage children to compromise.

Among the mothers, it turned out there were those who use the Islamic approach in overcoming the emotional affliction. When children were unable to be controlled, mothers prefer to use sedative sentences in Islam such as 'astagfirullahaladzim', 'O Allah', and 'subhanallah'. We asked if the sentence would calm their emotions.

"You don't want to push your children too hard. I am afraid he is traumatized. All I could do is to be patient ... The words 'astagfirullahaladzim' just come out of my mind as a reflective response. I don't know, but I feel better after reciting it. Most later accompanied also by praying after the prayer. Asking Him to be given more patience in raising children. " (A4-Amr, second interview)

"I am like this, ha ... ha ... ha ... recite 'astagfirullah' but followed by an angry face. Like there is emphasis. Scared child. ha..ha..ha .. and it worked out. " (A2-Sas, first interview)

Physical fatigue also affected parents' emotions when accompanying children's learning. Mothers who helped their husbands meet family needs had more stress levels than mothers who only focused on raising children. We have found that there was a common sense in the community that children's education is in the hands of mothers, so that the husband could enjoy a break in the afternoon or evening. This is inseparable from the explanation of several participants that they get a greater share of work than their husbands. After work, mothers still had to do homework and take care of children. A2-Hna was willing to share unusual stories

"... I have a limit, if I have too much to do and think of, I just want to be angry ... yesterday, there was an incident when my child played all day. I told him do assignments, but he instead went to sleep ... It had reached its peak (my emotion), so I hit him using a broomstick ... " (A2-Hna, second interview)

As has been mentioned above that for A2-Hna hitting children is a common thing in their families. That has been their way of ensuring the child's ethics in the future. Emotions that arouse from mothers which drove to physical reactions was another form of their love for children.

3.5 The Physical Struggle

The physical struggle in this context was the physical sacrifice of a mother during the child's learning times in this current situation. We noted that there were three mothers who fell down from motorbikes and had a fever. A1-Rzk suffered a sprained fall from the motorcycle when she took her son to the transmitter tower to get an internet signal. She considered the incident as an unwary in carrying a motorbike on the red dirt road after rain. Nevertheless, A1-Rzk was still grateful that her child did not experience any injuries. She said:

"... the task would actually submitted the next week, I was going to a stall to buy LPG. Because I went through the tower area, all Rzk-A1 were coming along. The asphalt road did not reach the tower area, and the pathway was red soiled and wet. There I fell down from my motorcycle.. " (A1-Rzk, second interview)

A1-Rzk went to the village masseur to relieve the pain. The treatment took place three times a week. During the treatment, the task of assisting the learning child continued to be carried out. A1-Rzk considered the accident as part of the risk of meeting the educational needs of the child. When telling this part, A1-Rzk cried:

"My husband only completed elementary school, and I graduated junior high school. I work as a maid at someone's home. I want a better work, but I have no high school's degree. It's enough for us to be like this, my child, should have better condition than us. " (A1-Rzk, second interview)

Physical struggle was also experienced by A4-Nhn because they had to balance work as farmers while supervising two children in grades 2 and 6 elementary school. This situation became difficult because her husband had just died last year. So that the whole work was done all by herself. Frequently she experienced back pain and fever.

"... After going back from the rice field that afternoon, I felt so depleted. In the evening I have to watch over my child. Because physically exhausted, I often catch a cold. Usually that is after helping my children with their assignment, I ask them to help me to use the balm to relieve pain. " (A4-Nhn, second interview)

As can be seen from the explanation of A4-Nhn, physical condition did not become an obstacle to continue supervising children to learn during the Covid-19.

4. Discussion

The struggle of mothers in assisting children's learning in the Covid-19 outbreak era based on research data includes the struggle for knowledge, technology, economics, emotional, and physical. Their stories reflect the complex dynamics inherent in meeting the educational needs of children. Also as sub-ordinates stressed the importance of their efforts as a companion and supporter of the family economics in the context of their culture, biographical environment, and social order.

The most dominant thing narrated by mothers is the struggle for knowledge. There are efforts to re-learn, but not a few who gave up because they were unable to understand the child's subjects. We see parents who have a good educational background, the task of mentoring is much easier than parents who lack education. Access to new knowledge includes learning to use a smartphone or certain applications suggested by the teacher. Luckily for parents who can afford to buy a smartphone and internet quota, but it is a problem for those who have economic difficulties. We feel compelled to buy it or find other solutions such as using other people's devices. We also find emotional struggles in the form of stress, anger because children are difficult to regulate, curses in the heart, and also patient. Some parents calm-down using Islamic readings: '*Astaghfirullah, Allahu Akbar, SubhanAllah*'. Physical fatigue and pain are also part of the struggle of mothers. They claimed to have no objections even though they worked during the day and at night with their children. There is a strong desire to provide the best for children, even though they must ignore health. We clarify all their struggles on a sincere basis to ensure the future success of children.

The findings are connected with previous studies for several things such as during Covid-19 mothers at home replacing the role of the teacher [25], psychological stresses experienced [5],[6],[7], technological limitations [26], and economics [27],[28],[4]. But what was unexpected and not yet conveyed in previous studies, and at the same time became a characteristic finding in this study, is the physical sacrifice of fatigue and pain. Although this cannot be said to be full because it accompanies children's learning. Our informants are tough women who take part in family welfare efforts, completing homework: washing, cooking, sweeping, and caring for children. This finding is supported by the explanation of Malik and Naeem that rural women work far harder than men [29]. Yet for the enlightenment of education, patriarchal societies rarely provide that opportunity. A recent study conducted in the village of Bihar, India, described the exploration of female labor during the Covid-19 period tended to increase [28]. A recent United Nations report that rural women find it more

difficult to get health services during a pandemic. Social norms and gender stereotypes are still the main reasons [27].

The findings, analysis, and study support have supported our argument that specifically in the context of the true regional education policy in the Covid-19 period which forced children to study at home, bringing mothers to face unpredictable situations and surrender. For some of our participants who have sufficient resources, the unpredictable conditions can be overcome. But mothers who are not ready, they prefer to surrender.

Finally, we encourage policymakers to take steps to intervene. In the context of regionalism, it is very difficult to refer only to the general rules in the Minister of Education and Culture Circular Letter No. 4 of 2020. Dinas Pendidikan (District Education Office) should not be focused on these appeals. Important to take interventions such as proposing cuts in school fees, provision of quotas free, easy access to reading material, or other supporting policies. Even interventions need to be taken up to the school level, such as providing consultation of students and parents, cutting non-urgent costs, simplifying tasks by teachers, and providing online training and ICT.

5. Conclusion and Limitations

The findings reported here indicated knowledge, technology, economics, emotional and physical are a form of the mother's struggle in the rural assisting their children's learning during the Covid-19. We highlight the importance of educational policy interventions in times of crisis both by District Education Office or at the school level. This study provides a unique understanding of the experience of rural women in meeting the educational needs of their children. Also the way they interpret the importance of education to change the fate of future families.

Research findings are still considered to have a limited sample of mothers who are able to speak and participate in interviews. Therefore, there may be other findings if mothers in other remote areas have the opportunity to talk. In addition, this study only explores the struggles of mothers in assisting children's learning in the most difficult times of the Covid-19, marked by general policy interventions. The experience will change with the times. It seems interesting to see the learning of parents with children, both the new normal or after a pandemic is over. Finally, we also suggest future studies to highlight best practices in educational policy interventions in times of crisis.

Disclosure statement

No potential conflict of interest was reported by the authors.

References

- [1] R. E. Glover *et al.*, "A framework for identifying and mitigating the equity harms of COVID-19 policy interventions," *J. Clin. Epidemiol.*, 2020, doi: 10.1016/j.jclinepi.2020.06.004.
- [2] A. Yousefpour, H. Jahanshahi, and S. Bekiros, "Optimal policies for control of the novel

- coronavirus disease (COVID-19) outbreak,” *Chaos, Solitons and Fractals*, 2020, doi: 10.1016/j.chaos.2020.109883.
- [3] M. Nicola *et al.*, “Health policy and leadership models during the COVID-19 pandemic: A review,” *International Journal of Surgery*. 2020, doi: 10.1016/j.ijssu.2020.07.026.
 - [4] R. M. Viner *et al.*, “School closure and management practices during coronavirus outbreaks including COVID-19: a rapid systematic review,” *The Lancet Child and Adolescent Health*. 2020, doi: 10.1016/S2352-4642(20)30095-X.
 - [5] X. Xie *et al.*, “Mental Health Status among Children in Home Confinement during the Coronavirus Disease 2019 Outbreak in Hubei Province, China,” *JAMA Pediatrics*. 2020, doi: 10.1001/jamapediatrics.2020.1619.
 - [6] M. Spinelli, F. Lionetti, M. Pastore, and M. Fasolo, “Parents’ Stress and Children’s Psychological Problems in Families Facing the COVID-19 Outbreak in Italy,” *Front. Psychol.*, 2020, doi: 10.3389/fpsyg.2020.01713.
 - [7] D. K. Ahorsu, C. Y. Lin, V. Imani, M. Saffari, M. D. Griffiths, and A. H. Pakpour, “The Fear of COVID-19 Scale: Development and Initial Validation,” *Int. J. Ment. Health Addict.*, 2020, doi: 10.1007/s11469-020-00270-8.
 - [8] S. K. Brooks *et al.*, “The psychological impact of quarantine and how to reduce it: rapid review of the evidence,” *The Lancet*. 2020, doi: 10.1016/S0140-6736(20)30460-8.
 - [9] T. G. Szabo, S. Richling, D. D. Embry, A. Biglan, and K. G. Wilson, “From Helpless to Hero: Promoting Values-Based Behavior and Positive Family Interaction in the Midst of COVID-19,” *Behav. Anal. Pract.*, 2020, doi: 10.1007/s40617-020-00431-0.
 - [10] G. Wang, Y. Zhang, J. Zhao, J. Zhang, and F. Jiang, “Mitigate the effects of home confinement on children during the COVID-19 outbreak,” *The Lancet*. 2020, doi: 10.1016/S0140-6736(20)30547-X.
 - [11] Deb Amlen, “Running Out of Games? Remember These Old-School Favorites. The New York Times,” 2020.
 - [12] Stephanie Osmanski, “Avoid Cabin Fever with These 125 Ideas to Keep Kids Entertained During the Coronavirus Crisis,” 2020.
 - [13] M. S. Dewi, “RESPON ORANG TUA TERHADAP PEMBELAJARAN DARING PADA MASA PANDEMI COVID-19,” *THUFULI J. Ilm. Pendidik. Islam Anak Usia Dini*, 2019.
 - [14] N. Cahyati and R. Kusumah, “Peran Orang Tua Dalam Menerapkan Pembelajaran Di Rumah Saat Pandemi Covid 19,” *J. Golden Age, Univ. Hamzanwadi*, 2020.
 - [15] F. F. Hikam, “Peran Keluarga Dalam Pembelajaran Berbasis E-Learning Pada Masa Wabah Covid-19,” *J. Pendidik. dan Dakwah*, 2020.
 - [16] E. Luthfi and F. Ahsani, “Strategi Orang Tua dalam Mengajar dan Mendidik Anak dalam Pembelajaran At The Home Masa Pandemi Covid-19,” *J. Al_Athfal*, 2020.
 - [17] T. Z. Y. Wardhani and H. Krisnani, “OPTIMALISASI PERAN PENGAWASAN ORANG TUA DALAM PELAKSANAAN SEKOLAH ONLINE DI MASA PANDEMI COVID-19,” *Pros. Penelit. dan Pengabd. Kpd. Masy.*, 2020, doi: 10.24198/jppm.v7i1.28256.
 - [18] M. M. Jæger and E. H. Blaabæk, “Inequality in learning opportunities during Covid-19: Evidence from library takeout,” *Res. Soc. Stratif. Mobil.*, 2020, doi: 10.1016/j.rssm.2020.100524.
 - [19] N. Kapasia *et al.*, “Impact of lockdown on learning status of undergraduate and postgraduate students during COVID-19 pandemic in West Bengal, India,” *Child. Youth Serv. Rev.*, 2020, doi: 10.1016/j.childyouth.2020.105194.
 - [20] C. K. Riessman, “Narrative Methods for the Human Sciences,” *Narrat. Inq.*, 2008, doi: 10.1075/ni.18.2.13ada.
 - [21] G. Caduri, “On the Epistemology of Narrative Research in Education,” *J. Philos. Educ.*, 2013, doi: 10.1111/1467-9752.12011.
 - [22] J. Elliott, “Using Narrative in Social Research: Qualitative and Quantitative Approaches,” *Using Narrat. Soc. Res.*, 2005, doi: 10.4135/9780857020246.
 - [23] L. Webster and P. Mertova, *Using narrative inquiry as a research method: An introduction to using critical event narrative analysis in research on learning and teaching*. 2007.
 - [24] M. Miles and A. Huberman, “Miles and Huberman Chapter 2,” in *Qualitative Data Analysis*, 1994.

- [25] E. Kurniati, D. K. Nur Alfaeni, and F. Andriani, "Analisis Peran Orang Tua dalam Mendampingi Anak di Masa Pandemi Covid-19," *J. Obs. J. Pendidik. Anak Usia Dini*, 2020, doi: 10.31004/obsesi.v5i1.541.
- [26] UCLG, "Briefing & Learning Note: Digital Technologies and the COVID19 Pandemic," 2020. https://www.uclg.org/sites/default/files/eng_briefing_technology_final_x.pdf.
- [27] UN Women, "Policy Brief: The Impact of COVID-19 on Women," 2020.
- [28] D. Kumari, "Livelihood Issues amongst Scheduled Caste Women in Rural Bihar in the Outset of COVID-19 and the Way Ahead," *SSRN Electron. J.*, 2020, doi: 10.2139/ssrn.3646395.
- [29] S. Malik and K. Naeem, "Policy Review Impact of COVID-19 Pandemic on Women Health, livelihoods & domestic violence," pp. 1–11, 2020, [Online]. Available: <https://www.jstor.org/stable/resrep24350>.

Social Process on Sexual Behaviour of Dating Students College in Palu City

Sri Dewi Lisnawaty¹
{sridewi_liesty77@yahoo.com¹}

Institut Agama Islam Negeri (IAIN) Datokarama Palu, Palu, Central Sulawesi, Indonesia¹

Abstract. The sexual behavior of dating students college in Palu City nowadays tends to adopt western culture, where their dating behavior is implemented through physical touches such as holding hands, hugging, kissing, groping each other, making out to intercourse as what married couple do. Their dating behavior which tends to be permissive resulting in non-marital pregnancy. The aim of this study is to describe the social process on sexual behavior of dating student in the city of Palu. The method of the research was qualitative descriptive research approach that produces descriptive data about spoken and written words and the behavior of the people studied. Data collection techniques are carried out through observation, interviews, research instruments and documentation. The results of the study found that the social process of dating students' sexual behavior is generally carried out based on the stages of physical intercourse, starting from hugging, holding hands, dry kissing, wet kissing, hugging, holding or touching private parts, petting, oral sex, and frequent intercourse. These actions were done freely because the social environment enables the students to commit sexual behaviors without considering the consequences of their deviant behaviors.

Keywords: Social process, sexual behavior, dating students.

1 Introduction

Observing the phenomenon that occurs in Indonesia today, there are so many problems arise, one of them is the problem of sexual intercourse amongst adolescent, where their dating behavior became so severe because many get lost in "dark paths", forgetting their time and age, to study or acquire knowledge. Instead of knowledge, they are lost in pursuing "forbidden pleasure", and few students become victims of their sexual behavior in dating. The freedom in sexual behavior in Indonesia is currently increasing, this phenomenon can be found in observations of daily life and in the mass media, ranging from dating without norm boundaries, non-marital sexual relationship, pregnancy, abortion, and to live together without any legitimate marital ties. This condition is not only done by adults, but also by adolescents [1].

Phenomenon in Semarang, a study of 1086 respondents of Junior High School students found that 4.1 percent of young men and 5.1 percent of young women had had sex. The same year,

Tjitarra surveyed 205 adolescents who had unwanted pregnancy. The survey conducted by Tjitarra also revealed that the majority of them have high school education and above, 23 percent of them are aged 15-20 years old, and 77 percent are aged 20-25 years old, (Satoto; in Yeni 1998). Research Center for Health Research, University of Indonesia (UI) mentioned that 650 thousand teenagers are not virgins. The research was conducted in 2010/2011. If you add Tangerang and Bekasi, 20.9 percent of teenagers had non-marital pregnancy. This figure increases when the research is carried out nationally [2].

Dating is the main object in venting the sexual desire of adolescents. Nearly 50 percent of couples who are dating have done it, and the saddest thing is that averagely, it is done by teenagers/students. From this, it can be described that there is a shift in the culture of modesty today, especially for young people dating both in Indonesia in general and in the city of Palu in particular [1].

A community leader named H. Umar Syamsuddin expressed that the sexual behavior of dating adolescents in Palu City has now reached a level that is quite sad for the community. This gave a strong encouragement to the researcher to research the sexual behavior of dating students in Palu City, especially in West Palu District. The phenomenon of rampant sexual behavior among students that occurs in the West Palu area, where people around the boarding house often find birth control pills and used condoms in the trash, and it is likely that these condoms have been used by students who have sexual behavior with their boyfriends in the boarding room. The results of the researcher's initial observations revealed that around 6 (six) students had engaged in sexual behavior in dating, and among them there were those who ended up getting married while being pregnant and finally stopped (on leave) from college, but this study purposively selected 5 (five) students who are dating and have engaged in sexual behavior in dating (non-marital sexual relationship).

From the phenomenon of student dating sexual behavior, the researcher aims to explore deeply the social process of sexual behavior of dating student in the city of Palu

2 Method

The research method is descriptive qualitative with phenomenological approach, because it deals with human behavior which includes what is said and done as a result of the way humans define their world. (Bernard Raho, 2007). The location of this research is the city of Palu, especially in the West Palu District as a research location because the students who are the subjects of the research live near the campus, thus making it easier for researchers to be able to seek deeper information. The data collection technique is observation, interview and documentation. The data analysis technique was carried out qualitatively with stages (1). Examining all data obtained by reading, studying and understanding it, (2). Reducing data by means of abstraction, namely analyzing and summarizing the essence of the data, (3). Arranging the data in units or classifications, (4). The units were then categorized while coding takes place, (5). Checking data validity.

The recommended data validation techniques are participation extension, observation persistence, triangulation, peer checking, negative case analysis, reference adequacy, member checking, detailed description, and audit trail [3].

3 Result and Discussion

3.1 Social Process on Sexual Behaviour of Dating Students

Humans are social creatures who throughout their life socialize with other people in the process of interaction. Social processes are ways of relating that can be seen if individuals and groups meet and determine the system and form of this relationship or what will happen if there are changes that cause the disturbance in the existing ways of life [4].

If two or more people have a relationship with each other, it means that they have interacted, and then there will also be the social process [5]. Thus the social process is a relationship between fellow humans in a community environment that creates an attachment of interests that creates social status. Adolescence is a period of transition from children to adults. Some environmental changes make a difference in this transition period. For example, a student as a late teenager undergoes a transition from high school to university that involves a movement towards a larger, impersonal school structure; interaction with peer groups from areas with more diverse ethnic backgrounds.

The following is the social process that prompts the sexual behavior of dating students in Palu City, based on the findings of this study as follows:

3.1.1

Social interactions that are carried out without the supervision of parents or the community around the place of residence provide freedom and opportunities for adolescents to do or practice all their curiosity, including sex. These sexual urges will increase with the spread of information through mass media such as VCDs, stencil books, photos, magazines, the internet, and others. Increased sexual drive is supported by curiosity as well as social conditions and the attitude of the community around the student residence who does not care about the conditions of each resident resulting in providing opportunities for teenage students to have premarital sex.

Based on the results of an interview with one of the informants, it was found that various kinds of risky sexual behavior such as holding hands, dry kissing, wet kissing, hugging, holding or touching private parts, petting, oral sex, and having intercourse are often done because of the freedom in the social environment and students having ample opportunity to commit sexual deviations without thinking about the consequences of these deviant actions. The non-marital relationship that they have has become a trend both among teenagers and among students, especially students in Palu City.

To facilitate an understanding of the description of the form of sexual behavior in dating, it is described in Table 1 below.

Table 1. Social Process of Sexual Behavior of Students

No	Forms of Sexual	Information about sexual
----	-----------------	--------------------------

Behavior		activity during dating	
		Haven't Done	Already Done
1	Holding Hands		✓
2	Dry kiss		✓
3	Wet Kiss		✓
4	Hugging		✓
5	Touching Private Parts		✓
6	Oral sex		✓
7	Petting		✓
8	Intercourse		✓

Source: Research Result, Agustus 2018

Based on Table 1, an illustration is obtained that the social process of dating students College sexual behavior every time they meet, they have already carried out sexual behavior activities such as holding hands, dry kissing, wet kissing, hugging, touching private parts and oral sex, petting and having intercourse. Sexual behavior is carried out both in boarding houses and in public places such as malls and entertainment beaches. It is clear from table 1 that it also shows that sexual activity carried out by the respondent includes all forms of sexual behavior in dating. The results of the previous interview also explained that the respondent had had an intimate relationship.

3.1.2

Based on the information obtained about the social process of sexual behavior with their partners in dating, it is explained. Based on the information that the social process of sexual behavior carried out by students in relating with their partners, starting from holding hands, dry kissing, wet kissing, hugging, touching private parts to rubbing the genitals to orgasm. The sexual behavior of teenage students as described by Hurlock regarding the stages in premarital sex behavior, namely the pattern of intimacy during dating which can end in premarital sexual behavior starting from kissing, light making out, heavy making out, and then intimate relationships. Initially dry kissing, after that wet kissing, kissing the neck (necking), after that rubbing each other's genitals (petting), trying to rub the penis against the lips of the vagina and so on until full intercourse [6].

3.1.3

Based on the results of the interview and the description of table 5.3 above, it can be concluded that the social activities of dating carried out by informant F.A (19 years old) with her

partner reached climax until they have sex like husband and wife. Deviant social behavior has become part of their needs which they cannot avoid even though the consequence of their deviant behavior is that they are isolated from close relationships with local community members. Adolescents who engage in free sex are considered delinquent teenagers and are classified as socially disabled children who suffer from mental disabilities, thus displaying anti-social behavior or abnormalities in their behavior. This behavior is considered by the community as behavior that violates social, religious and legal norms in society. This is explained by Kartini Kartono that delinquent teenagers are also referred to as socially disabled children. They suffer from mental disabilities due to social influences in society, where their behavior is considered by society as a disorder and is called "delinquency". It is also emphasized in the Bakorlak Inpres no: 6/1977 guidebook 8, it is said that juvenile delinquency is an anti-social adolescent behavior disorder/action that violates social norms of religious norms prevailing in society [7].

3.1.4

Socio-economic development gives an influence for students to associate themselves with the modern technology and in order to fulfill it, not a few of them have to take shortcuts to sacrifice themselves to have non-marital sex just as a reward from their partners of getting an iPad or Mobile phone. This phenomenon is caused by inadequate economic factors of parents. What they did unconsciously has deviated them from the normal social process of sexual behavior among students

Based on the results of the interviews and the description of the table above, it can be concluded that deviant social behavior is carried out by the F.R.S informants in dating due to higher economic needs resulting in a give and take relationship as described in social exchange theory.

According to this theory, individual enter into exchange relationships with other people because from them they get a reward. in other words, exchange relationships with other people will produce a reward for them. Social exchange theory also sees that between behavior and the environment there is a reciprocal relationship. Because our environment generally consists of other people, we and these other people are seen to have behaviors that influence each other. In this relationship, there are elements of reward, sacrifice (cost) and profit. Rewards are everything that is obtained through sacrifice, sacrifice is all things that are avoided, and profit is the reward reduced by sacrifice [8].

The theory of social exchange developed by Thibault and Kelley assumes that the basic form of social relations is a commercial transaction, where people relate to other people because they expect something to meet their needs. This theory is based on the exchange of rewards (gifts) and costs in order to increase the value of the results of the communication process that occurs individually in the process of interpersonal communication. People will try to reduce costs and at the same time will maximize the rewards (profits that occur as a result of the interpersonal communication process) which is based on efforts to develop results that may be received by each party. When the results of this communication are felt to be enlarged or increased, we try to open and develop a narrower pattern of communication relationships with that person [9].

Apart from this theory, social processes that are influenced by globalization that cannot be avoided by anyone greatly affect one's social life. Because globalization includes all aspects of human life, from economy, ideology, politics, to technology. Because of this condition, the

association of teenage students today is no longer in accordance with social norms that characterize a modest personality but rather promiscuity where they deliberately or compulsively engage in deviant sexual behavior ranging from holding hands, hugging and kissing to doing intercourse as expressed by Sarwono on premarital sexual behavior starting from hugging and holding hands, kissing, touching breasts, touching genitals and having sexual intercourse [10].

3.1.5

Nowadays promiscuity that leads to premarital sex behavior (dating, holding hands, kissing cheeks, hugging, kissing lips, touching breasts on top of clothes, touching breasts under clothes, touching genitals on top of clothes, touching genitals on under the pants, and having intercourse) has become something common, even though it shouldn't occur (Samino, 2012). Premarital sexual behavior carried out by adolescents originates from the emergence of "chemistry" (attraction) towards the opposite sex as a result of sexual development. This attraction invites adolescents to establish a romantic relationship, where in this romantic relationship adolescents begin to develop forms of sexual behavior together with the increasing sexual urges which lead to desires that are not easily understood by adolescents (Andayani and Setiawan, 2005). Social change begins to appear in the perception of society, which initially believed that sex as something sacred has become something that is no longer sacred, now sex has generally occur in the society. Coupled with the culture of sexual permissiveness in the younger generation, it is illustrated by dating couple who increasingly open up opportunities for deviant sexual acts as well as the existence of sexual freedom has hit the lives of people who have not yet married. Even premarital sex activity occurs among adolescents and students who are undergoing a cultural process by living up to scientific values [11].

3.1.6

The description of sexual behavior on students that has been shown above also shows the informants' views or values on sex which are increasingly permissive so that the informants tends to do things that increasingly involving themselves in physical relationships with the opposite sex. This is in accordance with what was stated by Pangkahila dalam Prawirodihardjo which is one that makes someone engage in premarital sex behavior is a permissive environment, because in environmental conditions like this, supervision is usually less strict so that the punishing effect is nonexistent and they tends to repeat it [12]. Again, as explained by George Homans (Ritzer, 2010; Bambang, 2012), the social exchange relationship carried out by humans can be explained through six basic proportions, including the Propositional success [13]. "In every action, the more often a particular action gets rewarded, the more often he will do that action ". This means that if someone succeeds in getting a reward (not getting punished) then that person tends to repeat the action.

Furthermore, Bechteren proposed the theory of instrumental behavior or Bechteren's avoidance and escape learning theory. Pavlov developed the Kinble Law Of Reinforcement. and Thorndike express the Law of Effect and Thorndike's law of Exercise [10]. The principles of these theories and laws are: If the stimuli give a positive effect or give rewards (rewarding), then the reciprocal behavior towards the stimuli will be repeated on other occasions where the same stimulation arises. Conversely, if the stimulation has a negative effect (punishing), the reciprocal relationship will be avoided at other times.

The role of J.B. Watson in the development of the theory of reciprocity is to strengthen it into a movement which he named the theory of Behaviorism. This was done by presenting a working paper entitled *psychology as the behaviorist views it* (Watson, 1913). It is in this study that the theory of reciprocity develops rapidly.

4 Conclusion

Based on the results of the discussion that has been described above, it can be concluded that the social process of sexual behavior of dating student that deviates from the teachings of the Islamic religion starts from hugging, holding hands, dry kissing, wet kissing, hugging, holding or groping private parts, petting, oral sex, and sexual intercourse. Meanwhile, the social process of sexual behavior of dating student which is based on Islamic teachings is a process of Taarf which has limitations to avoid adultery. The limitations according to Islamic law include the following: (1) Not committing an act that can lead us to adultery, (2) Not touching a woman who is not one's Muhrim (3) Not being alone with the opposite sex who is not one's Mahram (4) Lowering one's gaze to avoid lust (5) Shielding the Aurat.

References

- [1] Lisnawaty S. D., "Hubungan antara Kecerdasan Spiritual dan Motivasi Berprestasi dengan Perilaku Seksual Remaja dalam Berpacaran di SMAN 4 Palu," Fakultas Psikologi Universitas Gadjah Mada, 2006.
- [2] M. T. Gani, "Remaja di Kota Makassar (Studi Kenakalan Remaja di Kecamatan Tamalatea, Panakkukang dan Rappocini)," Pascasarjana Universitas Negeri Makassar, 2009.
- [3] L. J. Moleong, *Metode Penelitian Kualitatif*, Edisi Revi. Bandung: PT. Remaja Rosdakarya, 2010.
- [4] S. Soekanto, *Remaja dan Masalah-masalahnya, sebab musabab dan pemecahannya*. Jakarta: Penerbit BPK Gunung Mulya, 2012.
- [5] Soetjningsih.C.H., "Faktor-Faktor yang Mempengaruhi Perilaku Seksual Pranikah pada Remaja," Fakultas Psikologi Universitas Gadjah Mada, 2008.
- [6] F. Betha, "Perilaku Seksual Pranikah Ditinjau dari Intensitas Cinta dan Sikap terhadap Pornografi pada Dewasa Awal," *J. Psikol.*, 2011.
- [7] Kartono K, *Patologi Sosial*, Jilid 1. Jakarta: Rajawali Pers, 2011.
- [8] M. Hasan, "Perspektif dalam Psikologi Sosial," 2008. <http://meiliemma.wordpress.com/2008/01/27/teori-pertukaran-sosial> (accessed Nov. 17, 2013).
- [9] Rizky Aulia Y., "Teori Pertukaran Sosial (Social Exchange Theory)," 2013. <http://teoripertukaransosial.htm>. (accessed May 25, 2014).
- [10] Sarwono, *Teori-Teori Psikologi Sosial*, Edisi Revi. Jakarta: Rajawali Pers, 2011.
- [11] Salisa Anna., "Perilaku Seks Pranikah Dikalangan Remaja," Fakultas Kedokteran Universitas Sebelas Maret Surakarta, 2010.
- [12] Prawirodihardjo L., "Perilaku Seks Bebas Remaja di Kota Makassar," Pascasarjana Universitas Negeri Makassar, 2013.
- [13] Ritzer George, *Sosiologi Ilmu Pengetahuan Berparadigma Ganda*. Jakarta: PT. RajaGrafindo Persada, 2010.

The Effectiveness of The Use of Technology Information in Micro, Small and Medium Enterprises

Riki Aprianto¹, Rahmat Ilahi², Ryani Dhyhan Parashakti³
 {rikiaprianto2104@gmail.com¹, rahmaet212@gmail.com²,
 ryani.dhyhan.Parashakti@undira.ac.id³}

Management Department, Faculty of Economy and Business, Universitas Dian Nusantara,
 West Jakarta, Jakarta, Indonesia¹, Management Department, Faculty of Economy and
 Business, Universitas Dian Nusantara, West Jakarta, Jakarta, Indonesia², Management
 Department, Faculty of Economy and Business, Universitas Dian Nusantara, West Jakarta,
 Jakarta, Indonesia³

Abstract. The low understanding of the digital world by Small Medium Enterprises (SME) in Indonesia is an important point why Small Medium Enterprises (SME) cannot keep up with market developments. As we know that there are many internet users in Indonesia, we can use this for broader marketing. However, the obstacle that is often faced by Small Medium Enterprises (SME) actors is that they do not understand how to take advantage of the Internet, and some have even marketed their products but the results are still ineffective. It is from this problem that we conduct surveys and provide direction and marketing knowledge to Small Medium Enterprises (SME). The activities we carry out also aim to support government programs to advance the Small Medium Enterprises (SME) sector so that they can compete with other competitors, especially during a pandemic like now, there are so many Small Medium Enterprises (SME) that are affected.

Keywords: Small Medium Enterprises, Internet, Marketing

1. Introduction

The role of SMEs in the Indonesian economy is very significant. Based on data from the Indonesian Central Bureau of Statistics (2006), there are 48.9 million SMEs entering Indonesia and they contribute 99.9% of the total business [1], this is the main foundation that the MSME sector can survive during the economic crisis caused Covid-19.

The reason is, so far SMEs are Indonesia's economic modality when facing the global economic crisis. The scale of business at the SMEs level not only looks solid in facing the impact of the crisis, but is also capable of survival in such a way in the midst of a global recession. This phenomenon is at least seen both during the global financial crisis of 1997 - 1998 and the moments of the 2008 - 2009 crisis [2], meaning that the driving factor for economic revival in Indonesia is SMEs, because SMEs are able to absorb far more jobs.

In 2020, Indonesia will again experience an economic crisis caused by the Covid-19 pandemic. Minister of Finance (Menkeu) Sri Mulyani Indrawati said the Covid-19 pandemic not only caused a health crisis but also suppressed the economies of all countries in the world. Even today, there are many countries that have entered into recession due to double digit economic contraction [3], this is a problem for the Indonesian state, where the unemployment

rate is increasing and state income decreases, because people are having difficulty paying taxes in the midst of this economic crisis.

The role of information technology is an important factor during the current crisis in Indonesia. The number of online shop transactions has increased by 400 percent and is predicted to continue in the new normal, the marketplace platform will get competition from large retailers to minimarkets that also open online services to delivery. "Post and logistics services will compete on the quality of this service," [4]. However, many SMEs have not been able to maximize their market in the digital world, so what happens is that they keep selling even though they have to be evicted by the Satpol PP and other officers. This is a problem in the midst of this pandemic. SMEs do not really understand how to use information technology to increase their sales in the digital world.

Social media is a group of internet-based applications built on the ideological and technological framework of Web 2.0 [5]. Using the internet will facilitate buying and selling transactions because sellers and buyers do not meet face to face directly but only through social media. Digital tools have made product design and manufacturing faster and more efficient than ever before [6]. This means that with information technology, reaching SMEs to expand their market is much easier, and business actors can also get new customers out of town.

Based on the background of the problem above, the following problems can be formulated:

- a. How much influence does social media have on the development of Small and Medium Enterprises (SME)?
- b. How do you describe the use of social media in Small and Medium Enterprises (SMEs)?

So that the research does not deviate from the problems that have been formulated, the researchers limit the problems studied in this study, while the limitations of the problems in this study are:

- a. This research is limited to three types of service businesses, trade and industry and is limited to nine business fields, namely culinary, photography / printing, merchandise, furniture / property, fashion, transportation / automotive, education, beauty and agribusiness.
- b. The types of social media used are limited to social media Facebook, WhatsApp, Instagram, Youtube, Google and E-Commerce.

Every research that will be carried out must have a purpose, as well as this research is carried out with several objectives. The objectives of this study are: (a) To see how effective the use of social media is for small and medium enterprises (SME); (b) This is to see how familiar small and medium enterprises (SME) are with social media; (c) To find out the effect on their sales.

Based on the research objectives to be achieved, this research is expected to have benefits. The benefits of this research are as follows: (a) The results of this study are expected to provide added insight and knowledge about the application of social media to develop small and medium enterprises; (b) It is hoped that it will be useful for SME entrepreneurs in the application of social media in developing their business.

2. Literature Review

2.1 Small Medium Enterprises

In accordance with Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs): (a) Micro Enterprises are productive businesses owned by individuals

and / or individual business entities that meet the criteria of Micro Enterprises as regulated in this Law. (b) Small Business is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is a part, either directly or indirectly, of a medium or large business. meets the criteria for Small Business as referred to in this Law. (c) Medium-sized enterprises are productive economic enterprises that are independent, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or are part of, either directly or indirectly, with Small or large businesses in the amount net assets or annual sales proceeds as regulated in this Law. (d) SMEs criteria based on total assets and turnover [7].

Micro enterprises are small scale economic activities of the people and are traditional and informal in the sense that they are not registered, have not been registered, and are not yet incorporated. The maximum annual sales proceeds from the business are IDR 100,000,000 and belong to Indonesian citizens [8].

2.2 Internet

Internet stands for interconnection networking simple can be interpreted as a global network of computer networks [9]. The Internet is a very large computer network, consisting of millions computer devices connected via a certain protocol for exchange information between the computers. All computers connected on the internet do exchange of information through the same protocol, namely TCP / IP (Transmission Control Protocol / Internet Protocol) (Shahab, 2000). Internet provides access to telecommunication services from information resources to millions of its users spread all over the world [10].

2.3 Marketing

Marketing is a social and managerial process in which individuals or groups aim to fulfill their needs and desires through creativity, offering and exchanging product values with others [7]. Marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return”, which means stating that marketing is a process by which companies create value for customers and build strong customer relationships to capture value from customers. in return [11].

Marketing is one of the activities in a helpful economy in creating that economic value determine the prices of goods and services [9].

3. Research Methods

3.1 Design and research samples

This research is a descriptive study on Small and Medium Enterprises (UKM) in Jakarta, Bogor, Depok, Tangerang, with a total of 20 respondents. This study uses quantitative methods to examine the effect of independent variables on the dependent variable. The sample selection in the study used a non-probability technique with a convenience sampling method, namely taking samples by taking SMEs who have used social media for marketing tools, such as Facebook, Instagram, Google, Twitter and YouTube.

3.2 Method of collecting data

This study used a survey method, the data collection methods obtained directly from the original source through interviews and questionnaire form. The data obtained includes data on general characteristics, data on the use of social media within the company, including the

objectives, benefits and obstacles faced. The data is complemented by the results of the researchers' observations of the SMEs and social media used.

3.3 Data Analysis

Data analysis was performed using quantitative methods, where the data entered through a questionnaire made with the help of Google Forms, will form a diagram and tables that help in the data analysis process.

4. Results and Discussions

4.1 Characteristics and forms of SMEs

The subjects in this study were owners, managers and employees of SMEs with service, trade or industrial types of business. The areas of business in this research include culinary, photography / printing, merchandise, furniture / property, fashion, transportation / automotive, education, **beauty and agribusiness**.

Table 1. Characteristics and forms of SMEs

Type of Business, Line of Business and Long Standing		
Type of Business	n (Amount)	Percentage (%)
Service	4	20%
Trade	15	75%
Industry	1	5%
Line of Business	n (Amount)	Percentage (%)
Culinary	9	45%
Photography/Printing	0	0%
Merchandise	2	10%
Property/Furniture	0	0%
Fashion	6	30%
Transportation/Automotive	0	0%
Education	0	0%
Beauty	3	15%
Agribusiness	0	0%
Long Standing	n (Amount)	Percentage (%)
>1 Years	10	50%
2 – 5 Years	7	35%
6 – 10 Years	1	5%
<10 Years	2	10%

4.2 Social Media Implementation in SMEs

All SMEs that are used as objects in this study have implemented social media as a medium for corporate information and communication. Most SMEs use various types of social media to market and advertise company merchandise and services. Nowadays, smartphone apps are important in providing information to other people especially consumer where it can be considered as consumer information systems (CIS) [12]. Almost all SMEs use social media Facebook, WhatsApp and Instagram to display company profiles and company product galleries. Most companies use WhatsApp for company information / communication media and product marketing of the company. In addition, some SMEs also use E-Commerce media to market products and company profiles to the public. E-commerce is a global phenomenon affecting economic and social life throughout the world [13]. Almost all SME have used

Facebook and Instagram for promotional media. And most SMEs update information on social media every day.

Table 2. *Social Media Implementation in SMEs*

Type of Social Media and Features		
Facebook	n (Amount)	Percentage (%)
Personal Bio	18	90%
Fanpage	12	60%
Marketplace	8	40%
Facebook Ads	4	20%
Total Percentage Facebook		52,5%
Instagram	n (Amount)	Percentage (%)
Personal Bio	17	85%
Instagram Business	8	40%
Instagram Ads	3	15%
Total Percentage Instagram		46,67%
WhatsApp	n (Amount)	Percentage (%)
WhatsApp Messenger	7	35%
WhatsApp Business	15	75%
Total Percentage WhatsApp		44,5%
Google	n (Amount)	Percentage (%)
Website	3	15%
Google Business	6	30%
Google Ads	0	0%
Total Percentage Google		15%
E-Commerce	n (Amount)	Percentage (%)
Tokopedia	14	70%
Lazada	12	60%
OLX	5	25%
Bukalapak	14	70%
Shopee	16	80%
Zalora	2	10%
Blibli	2	10%
JD ID	0	0%
Total Percentage E-Commerce		40,63%

From the results of the research conducted, it shows that social media Facebook, Instagram, and WhatsApp tend to be preferred because of their ease of sharing information and attracting attention from target markets. Facebook with the like function and the ease of sharing features for sharing information among Facebook users provides a viral effect that can improve product marketing performance, coupled with the ease of interacting with previous comments giving a domino effect to strengthen product image, besides Facebook has many other features that can be utilized by entrepreneurs such as fanpage, marketplace and facebook ads, Facebook is a social networking site that can be used as a place to make friendships with all people around the world to be able to communicate with one another [14]. Instagram is a social network that offers its users the opportunity to share their lives through a series of pictures [15]. Instagram, with the ease of posting a visual display in the form of still images and short videos, will make the products that are uploaded most often have a higher tendency to attract the attention of consumers, Instagram also has a business Instagram feature where entrepreneurs can evaluate the market appropriately and correctly even with traffic. It's free, Instagram also has paid ads or advertising facilities, with Instagram ads making the marketing term even wider. WhatsApp Messenger itself is a chat application in the form of Mobile

Instant Messaging (MIM) that provides text, images, location, video, and audio messaging services as well as video and audio calls using smartphones based on Android, Blackberry, iOS, Symbian (s60), and Windows Phone [16], in its development WhatsApp launched a new feature in the form of WhatsApp Business, whatsapp is specifically for entrepreneurs who wants to sell his product more accurately. Google is a search engine that has extraordinary features, there are many facilities offered by Google, such as Google Business, Google Maps and Google Ads. The Google search engine took more factors into account than any other search engine on the market [17], but Indonesian SMEs have not been able to maximize the benefits of Google. E-Commerce is a place of buying and selling that is starting to be dominated by most SMEs, there are many types of e-commerce in Indonesia, but only a few people know, with the help of e-commerce, SMEs can easily sell their products, besides sellers and buyers do not need to be afraid of fraud, because everything has been monitored by the e-commerce party itself.

Other types of social media that have the potential and can also be used as corporate marketing communications but which have not been used by the object of this research include Google+, LinkedIn, Pinterest, Tumblr, MySpace [18].

4.3 Effectiveness of Use of Information Technology

The results of the above research show that the results are less effective with an average percentage below 50%. From these results, SMEs in Indonesia have not fully utilized information technology as an effective marketing medium. Lack of understanding of techniques in marketing such as copywriting, storytelling and closing techniques makes advertisements posted less effective, not only that there are many SMEs who don't know what paid traffic is such as Facebook Ads, Instagram Ads, Google Ads, and those that currently exist TikTok Ads, TikTok – known as DouYin in China – is a social media application used for creating and sharing short videos [19]. SMEs themselves are not sufficiently skilled in marketing so that sometimes they feel that their advertisement is wrong or that they are selling the wrong product. This is of course a serious concern for the government so that it can improve the skills of SMEs in the IT field. Based on the data we obtained from 20 respondents regarding the effectiveness of the role of social media with information on point 1 = very ineffective, point 2 = ineffective, point 3 = quite effective, point 4 = effective, and point 5 = very effective.

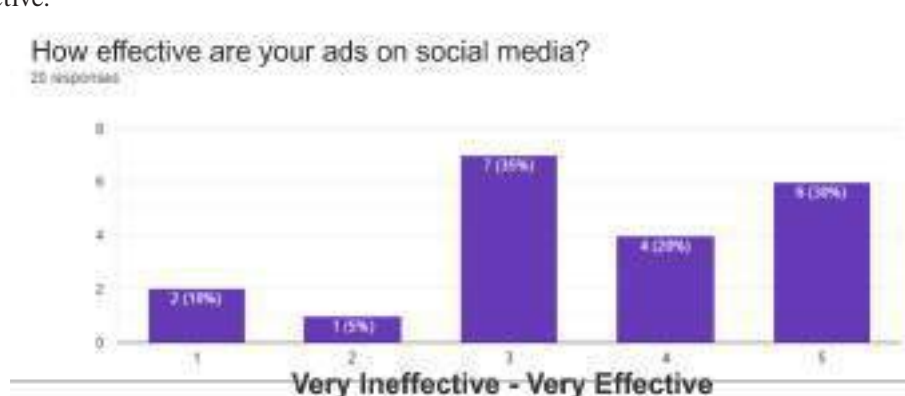


Figure 1. Effectiveness of Use of Information Technology

This study shows the number of respondents with the level of effectiveness of using social media for the products of each UKM. There are 2 people who feel that social media has

no effect at all, 1 person feels ineffective, 7 people feel quite effective, 4 people are already effective and only 6 people with a percentage of 30% who are very effective, and even then only with free traffic. This is the basis for SMEs to continue to improve their skills in the world of marketing, both with free and paid traffic.

Business growth is a measure of a company's success, and success is a benchmark for investments that will be made in the future, customers can be satisfied with the benefits [20]. The progress of Indonesian SMEs is progress for the nation, with the increase in knowledge for business actors, it will certainly be the main foundation for a country to dominate the world market.

5. Conclusions and Suggestions

Although Information Technology has been believed to provide great benefits to companies, in reality, there are still few SMEs, especially in developing countries, that use Information Technology. In fact, among SMEs that use Information Technology, most are still experiencing difficulties in implementation or the technology implemented does not provide positive benefits to the company.

Given that in this era of globalization, the arena of competition is increasingly competitive, mastery of information technology is a must. To support and increase the effectiveness of the use of information technology in SMEs, perhaps the government or related agencies could make a training or education program related to how to use information technology to increase the marketing of SME products. If everything is carried out well, it is not impossible that the competitiveness of SME products can be better.

6. Acknowledgements

Acknowledgements. Thank you to SME players who have been willing to be a sample of this research, and we would like to thank all ICETOBE committee members for their trust in us to participate in this paper. Hopefully this paper can be useful and become the next reference material for learning for students, lecturers or public actors.

References

- [1] D. Sari and N. Beaumont, "Internationalisation of Small Medium Sized Enterprises in Indonesia: Entrepreneur Human and Social Capital," no. July, pp. 1–12, 2008.
- [2] Portal Informasi Indonesia, "Learn from the Experience of Facing the World Economic Crisis," *Indonesia.go.id*, 2019. .
- [3] L. J. Sembiring, "Sri Mulyani Updates About the Economic Crisis Due to Corona, Listen!," *CNBC Indonesia*, 2020. .
- [4] Gusti, "Online Sales Transactions Up 400 Percent during the Covid-19 Pandemic," *ugm.ac.id*, 2020. .
- [5] A. M. Kaplan and M. Haenlein, "Users of the world, unite! The challenges and opportunities of Social Media," *Bus. Horiz.*, vol. 53, no. 1, pp. 59–68, 2010, doi: 10.1016/j.bushor.2009.09.003.
- [6] A. Westerman, George, Bonnet, Didier, McAfee, *Le ding Digital*. 2014.
- [7] M. Kristiyanti and L. Rahmasari, "Website as a Marketing Media for Leading MSME Products in

- Semarang City,” vol. 186, 2015.
- [8] B. A. B. Ii, A. U. Mikro, and P. U. Mikro, “Tulus Tambunan, Small Medium Enterprises in Indonesia (Important Issue) , Jakarta: LP3ES, 2012, h. 12 14 18,” pp. 18–42, 2008.
 - [9] I. Elissa, “To E-Commerce,” vol. VIII, no. 3, pp. 143–152.
 - [10] R. Setiyani, “Utilization of the internet as a learning resource,” vol. V, no. 2, pp. 117–133, 2010.
 - [11] B. A. B. Ii and T. Pustaka, *Literature Review*. Universitas Islam Bandung, 2012.
 - [12] J. Ibrahim, R. C. Ros, N. F. Sulaiman, R. C. Nordin, and L. Ze, “Positive Impact of Smartphone Application : Whatsapp & Facebook for Online Business,” vol. 4, no. 12, pp. 1–4, 2014.
 - [13] K. C. Laudon, *E -commerce* . .
 - [14] K. A. Akhmad, “Pemanfaatan Media Sosial bagi Pengembangan Pemasaran UMKM (Studi Deskriptif Kualitatif pada Distro di Kota Surakarta),” *Duta.com*, vol. 9, no. September, pp. 43–54, 2015, doi: 2086-9436.
 - [15] T. Bergström and L. Bäckman, “Marketing and PR in Social Media : How the utilization of Instagram builds and maintains customer relationships,” *Media Commun.*, p. 56, 2013.
 - [16] K. A. Prihatna, R. Ayal, M. Sistarani, and Y. Christanti, “What Whatsapp status enables reseller to do as channel,” *Int. J. Innov. Technol. Explor. Eng.*, vol. 8, no. 9 Special Issue 3, pp. 44–55, 2019, doi: 10.35940/ijitee.I3009.0789S319.
 - [17] D. Vise, “The Google Story,” *Strateg. Dir.*, vol. 23, no. 10, pp. 117–133, 2007, doi: 10.1108/sd.2007.05623jae.001.
 - [18] M. H. Purwidianoro, D. F. Kristanto, and W. Hadi, “Pengaruh Penggunaan Media Sosial Terhadap Pengembangan Usaha Kecil Menengah (UKM),” *Maret*, vol. 1, no. 1, pp. 30–39, 2016.
 - [19] I. Knowledge, “The TikTok Strategy : Using AI Platforms to Take Over the World,” pp. 1–2, 2019.
 - [20] N. R. Baptiste, “Tightening the link between employee wellbeing at work and performance: A new dimension for HRM,” *Manag. Decis.*, vol. 46, no. 2, pp. 284–309, 2008, doi: 10.1108/00251740810854168.

Portable Spirometer Using Air Pressure Sensor MPX5500DP Based on Microcontroller Arduino Uno

Syaeful Ilman¹, Erfiana Wahyuningsih²
{syaeful.ilman@undira.ac.id¹, erfiana.wahyuningsih@undira.ac.id³}

Elektrical Engineering, Faculty of Engineering and Informatics, Universitas Dian Nusantara,
West Jakarta, Jakarta, Indonesia¹, Elektrical Engineering, Faculty of Engineering and
Informatics, Universitas Dian Nusantara, West Jakarta, Jakarta, Indonesia²

Abstract. A spirometer is one of medical devices that functions to measure the capacity and volume human lungs. The design of the spirometer consists of several electronic components given as follows. A power supply, MPX5500DP pressure sensor, a non-inverting amplifier, a push button, an Arduino Uno Microcontroller and an LCD display. Calibration of the spirometer is done by filling a balloon with 1000 ml of air which is injected from a syringe of 100 ml capacity and needing 10 time injections for 1000ml of air. Following this step, the 1000ml air of the balloon is released through the mouth piece. The result displayed by the LCD shows 1073.72 ml instead of 1000ml, indicating 7% error. The test mode is carried out in 2 stages. The first stage is by maximum inhaling of air for 1 second duration to measure FEV₁ (Forced Expiratory Volume 1 second). Similar to the first stage, the test is done for 5 second duration to measure FVC (Forced Vital Capacity). The test results are displayed by LCD and ratio is taken between FEV₁ and FVC for each respondent. It is shown the ratio for 6 respondents under test varies between 82.78% and 94.04%.

Keywords: Spirometer, air pressure sensor MPX5500DP, Arduino UnoR3, PPI, FVC, FEV.

1. Introduction

Health is one of the most important parts of human life. Many people want to have a healthy and fit body. To determine the level of a person's health can be observed from several aspects, one of which is from performance of the respiratory system. In a simple respiration process can be defined as the process exchange of oxygen gas (O₂) from the air (atmosphere) with carbon dioxide (CO₂) and water vapor as residue of oxidation in the lungs.

The lungs are organs of the respiratory system and associated with the blood circulatory system. Less oxygen concentration into body will cause disruption of health system in the human body and some diseases such as asthma in respiratory system or anemia in blood circulatory system. In the medical world, Technology has a major influence in diagnosing a patient's health. The level of human lung health can be determined by measuring the volume of respiratory air. The device used to measure air capacity of the lungs known as a spirometer.

Latest research with the title "Pengukuran Volume Paru-Paru Dengan Memanfaatkan Sensor Tekanan" In this research using a pressure sensor MPX5100DP. The results of the design of device compared with a spirometer property of a university laboratory. Based on the above research background, so that the author will implement of research which aims to designing a prototype medical instrument that used to measure the volume of FVC and FEV₁ in the lungs using a pressure sensors based microcontroller arduino Uno. [1]

Based on the above research background, so that the author will implement of research which aims to designing a prototype medical instrument that used to measure the volume of FVC and FEV₁ in the lungs using a pressure sensors based microcontroller arduino Uno.

2. Literature Review

2.1 Human Respiratory System

Respiratory is an event breath of air from outside which contains oxygen (O₂) into the body and exhaled air which contain carbon dioxide (CO₂) as residual of oxidation out of the body. [2]

The respiratory system is function to manage exchange of oxygen and carbon dioxide between air and blood. Oxygen is required by all cells to produce a source of energy needed by the body. Carbon dioxide is produced by cells that metabolically active and formed an acid which must be removed by the body.[3]



Fig. 1. The Human Respiratory Systems
Source:[4]

2.2 Spirometer

Spirometer is a device that measures the volume of breathing air that function to determine the condition of the human lungs, while breathing in a certain period of time with recording the amount of air out (expiration) and incoming (inspiration) into human lungs.

Examination of lung function with a spirometer can describe some aspects condition of the lung. FEV₁ is an examination that can show obstructive abnormalities in the airway. While FVC will show an abnormality that is restrictive, this could occur due to a reduction in lung tissue function, limited development of thoracic wall or diaphragm movement.



Fig. 2. Spirometer
Source : [5]

2.3 Venturimeter

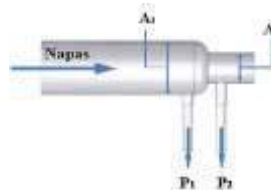


Fig. 3. Venturimeter
Source :[6]

Venturimeter is a pipe narrowing. The air flow will be faster if passing through a small cross-sectional area in comparison with a large cross-sectional area. The pressure will be greater as it passes through a larger cross-sectional area and the pressure will be smaller if it passes a smaller cross-sectional area in horizontal pipes, $h_1 = h_2 = h$, then if the system is applied to the Bernoulli equation.

$$P_1 - P_2 = \frac{1}{2} \rho (V_2^2 - V_1^2) \quad (1)$$

Based on the continuity equation

$$Q = A_1 \cdot V_1 = A_2 \cdot V_2 \quad (2)$$

Obtained equation

$$V_2 = \frac{A_1 \cdot V_1}{A_2} \quad (3)$$

Substituting 1 with 3 then we will get the equation

$$Q = A_1 X \sqrt{\frac{2(P_1 - P_2)}{\frac{\rho}{\left(\frac{A_1}{A_2}\right)^2 - 1}}} \quad (4)$$

Fluid flow rate on the first point can be obtained by the equation with p1 is the pressure on the cross-sectional area is great, p2 is the pressure on the cross-sectional area is small, ρ is the value of the density of air exhaled, A1 is the cross-sectional area large pipe, and A2 is the cross sectional area of the pipe small. The equation for the fluid flow rate at the second point is obtained.

$$Q = A_2 X \sqrt{\frac{2(P_1 - P_2)}{1 - \left(\frac{A_1}{A_2}\right)^2}} \quad (5)$$

2.4 Air Pressure Sensor MPX5500DP

Air pressure sensor with a strain gauge type pressure sensor MPX5500 is sensitive to low pressure, just by blowing alone can influence the output voltage is generated, this sensor uses Silicon material Stress Gauge Stain.[7]

MPX5500 is a piezoresistive strain gauge type transducer made from silicon that is integrated in a chip, working at a pressure of 0 kPa to 100 kPa (0 psi to 14.5 psi) or 15 kPa to 115 kPa (2.18 psi to 16.68 psi) with output voltage of 0.2 volts to 4.7 volts.



Fig. 4. Components of air pressure sensor MPX5500DP

Source : [7]

Table 1. Pin Number of air pressure sensor MPX5500

Pin number	Function
1	VOUT
2	Ground
3	VCC
4	N/C
5	N/C
6	N/C

Source : [7]

2.5 Microcontroller Arduino Uno R3

The Arduino Uno is a microcontroller board based on the ATmega328 (datasheet). It has 14 digital input/output pins (of which 6 can be used as PWM outputs), 6 analog inputs, a 16 MHz ceramic resonator, a USB connection, a power jack, an ICSP header, and a reset button. It contains everything needed to support the microcontroller; simply connect it to a computer with a USB cable or power it with an AC-to-DC adapter or battery to get started. [8]



Fig. 5. Arduino Uno Board
Source : [8]

3. Research Methods

In this section will discuss the design a device consisting of several component parts that are controlled and integrated with one another. In this section, there are three basic parts of the device namely: mouthpieces design, hardware design and software design.

In block mouthpiece describes the preparation of inflatable air tools that will be integrated with the air pressure sensor MPX550DP on input block of hardware design, the hardware block divided into 4 main blocks namely: power supply, input, process and output, the overall design of the system. Meanwhile, in block software program used to explain a coding on microcontroller to manage the entire process so that the system can give the desired output.

3.1 Design Mouthpieces

Mouthpiece based on principle venturimeter. The principle is a physics equations of fluidal mechanics in which fluidal flow will be faster if passing sectional area is smaller compared with sectional area is large the pressure is greater, if passing sectional area is large and pressure is smaller if passing sectional area is small.

In the design of mouthpieces authors use designs that have been created by LAS Lapono.[9] On the research study design spirometer, Mouthpieces design is shown in Fig. 10. Using equations 8 venturi effect in the previous chapter with the value $r_1 = 1.15\text{cm}$ and $r_2 = 0.3\text{ cm}$. then design mouthpieces produce a water flow rate of up to a maximum of $3,79 \times 10^{-5} \times \sqrt{\Delta P}$ liter.

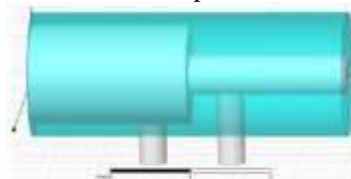


Fig. 6. Design Mouthpiece
Source : [9]

3.2 Hardware Design

Portable spirometer design using pressure sensor mpx5500dp based arduino Uno. Generally the device design consists of a Power supply is used to supply voltage to overall circuit on the system. Power supply used in this device with a voltage value of 5 volts and 9 volts. Power supply with voltage 5 volt is used as voltage source for air pressure sensor mpx5500dp, push button and LCD circuit. Power supply with voltage 9 volt is used as a voltage source for arduino uno microcontroller

The mpx5500dp air pressure sensor is used to read the output voltage value from the airflow by the mouthpieces. Furthermore, the value of output voltage will be converted into pressure in Pascal unit. The output voltage value of the air pressure sensor will be gain by a non-inverting amplifier circuit. The gain process in this circuit is made into 11 times. On pushbutton added

resistor 10Kohm as pull down on circuits with the aims to avoid undefined signal or floating when pushbutton no pressed. The pushbutton in this design circuits used active high condition.

Microcontroller Arduino Uno has function as master or central data processing and information. Microcontroller Arduino Uno received *input* data or information from sensor MPX5500DP after gained by non-inverting which will be processed and executed on output block in accordance with command to perform the desired action. And finally data or information sends to the *output* to turn on LCD(Liquid Crystal Display) based on Arduino LCD library.

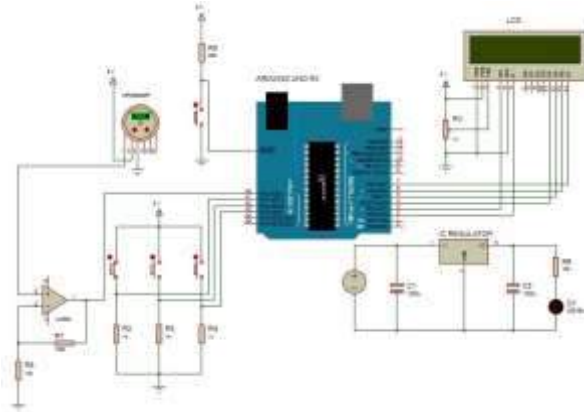


Fig. 7. The Circuit Overall Equipment

Sources : my schematic design (2017)

3.3 Software Design

In the block software program used to explain a coding on microcontroller to manage the entire process so that the system can give the desired output. The Flowcharts function to facilitate making a coding of the program and minimize errors in programming.

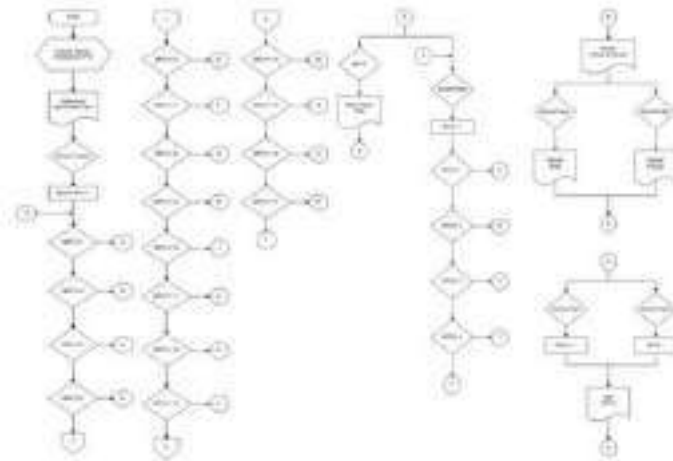


Fig. 8. flowchart programs (1)

Source : my flowchart design (2017)

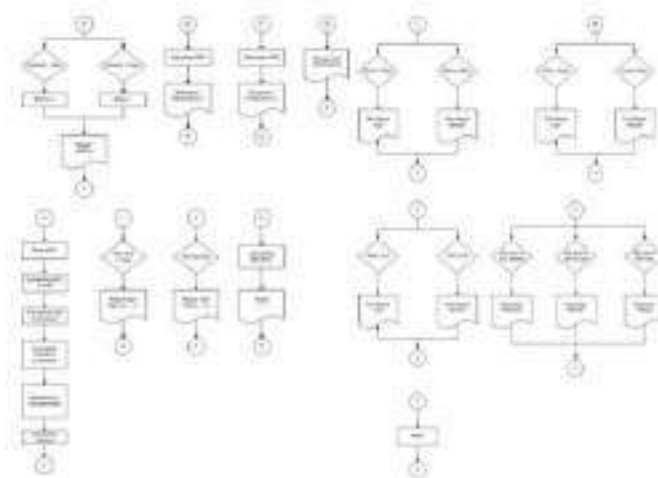


Fig. 9. flowchart programs (2)
Source : my flowchart design (2017)

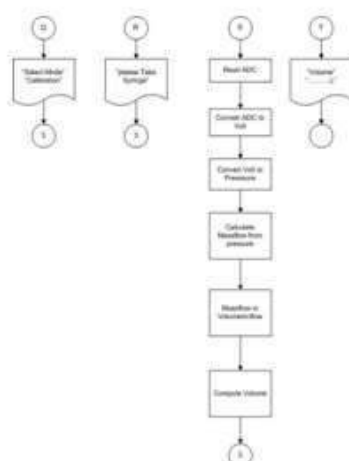


Fig.10. flowchart programs (2)
Source : my flowchart design (2017)

Description program flowchart on Arduino microcontroller shown in the figure is 13 to 15 is as follows:

When the device is switched on, then program will start read library program and initialize ports on the arduino that will be used as input program as well as output program. The first display that will appear on the LCD screen is "Welcome spirometer Test". After that display will show "Select Mode A. Test B.caibrate" on the screen that indicates the user to select a test or calibration mode. Test mode is used to perform measurements the patient breathing volume, while calibration mode is used to calibrate the device using a syringe to determine whether the amount of air volume that readable on the instrument same with the volume of air expelled by the syringe.

a. Test Mode

If the user wants to perform test mode, the user will press Button State1 and Show display "Test Mode Select" on the LCD screen. Furthermore, in the programming, the user is required to select / enter parameters of the patient such as sex, age and height of the patient. The parameters required to perform diagnostics values FEV and FVC of the patient before the examination the display will show prediction FEV and FVC.

Next program will show the screen "please Use Mouthpiece", which means the user requesting the patient to inhale a deep breath and hold it, and the user ask the patient to put the mouthpiece in his mouth. Furthermore, the user asks patient to blow whole air that had been hold previously until the aspiration weakened or nothing left. When patients exhale the programming started the conversion of breath into the air volume. After air blowing from the patients are discharged, users permit the patient to release mouthpiece the display will show the test results FEV1, FVC and ratio of patients on the LCD screen

Next, programming will compare FEV value of test results (FEV1t) with FEV value of prediction results (FEVp), compare FVC value of test results (FVCt) with FVC value of prediction results (FVCp), and compare the value Ratio. Furthermore, programming will compares the result FEV and FVC for diagnosing respiratory diseases suffered by the patient.

b. Calibration Mode

If the user want to do the calibration mode The user would press the button Bstate2, will show display "Calibration Mode Select" on the LCD screen, Next program will show display "please pair the syringe into the mouthpiece" on the LCD screen, which means the user prepares a syringe that has been filled with air. Furthermore, the user is requested to pair a syringe into the mouthpiece. After it done pair syringe into the mouthpiece user presses syringe so that the entire air inside out until nothing left. When the syringe began to remove air, then the programming started conversion from blowing into the air volume.

4. Result and Analysis

4.1 The Overall Test Result

After experiment each block system. The next, will be conducted experiment on the overall device. The overall experiment conducted by combining all of the block system. The purpose of this test is to determine whether the design of the overall device can work properly or not. As for the overall experiment consist of a calibration mode and the test patient mode. The entire circuit of the block system that has been merged can be seen in the figure 11.



Fig. 11. the overall device spirometry
Source : my testing device (2017)

4.1.1 Calibrate mode device

The stages to perform the calibration process are:

- a) Set the mode to the tool calibration mode selection.
- b) Connect mouthpieces to the sensor.
- c) Prepare syringe / balloon that contain the volume of 2000 ML.
- d) Attach syringe / balloon to mouthpieces.
- e) Push / remove the existing air in the syringe / balloon until no remaining
- f) Compare the measured amount of volume in the LCD by the number of issued volume of the syringe.
- g) measurement Repeat 3-5 times

The results of calibration measurements can be seen in figures 23 and table 4.



Fig. 12. The calibration mode measurement result

Source : my testing device (2017)

Table 2. the result of experimental device at calibration mode

Experiment	Volume (mL)	LCD Display (mL)	Error (%)
I	1000	1102,75	10,27
II		1089,76	8,98
III		1089,67	8,97
IV		1078,97	7,90
V		1099,94	9,99
VI		1083,44	8,34
VII		1114,39	11,44
VIII		1036,57	3,66
IX		1029,66	2,97
X		1012,01	1,20
Average	1000	1073,72	7,37

Source : my testing device (2017)

From the experimental result in calibration mode show in the above table, The experiment performed 10 times by shooting air of 1000 ml of balloon / 10xsyringe 100 ml into mouthpieces in device at calibration mode, the measured value in LCD range between 1012,01 – 1114,39 mL and average error of overall calibration mode is 7,37 %.

4.1.2 Patient Test Mode

The stages to test the tool on a patient test mode include:

- Users give an explanation to the patient about the way of doing the test.
- User asks age, height and gender of the patient.
- Users invited patients to try to do normal breathing with a mouthpiece.
- After completing the normal breathing, the test can be done.
- Set mode device to test patient mode
- Connect mouthpieces to sensor
- Users enter data from the patient's personal data (such as age, height and gender) in accordance with the parameters that exist on the appliance
- Attach the mouthpiece to the mouth
- Take / breathe air in and maximized through Mouthpiece
- Breathe the air through the mouthpiece until nothing remains in the oral cavity.
- Remove the mouthpiece from the patient's mouth
- User record data coming out of the LCD (such as the value of FEV, FVC and diagnosis of patients)
- Repeat measurement 3-5 times.



Fig. 13. the test mode measurement result

Source : my testing device (2017)

From the experimental results on the instrument test mode patient with experiments conducted on six respondents (4 male and 2 female). Each respondent attempted test 3 times and Summary trials can best be seen in Table 3.

Table 3 the best experiment result from 6 respondents

Name	Gender	Test Result		
		FEV ₁	FVC	Ratio
Yudhana Sastriawan	Male	3676,52	4441,25	82,78
Yusuf Darmawan	Male	3509,67	3960,25	88,62
Alam amaludin	Male	3192,87	3779,63	84,48
Syaeful Ilman	Male	3625,15	4187,54	86,57
Nurul Hijriyati	Female	2642,53	3145,55	84,01
Mariyani U	Female	2840,86	3020,79	94,04

Source : my testing device (2017)

4.2 A Comparison analysis the results of experiments on devices with lab test results

In this section will be discussed a comparative analysis of results of experimental tests on devices with laboratory results. The author conducted a laboratory test in advance as a reference of making the tool this spirometer. After making spirometry device have completed, author will compare the results with laboratory results. Whether, the results of the experiment instrument in accordance with the laboratory results.

Comparison of this experiment based on test results author (respondent 4) in the laboratory "PRODIA KRAMAT" with the results of test tools that have been created. Comparison of experimental results with the results of laboratory instruments can be seen in Table 6.

Table 4 Comparison of the overall results of experiments tools with laboratory results

Parameter Test	Laboratory Results(mL)	Average results for Test Device(mL)	Error (%)
FEV1	3770	3563,27	5,48
FVC	4020	4086,74	2,17
FEV1/FVC	93,78	87,19	7,03

Source : my testing device (2017)

Based on the comparison results of laboratory tests with test tool as shown in Table 6. With a difference of error results obtained from this comparison, it can be concluded that the results of experimental tools that have been made in accordance with the function of a laboratory instrument.

5. Conclusion

Based on the results of device testing, it is concluded of the following:

1. The design of "portable spirometer using air pressure sensor mpx5500dp based on arduino uno microcontroller" has been successfully implemented and function properly in accordance with the program. the components of spirometer consist of mouthpiece, air pressure sensor mpx550dp, non-inverting circuits using ICLM358, arduino uno microcontroller board and LCD display.
2. In calibration mode the display read by LCD shows average 1073,72 ml in stead of 1000 ml, this gives 7,3% error
3. The highest ratio between FEV1 and FVC from 6 respondent (consisst of 4 male respondent and 2 female respondent) is: 88,62% for male and 94,04 for female.

Reference

- [1] A. ZAINUDIN, "Pengukuran volume paru-paru dengan memanfaatkan sensor tekanan," *Inov. Fis. Indones.*, vol. 4, no. 3, 2015.
- [2] B. A. C. Syaifuddin, "Anatomi Fisiologi untuk Siswa Perawat," *EGC. Jakarta*, 1997.
- [3] E. J. Corwin and B. S. Patofisiologi, "Edisi 1," *Jakarta EGC*, 2001.
- [4] "body anatomi."
- [5] Carefusion, "Digital Spirometer."
- [6] Unknown, "Venturimetri."
- [7] DataSheet MPX5500DP, "Freescale Semiconductor Integrated Silicon Pressure Sensor On-Chip Signal Conditioned , Temperature Compensated and Calibrated," *Sensors (Peterborough, NH)*, pp. 2007–2009, 2009.
- [8] Arduino.cc, "Arduino Uno," 2016.
- [9] L. A. S. Lapono and A. Harjoko, "PERANCANGAN SPIROMETER MENGGUNAKAN SENSOR TEKANAN MPX2010DP." [Yogyakarta]: Universitas Gadjah Mada, 2011.

Are These The Factors Driving The Intention of Urban Communities to Use Photovoltaic Solar Technology in DKI Jakarta?

Muhamad Al Faruq Abdullah¹, Dudi Permana², Aditya Pratama Nandiwardhana³
{alfaruq1602@gmail.com¹, dudipermana.77@gmail.com², danang.1983@ymail.com³}

Universitas Dian Nusantara, Jakarta, Indonesia¹, Universitas Mercu Buana, Jakarta, Indonesia²,
Beijing Institute of Technology, Beijing, China³

Abstract. The purpose of this research is to develop the theoretical framework concept and explore the factors that drive urban communities to use photovoltaic solar power technology in DKI Jakarta. Based on the data obtained, the utilization of photovoltaic solar power technology in Indonesia is still very low. Urban society is chosen because it becomes the biggest energy consumer. The low utilization of photovoltaic solar power generation technology in urban areas may be caused by many factors, from pre-survey results obtained some dominant factors. The literature on the concept of urban community intent to use photovoltaic solar power technology is generally limited in Indonesia. So this research adds literature in the field of solar photovoltaic solar power technology by explaining conceptually the linkages between awareness, price perception and marketing communications to encourage urban people's intentions to use photovoltaic solar power generation technology. Research has found that awareness, price perception and marketing communication have a positive and significant effect towards intention to use photovoltaic solar power generation technology.

Keywords: community, intention to use, solar power plant, photovoltaic

1 Introduction

The national phenomenon of the national electricity crisis is occurring in Indonesia, National Energy production grew by 6.4% over the period 2015/2016 and grew by 6.3% during 1990/2016 period (Global energy statistical yearbook, 2017) Whilst the national energy demand forecast will grow by 185% year 2025 (Outlook Energy Indonesia, 2016: 39). The total capacity of power plants in Indonesia is 55.5GWp consisting of fossil-fueled power plants and power plants based on Renewable Energy [1]. However, fossil fuel power plants still dominate with a capacity of 48.7 GWp or 87.8% of the total capacity of national power plants (Electricity Statistics, 2015). Another problem is the utilization of power plants based on Renewable Energy (EBT) in Indonesia is still very low. The proportion of various EBTs is 6.7 GWp or 12.2% of the total capacity of the national power plant [2]. Special Solar Power Plant (PLTS) that is equal to 0.12% of the total capacity of the National power plant. Following the issue of electricity energy crisis, the Government issued Government Regulation (PERMEN) no. 79 of 2014 on National Energy Policy (KEN) to respond to the national energy crisis and improve the mix of New Renewable Energy sources [3]. In the National Energy Policy (KEN), the Government is committed to increase the ratio of the use

of New and Renewable Energy (EBT) sources to 25% and lower the ratio of conventional Energy use. It triggers the research and development of new and renewable energy sources such as Mini Hydro Power Plant (PLTM), Micro hydro (PLTMh), Wind (PLTB), Sea Flow (PLTAL), Geothermal (PLTP), Waste (PLTM) PLTSa) and Surya (PLTS).

The President also issued Presidential Decree No. 4 of 2016 on the Acceleration of Electricity Infrastructure Development which explains that in order to increase the fulfillment of people's electricity demand in a fair and equitable manner and to encourage economic growth, it is necessary to accelerate the development of electricity infrastructure including the development a 35,000 MW plant and a 46,000 km transmission network prioritizing the use of renewable and renewable energy in order to support efforts to reduce greenhouse gas emissions. Therefore, the government will issue Renewable Energy Renewable Energy Roadmap for the Energy Resilience as stated in RPJMN 2015-2019 (National Medium Term Development Plan) on Renewable Energy Development prioritized for isolated areas, Utilization of environmentally friendly and renewable energy source as part of City Development strategy Climate and Disaster Resilient Green, Enhanced Innovation and Technology Capacity in EBT, Target for Increasing New and Renewable Energy Mixes, and Incentives and Funding Schemes to Encourage EBT Investments. Based on the New Renewable Energy Potential Map released by the Ministry of EMR stated that the potential of New Renewable Energy (EBT) in Indonesia reaches more than 441GWp. Indonesia located on the equator has many advantages, one of which is solar energy available throughout the year. The potential of solar irradiance in Indonesia when converted into energy quantity, it will be equivalent to 4.80 kWh / m² / day. The potential of land in Indonesia if converted into a capacity scale will be equivalent to 560.000MWp (Mega Watt Peak), but until now the potential capacity is utilized only about 70MWp only. To achieve the government's target, the support to utilize the potential of solar energy owned by Indonesia needs to be improved by the development of PLTS which is spread or centralized (communal). By doing the construction of the PLTS, it is necessary to pay attention to the land use for the construction of PLTS[4].

The development of this PLTS requires a large enough land, also requires a considerable investment for PLTS which is communal. Therefore, in urban areas, the development of PLTS can be carried out scattered by utilizing the roof of the house or rooftop that will be connected directly to the grid electricity network [5]. The PLTS system is an easy-to-use and minimal maintenance option for EBT power sources. The price of each component of the PLTS system decreases due to the increasing system efficiency [6]. However, at this time the initial investment is still considered quite large when compared with its limited energy production capacity only in the morning until late afternoon. Currently, the total investment of PLTS system is around USD 1.5 / Wp, while the energy produced daily only revolves around 4kWh / kWp / day. If the value in terms of investment, it took about 8 years to reach the point of ROI (Return of investment). But the above ROI prediction is still very rough because based on the assumption that PLN electricity prices are not increased[7].

Although not a new technology, PLTS system is still rarely known function and its benefits by urban communities. In line with the government program prioritizing the development of EBT power sources for isolated areas, isolated communities are more familiar with the functions and benefits of this technology as it becomes their primary source of electrical energy due to the absence of PLN's electricity grid. As for urban communities that are already familiar with PLN electricity, the EBT power plant is still considered an alternative source of energy [8]. By conducting a preliminary open question survey on its special urban community of Jakarta citizens, it appears that the community's knowledge of

EBT's special PLT power plant technology is good enough, but as there is still some doubt to find out more and use its special EBT generating technology PLTS [9].

From the pre-survey results obtained that the issue of Awareness, Marketing Communication and Price Perception is a dominant factor that affects the urban community's special intentions of citizens of DKI Jakarta to use PLTS technology. So it is felt this phenomenon needs to be in further detail. Awareness has a positive and significant impact on Intention to Use and also showed a positive and significant influence between Awareness to Intention to Use [10]. In his research suggests that Awareness proved to positively influence as a mediation of Perceived quality and Satisfaction against Behavioral Intention to Use. Revealed that Price has a positive and significant effect on Intention, this is also proved in research conducted by [11], in his research suggests that the perception of the usefulness of a good is influenced by perception of the price of the goods. And the perception of the usefulness of a good has a positive and significant effect on Intention. While Aman, [12] stated its importance Marketing Communication to Environmental knowledge, and the results of his research showed a positive and significant influence on Green purchase intention. [13] States that Marketing Communication has a positive and significant impact on Intention.

Based on these findings, it can be identified as follows: National Electricity crisis is happening in Indonesia, National Energy Balance should be positive to happen Energy Resilience, Indonesia's power plant is dominated by fossil fuel-generated power plants, lack of awareness of citizens Indonesia specifically the urban community of new renewable energy technology (EBT), Utilization of EBT in Indonesia is still very low especially its Solar Power Generation (PLTS), lack of knowledge of urban society will function and benefit of EBT technology specially its PLTS, initial investment cost of PLTS which is still high when compared with the amount of energy that can be in production, It is necessary to communicate about PLTS technology to the urban community who still unaware to this technology.

2 Literature Review

2.1. Intention to use

Intention to use a technology is part of the technology acceptance model or TAM (Technology Acceptance Model), a theory that models how users can receive and use technology. This model shows that when users are presented with new technology, a number of factors will influence their decision about how and when they will use it (Davis 1989). TAM is one of the most influential extensions of Theory of reasoned action (TRA) presented by [1] Ajzen and Fishbein (1980). Davis's technological acceptance model is the most widely used model of user acceptance and use of technology [14]. TAM itself was developed by Fred Davis and Richard Bagozzi. TAM replaces many of the actions of TRA with two steps of technology acceptance - ease of use, and usability. TRA and TAM both have strong behavioral elements, assuming that when a person forms an intention to act, they will be free to act without restriction. In the real world there will be many obstacles, such as limited freedom to act [15].

2.2. Awareness

Asserts that Awareness is a component of knowledge. If consumers have knowledge about a particular product, either this knowledge is acquired actively or passively, its meaning Awareness them to the product is high [4]. Awareness or awareness describes the ability of a

potential buyer to recognize, recall a product as part of a particular product category. Awareness is the ability of a prospective buyer to recognize or recall that a brand is part of a particular product category [10].

2.3. Price Perception

Price perception is the consumer's assessment and associated emotional form of whether the price offered by the seller and the price compared to the other is logical, acceptable or justifiable. Xia in Lee and Lawson (2011) argues that price perceptions are consumer ratings and associated emotional forms of whether the price offered by the seller and the price compared to the other party is logical, acceptable or justified. States that price perception is a psychological factor of many aspects that have an important influence in consumer reactions to prices[16]. Therefore, price perception is the reason why someone makes a decision to buy. Gourville and Moon instate that consumer price perceptions are influenced by prices offered by other stores with the same goods[17].

2.4. Marketing Communication

Marketing Communications is an activity that seeks to disseminate information, influence and persuade or remind the target of the company and its products to be willing to accept, buy loyal to the products offered by the company concerned. Marketing Communications is defined as activities and communication strategies addressed to target audiences. The purpose of public communication is to provide information to the target audiences and to raise awareness and influence the attitudes or behaviors of target audiences. In addition, Communication can create more positive consumer attitudes, which will affect the willingness of consumers to buy products[6]

3. Research Methods

The source of research data is the subject from which data can be obtained. In this study, the authors use one source of data that is primary data source, where the data directly collected by researchers from the first source. The primary data source in this research is the special urban residents of Jakarta citizens. The data used in this study is quantitative data that is the type of data that can be measured or calculated directly, in the form of information or explanations expressed by numbers or numbers. Data collection techniques used in this study by using library (library research) and field research (field research). Library research is done to obtain data about the theory that support the research. meanwhile, field research was conducted to determine the conditions that occur in the field more clearly and compare with the theory that has been obtained, by doing direct observation on the object of research and survey using questionnaire. The type of data in this study using component or variance based structural equation modeling where in data processing using partial least square (smart-pls) version 3.0 program. pls (partial least square) is an alternative model of covariance based sem. pls is intended for causal-predictive analysis in situations of high complexity and low theoretical support. While the sample will be in the care of the decision makers of each sector with a total sample of 135 respondents in Jakarta Indonesia.

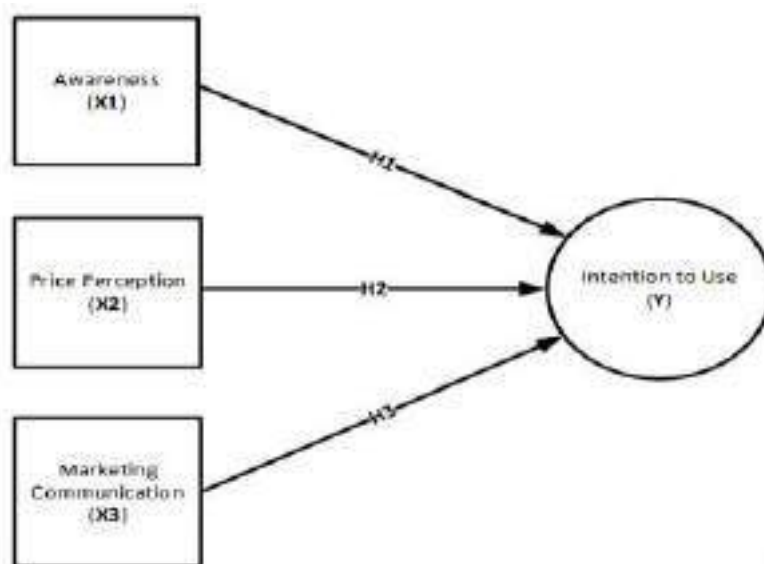


Fig. 1. Research model

Based on the findings and empirical evidence, it can be concluded the hypothesis as follows:

H1: Awareness has a positive and significant impact on Intention to use.

H2: Marketing communication has a positive and significant impact on Intention to use.

H3: Price perception has a positive and significant effect on Intention to use.

4. Result and Discussion

Profile Of The Respondents

A total of 145 responses were received at the end of the data collection process. The profiles of respondents can be analyzed according to age, occupation, spending, and domicile. from 145 respondents, 18.7% is under 25 years old, 53.8% is aged between 25-35 years old, and 27.6% is above 35 years old. most of the respondents most of respondents are workers with dominance of 64.1%, while the rest of 24.8% is professional and business owner, 6.9% is students, and 4.2% is undefined activity. Individual spending are spread across, under 3 million per month by 22.1%, in range of 3-5 million rupiah per month by 25.5%, and above 5 million per month by 52.4%. lastly, 68.3% of respondents are living in jakarta, while the rest 31.7% is living in sub-urban or outside of Jakarta.

Results

Measurement Model

a) Convergent Validity

The convergent validity which is the degree to which multiple items that are used to measure the same concept agree, was tested. The factor loadings, composite reliability and average variance extracted were indicators used to assess the convergent validity.

The loading for all items exceeded the recommended value 0.6 (chin et al. 1997). the composite reliability (cr) values (see table 1), which depict the degree to which the construct indicators indicate the latent construct, ranged from 0.904 to 0.924, which exceeded the recommended value of 0.7. The average variance extracted (ave), which reflects overall amount of variance in the indicators accounted by the latent construct, were in the range of 0.577 to 0.710, which exceeded the recommended value of 0.5. table 2 depicts the results of convergent validity.

b) Discriminant Validity

Discriminant validity is the extent to which the measures do not reflect other variables and it is indicated by low correlations between the measure of interest and the measures of other constructs [10].

Table 1 Factor Loadings And Reliability

Items	Loadings^A	CR	AVE	Cronbach's Alpha
AWR01	0.841	0.904	0.701	0.858
AWR02	0.861			
AWR03	0.798			
AWR04	0.848			
IU01	0.683	0.917	0.582	0.899
IU02	0.735			
IU03	0.745			
IU04	0.782			
IU05	0.703			
IU06	0.777			
IU07	0.839			
IU08	0.826			
MC01	0.737	0.924	0.577	0.908
MC02	0.771			
MC03	0.798			
MC04	0.829			
MC05	0.743			
MC06	0.809			
MC08	0.687			
MC10	0.738			
MC11	0.709	0.907	0.710	0.863
PP01	0.803			
PP02	0.847			

PP03 0.884

PP04 0.833

CR Composite Reliability, AVE Average Variance Extracted

^AStandardized Loading

Table 2 Discriminant Validity Of Construct Fornell-Lacker Criterion

	Awareness	Intention To Use	Price Perception	Marketing Communication
Awareness	0.837			
Intention To Use	0.684	0.763		
Price Perception	0.594	0.619	0.843	
Marketing Communication	0.628	0.617	0.642	0.759

Note: Diagonal Elements Are The Square Root Of The AVE Of The Reflective Scales While The Off Diagonals Are The Squared Correlations Between Constructs

Discriminant validity can be examined by comparing the squared correlations between the constructs and the variance extracted for construct. as shown in table 2, the squared correlations for each construct were less than the square root of the average variance extracted by the indicators measuring that construct, indicating adequate discriminant validity. Thus, the measurement model demonstrated adequate convergent and discriminant validity.

This test is a test of a structural model by looking at the value of the R-square which is the result of the goodness of fit model test.

Table 3 R-Square

Variable	R Square
Intention to Use	0.558

Source: Researcher (2020)

The structural model indicates that the model on the Intention to Use variable can be said to be moderate, because it has a value below 0.67 and above 0.33, namely 0.558. The influence model of the independent latent variables (Awareness, Price Perception, and Marketing Communication) on Intention to Use provides an R-Square value of 0.558 which can be interpreted that the construct variability of Awareness, Price Perception and Marketing Communication is 55.8%; while the remaining 44.2% can be explained by other variables outside those studied.

Structural Model

Table 4 show the results of the structural model from the output of pls. awareness, price perception and marketing communication were positively related to intention to use, explaining 55.8% of the variance, thus supporting h1, h2, and h3 of this study.

Table 4 Summary Of The Structural Model

Path	Hypothesis	T Statistics	Results
Awareness ->Intention To Use	H1	5.023	Support
Price Perception ->Intention To Use	H2	2.463	Support
Public Marketing Communication - >Intention To Use	H3	1.989	Support

Based on the hypothesis testing in this study, it shows that Awareness has a positive and significant effect on Intention to Use. The results of this study found that Awareness had a positive and significant effect on Intention to Use. This result is obtained because someone's intention to use (Intention to Use) a product will arise if that person has awareness (Awareness) of his or her needs. Awareness of this need has led to initiatives to find solutions, leading to the intention to use (Intention to Use) Solar Power Generation Technology (PLTS).

Based on the hypothesis testing in this study, it shows the results that Price Perception has a positive and significant effect on Intention to Use. The result of this research is the perception of the usefulness of an item is influenced by the perception of the price (Price Perception) of the item. And the perceived usefulness of an item has a positive and significant effect on Intention to Use. However, it is not only the price factor that is the main factor, other factors such as experience of product quality, ease of use of the product, and convenience of using the product can lead to the intention of using Solar Power Plant Technology (PLTS).

Based on the hypothesis testing in this study, it shows the results that Marketing Communication has a positive and significant effect on Intention to Use. The results of this study indicate a positive and significant effect on Green purchase intention. Marketing Communication is an important factor affecting Intention to Use. Through advertisements, marketing promotions, and outreach, prospective users of Solar Power Plant Technology (PLTS) will be interested and impressed, which will lead to an intention to use the technology. In other words, attention given to potential users when viewing advertisements, marketing promotions, and socialization creates interest where the expectations or needs of the potential users are achieved. Thus the desire of potential users also arises, which leads to Action, namely using Solar Power Generation Technology (PLTS).

5. Conclusion

Based on the results of the analysis and discussion, the following conclusions can be concluded:

1. Awareness has a positive and significant effect on the Intention to Use of urban communities in Solar Power Generation Technology (PLTS). This means that if a

potential user is aware (Aware) of their needs and is able to recognize a product that can be a solution to their needs, then this awareness will be a strong impetus that generates the intention to use the product.

2. Price Perception has a positive and significant effect on the Intention to Use of urban communities in Solar Power Generation Technology (PLTS). This means that prospective users will consider the price of the product against what benefits (Benefit) or value (Value) will be received by them when using the product. If the benefits or value offered by a product when compared to the price offered are commensurate with or above the expectations of potential users, then this will be a strong impetus that generates the intention to use the product.
3. Marketing Communication has a positive and significant effect on the Intention to Use of urban communities in Solar Power Generation Technology (PLTS). This means that prospective users have the intention to use these products because they are influenced by marketing communications, such as promotions, advertisements and socialization so that marketing communication becomes one of the factors that encourages the awakening of the intention to use these products.

With the value of R-Square = 0.558 shows that the ability of the independent variables (Awareness, Price Perception, and Marketing Communication) in explaining the variance of the dependent variable (Intention to Use) is 55.8%. Meanwhile, the remaining 44.2% is explained by other factors outside the model.

This study aims to develop the theoretical framework concept and explore the factors that drive urban communities to use photovoltaic solar power technology in DKI Jakarta. Research is limited only in urban areas because urban society is the largest consumer of electrical energy in Indonesia. Three factors to be studied namely awareness, price perception and marketing communication obtained from the results of a preliminary survey in an open question to a hundred people online respondents. The answers are varied and the majority of respondents' answers are in all three factors. The limitation of this research is that there is no such a theoretical framework that can be used as a reference, so it is necessary to develop the concept of theoretical framework based on the results of pre-survey obtained. In the hope that it can be used by his next research. The data analysis technique used is variance based structural equation modeling with partial least square, because PLS can be used to analyze new theoretical framework concept developed. In designing this study, several methodological limitations were considered to conduct effective study. Whereas the study design was tailored to address research objectives and focused on the critical elements of this study, this study is still not doing without its limitations. One of the limitations is this research only reach those who care about new renewable energy technology. Future study in this area would benefit by strategic clarity and successful implementation of strategy to market the solar photovoltaic technology to urban community.

References

- [1] X. Zha, H. Yang, Y. Yan, K. Liu, and C. Huang, "Exploring the effect of social media information quality, source credibility and reputation on informational fit-to-task: Moderating role of focused immersion," *Comput. Human Behav.*, vol. 79, pp. 227–237, 2018.
- [2] A. Ben Youssef, S. Boubaker, B. Dedaj, and M. Carabregu-Vokshi, "Digitalization of the economy and entrepreneurship intention," *Technol. Forecast. Soc. Change*, no. March, p. 120043, 2020.

- [3] J. Yaghoubi, M. Yazdanpanah, and N. Komendantova, "Iranian agriculture advisors' perception and intention toward biofuel: Green way toward energy security, rural development and climate change mitigation," *Renew. Energy*, vol. 130, pp. 452–459, 2019.
- [4] V. Henriksson, C. van Houten, and M. Spib, "To Master Disaster: How SME managers can thrive and benefit from economic crises," 2016.
- [5] A. Al Mamun, M. R. Mohamad, M. R. Bin Yaacob, and M. Mohiuddin, "Intention and behavior towards green consumption among low-income households," *J. Environ. Manage.*, vol. 227, no. June, pp. 73–86, 2018.
- [6] M. Mahmud, D. Soetanto, and S. Jack, "Environmental management and product innovation: The moderating role of the dynamic capability of small manufacturing firms," *J. Clean. Prod.*, vol. 264, p. 121633, 2020.
- [7] M. O'Dwyer and A. Gilmore, "Value and alliance capability and the formation of strategic alliances in SMEs: The impact of customer orientation and resource optimisation," *Journal of Business Research*, vol. 87, pp. 58–68, 2018.
- [8] N. Kim, S. Shin, and S. Min, "Strategic marketing capability: Mobilizing technological resources for new product advantage," *J. Bus. Res.*, vol. 69, no. 12, pp. 5644–5652, 2016.
- [9] T. Ramayah, J. W. C. Lee, and O. Mohamad, "Green product purchase intention: Some insights from a developing country," *Resour. Conserv. Recycl.*, vol. 54, no. 12, pp. 1419–1427, 2010.
- [10] M. S. Han, Y. Biying, D. Cudjoe, and Q. Yuan, "Investigating willingness-to-pay to support solar energy research and development in Myanmar," *Energy Policy*, vol. 146, no. July, p. 111820, 2020.
- [11] C. L. Hsu, C. Y. Chang, and C. Yansritakul, "Exploring purchase intention of green skincare products using the theory of planned behavior: Testing the moderating effects of country of origin and price sensitivity," *J. Retail. Consum. Serv.*, vol. 34, no. August 2016, pp. 145–152, 2017.
- [12] J. Wang, J. Bao, C. Wang, and L. Wu, "The impact of different emotional appeals on the purchase intention for green products: The moderating effects of green involvement and Confucian cultures," *Sustain. Cities Soc.*, vol. 34, no. May, pp. 32–42, 2017.
- [13] R. Li and A. Suh, "Factors Influencing Information credibility on Social Media Platforms: Evidence from Facebook Pages," *Procedia Comput. Sci.*, vol. 72, pp. 314–328, 2015.
- [14] R. Yadav and G. S. Pathak, "Young consumers' intention towards buying green products in a developing nation: Extending the theory of planned behavior," *J. Clean. Prod.*, vol. 135, pp. 732–739, 2016.
- [15] I. Weissbrod and N. M. P. Bocken, "Developing sustainable business experimentation capability – A case study," *J. Clean. Prod.*, vol. 142, pp. 2663–2676, 2017.
- [16] J. Cenamor, V. Parida, and J. Wincent, "How entrepreneurial SMEs compete through digital platforms: The roles of digital platform capability, network capability and ambidexterity," *J. Bus. Res.*, vol. 100, no. December 2018, pp. 196–206, 2019.
- [17] H. Zhang, S. Gupta, W. Sun, and Y. Zou, "How social-media-enabled co-creation between customers and the firm drives business value? The perspective of organizational learning and social Capital," *Inf. Manag.*, vol. 57, no. 3, p. 103200, 2020.

The Influence of Online Technology on the Performance of MSMEs in the Covid-19 Pandemic Era

Nurlinda¹, Junus Sinuraya², Asmalidar³

{nurlinda@polmed.ac.id¹, junus.sinuraya2012@gmail.com², asmalidar72@gmail.com³}

Politeknik Negeri Medan, Indonesia¹, Politeknik Negeri Medan, Indonesia², Politeknik Negeri Medan, Indonesia³

Abstract. This study aims to analyze the effect of online technology on the performance of Micro, Small and Medium Enterprises (MSMEs) in the Covid-19 pandemic era. The outbreak of the corona virus has an impact on all aspects of the life of the Indonesian people and has even hit the economy sector at large, including MSMEs. MSMEs have limited use of technology. This has further exacerbated the performance of MSMEs coupled with government policies in dealing with Covid-19 such as staying at home, social distancing and reducing activities outside the home, ultimately causing a decrease in MSME income. This research is a quantitative study using primary data. The population and sample of this research were all UMKM culinary rujak as many as 40. Data collection using a questionnaire. Data were analyzed using statistical descriptive analysis with simple linear regression. The results of the study found that there was an effect of the use of online technology on the performance of MSMEs. The implementation of this research is to provide input on alternatives that can be chosen by MSMEs during the Covid-19 Pandemic to maintain and improve their performance through the use of online-based technology.

Keywords: Information technology, online applications, MSMEs, performance

1. Introduction

Many Micro, Small and Medium Enterprises (MSMEs) are engaged in the culinary sector. Opening a business that is easy and does not require large capital attracts people to become entrepreneurs. Another factor is the change in people's lifestyles with a high level of busy mobility in the end, the working community prefers everything that is practical and fast [1]. This change in behavior becomes a new business opportunity that causes the culinary business to develop. The culinary business starts from the establishment of cafes, restaurants and also street vendors. However, currently MSMEs are experiencing a period of uncertainty due to the outbreak of the Covid-19 pandemic. The existence of government policies related to the Covid-19 pandemic, such as prohibiting people from leaving their homes, social distancing and carrying out lockdowns / quarantine areas, ultimately became a nightmare for business actors, especially MSME players, which caused business performance to disrupt. The lockdown action in response to the spread of the new corona virus ultimately threatens the existence of many innovative startups [2].

The phenomenon that occurs in the activities of MSME actors is a decline in performance in the form of turnover. Currently, one of the marketing strategies that can support MSMEs to survive in times of uncertainty is the use of online technology, including the use of online application services such as go-food / grab-food. The rapidly changing business environment has an impact on increasingly competitive competition as a result of technological developments [3], especially during the Covid-19 pandemic. The rapid

development of technology that gave birth to smartphones as well as the development of internet and web-based businesses has finally become a new hope for MSMEs players to survive difficult times. The emergence of smartphones supported by internet services today is not only useful as a medium of information, but can also be a means of conducting trade transactions by utilizing electronic commerce (e-commerce) facilities. The development of e-commerce ultimately makes it easier for business people to conduct business transactions even though they are not face to face, including the MSME business.

The UMKM adopts an online application for business continuity. This decision not only provides opportunities for MSME players to add customers, but also provides convenience for the customers themselves. One of the benefits obtained by MSME players is the opportunity to expand the business by providing the widest possible access to innovate on the products offered without large capital to distribute them [4]. Other advantages when MSMEs use online applications are getting business promotion opportunities through applications, expanding market / customer segments, ease of product distribution to customers, having access to customers through applications, and avoiding shipping costs even though the impact is higher selling prices. The use of this online application eventually becomes a media for promotion and sales transactions that help entrepreneurs reach customers and expand market share, given the far-reaching reach that online applications such as Go-food / Grab-Food can do. Entrepreneurs nowadays can't just wait for customers to come to the store / outlet. In the end, this condition must be addressed by providing online sales services. Business actors must understand the conditions of their prospective customers in order to decide to buy and must be able to ensure customer satisfaction with the services provided so that these customers are satisfied and decide to buy [5]. In the end, the goal of getting closer to customers becomes realistic when this is done using online applications. The use of online technology is currently present and provides opportunities for businesses to approach customers and bring customers into the company in an effort to explore customer interests in new ideas / products and pretest customer interests [6]. In the end, the implementation of e-commerce, which includes online application services, will have a significant impact on every level of business strategy [7].

The results of several studies have found that there is an effect of technology on the performance of MSMEs [8], and through the adoption of e-commerce technology also affects the performance of MSMEs [9]. Another study found the effect of online marketing strategies on increasing MSME profits [10]. The research results of [4] found that the factors that encourage MSMEs to adopt online applications are to expand the business area and reach consumers who cannot come directly to the store, besides this online application is a medium for product marketing as well as a way to increase sales turnover. The results of the research by Mumtahana et al [11] found that utilizing e-commerce technology fulfills product marketing strategies which can have an impact on increasing sales. Indraswarri & Kusuma [12] found that there were differences in income before and after using online applications. Amelia (2019) found that there was a positive influence on the use of online go-food applications on increasing sales.

Rujak Sentir UMKM actors are a group of MSMEs engaged in micro business. Micro businesses based on law No. 28 Tahun 2008 [13] concerning MSMEs are productive businesses owned by individuals and / or individual business entities that meet the criteria for micro-businesses as regulated in law. The spread of the corona virus also has an impact on the performance obtained by these MSME players. From the lack of customers, the decline in turnover to the closure of the business had to be done due to the difficulty of the economy. Therefore, this study was conducted to analyze whether the use of online applications can

maintain the performance of MSMEs. The performance included in this research is related to sales.

2. Literature Review

2.1 Electronic Commerce (e-commerce)

Electronic commerce (e-commerce) is narrowly defined as the act of trading using the Internet as a distribution channel in activities to market and sell goods and services to customers [7]. A broad definition is presented by Malcolm [14] who explains that electronic commerce is the exchange of information about electronic payment goods / services and includes the creation and maintenance of web-based relationships. Referring to the above explanation, Fruhling & Digman [7] electronic commerce is not limited to the Internet, intranet, extranet, electronic data exchange (EDI), etc. but the entire online transaction process, such as processing transactions with electronic payments, coordination with business partners. (inventory management), customer self-service (such as orders).

2.2 Online Technology

Online technology, including the use of online applications, is a technology that has emerged due to the most transforming findings of the present century, namely the internet (The-Economist, 1999). The presence of the internet is believed to be the basis for changing the business paradigm which has the potential to affect every link in the company's value chain [15].

The use of web media, including the use of online applications, is carried out by customers for making payments, advertising and promotions. The effectiveness of using online applications can be interpreted as how effective the process of online applications is to increase sales. The use of online applications (e-marketing) is an act of using the web in marketing products and services to customers [16]. Using online applications, the company's goals will be directly accessed by potential customers who use the application. all information provided by the company will be accessible to potential customers in realtime. Thus the use of online applications will streamline the activities that are the company's goals.

The use of online applications will affect business operations and marketing to customers. The effect of online applications occurs through three marketing channels, namely, "communication channels (information channels on product / service availability), transaction channels (facilitating economic exchange between buyers and sellers), distribution channels (facilitating physical exchanges[17]. The online application makes it easy for users to access information anywhere via a device connected to the internet. The indicators used regarding online applications consist of, (1) Promotion and (2) Distribution [18].

2.3 Performance

Performance is interpreted as a level to meet expectations associated with its function [19]. This expectation is related to its function in the organization. Managerial performance is "one of the factors that can increase organizational effectiveness". Manager performance is "the ability of managers to carry out their responsibilities in product quality, product quantity, product timeliness, new product development, personnel development, budget achievement, cost reduction (increased revenue), and public affairs" [20]

The purpose of organizational effectiveness shows how important business performance is. Furthermore, company performance according to Soininen et al [21] is an indicator of high profitability and market share growth where the growth of the two measurement indicators is an essential part of company performance and is used to evaluate the competitiveness of the company. In general, there are two indicators that describe business performance as part of (a) financial performance (eg, sales increase performance, profitability, etc.); (b) operational performance (growth in market share, new products, product quality, marketing effectiveness and value added [22]). Financial performance is the extent to which financial efficiency and profit measure. Meanwhile, non-financial performance is operational performance that includes "customer satisfaction; sales growth; employee growth; market share [23]). The performance indicators used in this study consist of "sales growth; customer growth; profit growth; working capital growth [24].

2.4 Micro, Small and Medium Enterprises (MSMEs)

The definition of Micro, Small and Medium Enterprises (MSMEs) according to the Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises states that micro enterprises are productive businesses owned by individuals and / or individual business entities that meet the criteria of micro businesses as regulated in law. A small business is a productive economic business that stands alone, carried out by an individual who is not a subsidiary, not a branch of a company that is owned, and is not a direct or indirect part of a medium or large business. Medium-sized enterprises are productive economic enterprises that are independent, carried out by individuals who are not subsidiaries, are not owned branches of companies, and are not a direct or indirect part of a small or large business.

Referring to the number of assets and turnover, the criteria for SMEs consists of;

1. Micro enterprises have a maximum asset of 50 million and a maximum turnover of 300 million;
2. Small businesses have Assets larger than 50 million up to 500 million and turnover greater than 300 million up to 2.5 M; and
3. Medium enterprises have assets greater than 500 million up to 10 M and turnover of large from 2.5 M - 50 M

2.5 Go-Food/ Grab- Food

Go-Food / Grab-food is a company engaged in the service sector [1]. According to Tjiptono [25] a service company is an act of selling activities, providing benefits, offering satisfaction [1], and an act of offering other parties something that is intangible and does not result in ownership of something Umar [26]. Go-Food / Grab-food services are managed by vendors who sell applications via smartphones. The features offered basically include media promotions and online ordering where the agreed profit share ranges from 15% -20%. Go-Food / Grab-food is a food delivery feature. This feature is most often used by most customers every day to make transactions to buy the desired food from the intended outlet.

2.6 The Effect of Online Application Utilization on MSME Performance

The results showed that there was a positive influence on the application of online applications on business value [27]. Doherty, Ramsey, Harrigan, & Ibbotson [28] found that "MSMEs that adopt and use broadband internet technology encourage efficiency and daily strategic developments. Arisandi [29] found that using e-commerce was able to increase business productivity and business endurance and increase sales. Utomo's [30] research found

that the use of businesses using online technology can improve business performance. Research conducted by Misnawati & Yusriadi [31] explains that opportunities for advanced digital technology will have an impact on the ease of managing a business to increase sales profits, while Zulfikar and Supriyoso [32] found that online sales are effectively carried out well. Hartmann & Lussier [33] conducted research on the use of B2B to help sales during the Covid-19 pandemic, while highlighting the managerial implications of using digital technology in SMEs to deal with the impact of COVID-19 and secure business continuity [34]. Referring to the research results above, the hypothesis of this study is that the use of online applications has an effect on performance.

3. Research Method

The population is all Rujak UMKM in Jalan Pasar 7 Kab. Deli Serdang as many as 50 traders. The sample technique used is saturated sample so that the entire population is the sample of this study. This type of data uses primary data with data collection techniques using a questionnaire. The operational definitions of the variables are as follows:

1. Performance is a business performance consisting of financial performance and operational performance. The indicators used are "sales growth; customer growth; profit growth; working capital growth".
2. The use of online technology is the use of the go-food / grab-food online application. The indicators used in relation to online applications consist of, (1) Promotion and (2) Distribution.

The research model used is shown as follows:



Fig 1. Research Model

The simple linear equation used is: $y = a + bx + e$. Data were analyzed using statistical descriptive analysis using simple linear regression. The steps taken are to first test the validity and reliability and test the new classical assumptions then carry out a simple linear regression test.

4. Results and Discussion

4.1 Validity and Reliability Test

The validity test can use the significance test by comparing the calculated r value with the r table for degree of freedom (df) = $n-2$ [35]. Based on this formula, $df = 34$ then the amount of df is obtained $34-2 = 32$ and alpha 5%. For df 32 and alpha 5%, the r table is 0.2859. Based on the results of the validity test using SPSS, it can be concluded that not all question items to measure each of the validity research variables, one indicator is invalid, namely the online application indicator (AO5), thus this indicator is ignored. The next step is

to re-test the validity with the results that all indicators are declared valid and the data is suitable for further testing. After testing the validity, the next step is to test the reliability of the data by means of One Shot or just one measurement. The reliability test will use the existing facilities at SPSS with the Cronbach Alpha (α) test [35] A construct or variable is said to be reliable if it provides a Cronbach Alpha value > 0.70 (Nunnally, 1994) in [35] Table 1 shows the complete validity and reliability test results that show all valid and reliable data.

Table 1 Validity and Reliability Test

Indicator	Validity Test			Reliability Test		
	r_count	r_table	Information	Cronbach's Alpha	Criterion	Information
AO1	0,7535	0.2869	Valid	0,8472	$> 0,07$	Reliable
AO2	0,7608	0.2869	Valid	0,8459	$> 0,07$	Reliable
AO3	0,6594	0.2869	Valid	0,8600	$> 0,07$	Reliable
AO4	0,6823	0.2869	Valid	0,8651	$> 0,07$	Reliable
AO6	0,7327	0.2869	Valid	0,8504	$> 0,07$	Reliable
AO7	0,7800	0.2869	Valid	0,8434	$> 0,07$	Reliable
AO8	0,3008	0.2869	Valid	0,8958	$> 0,07$	Reliable
K1	0,8023	0.2869	Valid	0,8259	$> 0,07$	Reliable
K2	0,8756	0.2869	Valid	0,8108	$> 0,07$	Reliable
K3	0,5719	0.2869	Valid	0,8865	$> 0,07$	Reliable
K4	0,7065	0.2869	Valid	0,8406	$> 0,07$	Reliable
K5	0,6501	0.2869	Valid	0,8560	$> 0,07$	Reliable

4.2 Data Normality Testing

Normality testing can be done using graph analysis and statistical testing. Testing with statistics using the Kolmogorov Smirnov non-parametric test [35] This test refers to the Kolmogorov Smirnov value where if it has a probability greater than 0.05, the variable is normally distributed [35] The following is complete information about the Kolmogorov Smirnov test can be seen in the table below:

Table 2 One-Sample Kolmogorov-Smirnov Test

Unstandardized Residual		
N		34
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.92353884
Most Extreme Differences	Absolute	.072
	Positive	.072
	Negative	-.061
Test Statistic		.072
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Based on the results of the data normality test using the Kolmogorov-Smirnov test, it can be concluded that the data in this study were normal distribution, as indicated by the Kolmogorov Smirnov value of 0.72 and a significance level of $0.200 > 0.05$. The results of Table 2 are also supported by graphic images. The normality test graph can be seen in Figure 2 below.

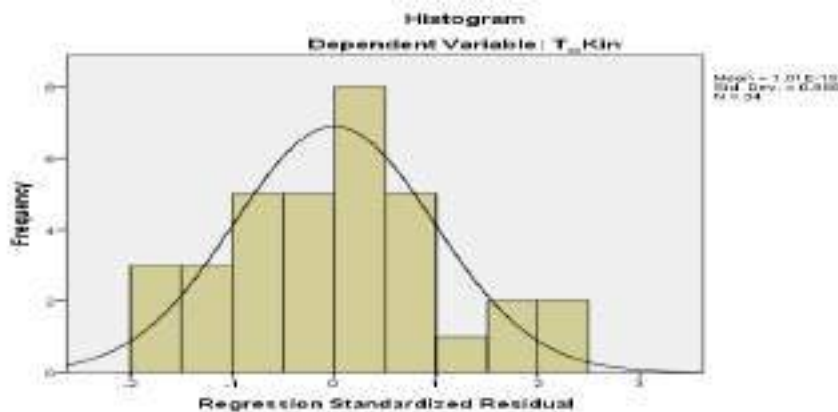


Fig. 2. Histogram

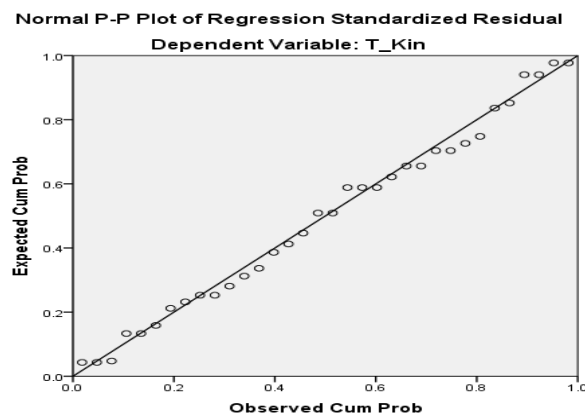


Fig. 3. Normal P-Plot

Based on the appearance of Figure 2, the histogram graph and the normal plot graph, it can be concluded that the histogram graph shows a balanced left and right skewness distribution pattern so that it can be concluded that the data is normally distributed. Meanwhile, if we refer to Figure 3, the normal plot graph shows that the points spread around the diagonal line, and the spread does not move away from the diagonal line, thus it can be concluded that the regression model has met the assumption of normality. This is in accordance with Ghozali [35], which states that if the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, the regression model fulfills the assumption of normality.

4.3 Heteroscedasticity Testing

Based on the test results shown in Figure 4, it can be concluded that the data in this study are free from heteroscedasticity symptoms because the plot diagrams shown in the test do not show a certain pattern but are random. Ghozali [35] states that if there is a certain pattern, such as the existing dots forming a certain regular pattern (wavy, widened, then narrowed), it indicates heteroscedasticity has occurred.

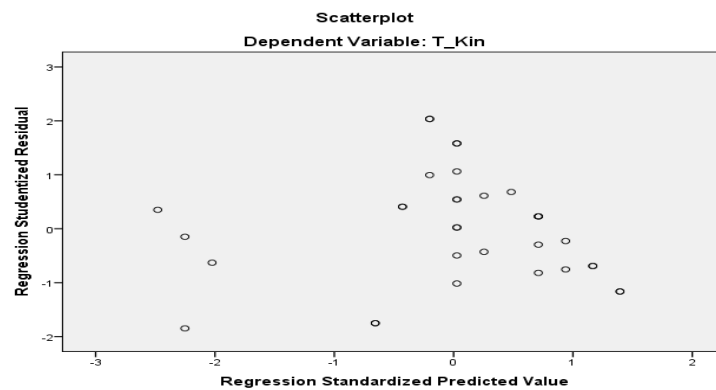


Fig. 4. Heteroscedasticity Testing

4.4 Multicollinearity Testing

Multicollinearity testing aims to test whether the regression model found a correlation between independent variables (independent). A good regression model should not have correlation between independent variables [35]. Measuring tools that are often used to measure the presence or absence of correlated variables using a test tool or Variance Inflation Factor (VIF) detection. Where the VIF value is not more than 10 and the tolerance value is not less than 0.1 [35]. In Table 3, it can be seen that of the independent variable the VIF value is not more than 10 and the tolerance value is not less than 0.1. So it can be concluded in this regression model there is no multicollinearity problem.

Table 3. Multicollinearity Testing

Variabel	Collinearity Statistics	
	Tolerance	Variance Inflation Factor
Online Aplication	1,000	1,000

4.5 Results of Data Analysis

Table 4 below shows the partial calculation results (t-count)

Table 4. Uji Hipotesis

		Unstandardized Coefficients		Standardized Coefficients				Results
Variabel		B	Std. Error	Beta	t	Sig.		
Online Application → Performance	(Constant)	-1,298	1,652		-,786	,438		Positive Influence
	A_onl	,869	,077	,893	11,218	,000		

Hypothesis: there is an effect of using online applications on performance.

Testing with reference to the significance number in Table 5 shows the number 0.000, so by comparing these results with α 5%, $0.000 < 0.05$ indicates that the use of online applications has a significant effect on performance. The use of online applications is able to explain the performance variable by 79.7%. This value is obtained by referring to the R Square value according to Table 5.

Table 5. *R Square Value*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.893 ^a	.797	.791	1.95336

Based on the results of statistics, it shows that there is an effect of the use of the go-food / grab-food online application on performance during the Covid 19 pandemic. The Covid 19 pandemic causes the turnover of MSMEs to fall. The decline in turnover was also caused by the existence of government policies to stay at home and reduce activities outside the home, social distancing, lockdown / area quarantine that did not affect the turnover of MSMEs. In the end, MSMEs lose customers who buy directly. The presence of go-food or grab-food applications ultimately provides income for traders because they get new customers considering the far reach that this application can reach. Collaboration between MSME actors and vendors indirectly becomes a promotional event because the go-food or grab-food vendors will display information on their partners' businesses. Referring to the online application indicator, it is explained that the go-food or grab-food application is an effective promotional media for MSME players. Regarding distribution indicators, it can be explained that collaboration with go-food or grab-food application vendors in the end brings customers closer to the seller. The opening of new market shares where long distances are not an obstacle for customers to buy the desired product within the range of the application. Therefore, it can be concluded that utilizing go-food or grab-food applications is a means of distribution for sellers to deliver their products directly to customers without the need for customers to come to stores / outlets.

Another factor that causes the turnover to fall is a decrease in people's purchasing power, while the price of raw materials increases which in turn causes a decrease in profit margins because the selling price is fixed. Therefore, the use of online applications helps MSMEs in marketing / distribution, so that through online marketing, turnover can be increased by means of online promotion. Online promotion will expand market share and open up opportunities for new customers.

Based on the results of research, MSMEs using online applications have experienced growth in sales as a result of new customers using the go-food / grab-food online application features. The impact of new customer growth is the occurrence of sales transactions which are closely related to profit growth. When a sale occurs, it will have an impact on profit growth and working capital. The results of this study ultimately support previous research which states that the use of online applications will affect performance [27], [28], [29], [30], [31].

The practical implications of this study indicate that technology literate MSMEs that utilize online technology can be concluded to be able to survive in times of uncertainty. Referring to this conclusion, in the end, it provides an overview of the need for early guidance by related parties such as the local Cooperative and UMKM Service for MSMEs in their

regions, especially awareness of the use of technology in helping their businesses, both for means of promotion, distribution, and transactions. This coaching will later be able to strengthen MSMEs to survive conditions of uncertainty such as what is happening today, namely the Covid-19 Pandemic. The use of online technology, one of which is the use of the go-food / grab-food online application, has finally become an alternative to survive the Covid-19 pandemic. This application not only brings distant customers closer to outlets / stores but also becomes a new way to still generate revenue from business.

5. Conclusion

The conclusion of this study is that there is an effect of the use of the gofood / grab-food online application on the performance of MSMEs. Online applications are a means of promotion and distribution for MSMEs, resulting in the addition of new customers, sales growth, profits and capital. In the end, during the Covid-19 pandemic, the use of online applications was able to help MSMEs survive and continue their business. Therefore, it is important for related parties to provide guidance so that MSMEs are technology literate, especially online technology. MSMEs that are online technology literate will have the opportunity to expand market share because they are able to maximize technology either using online applications or maximizing social media such as Instagram, Facebook, WhatsApp and so on.

6. Acknowledgments

Acknowledgments. Thank you to the Politeknik Negeri Medan and the Ministry of Education and Culture for the research grants provided.

References

- [1] R. Amelia, "Pengaruh Aplikasi Gofood Terhadap Peningkatan Penjualan Mochitalk Plaza Medan Fair," vol. 6, no. 2, pp. 79–84, 2019.
- [2] A. Kuckertz *et al.*, "Startups in times of crisis – A rapid response to the COVID-19 pandemic," *J. Bus. Ventur. Insights*, vol. 13, no. April, 2020, doi: 10.1016/j.jbvi.2020.e00169.
- [3] K. Azhar and Z. Arifin, "Faktor-faktor Yang Mempengaruhi Penyerapan Tenaga Kerja Industri Manufaktur Besar dan Menengah Pada Tingkat Kabupaten/Kota di Jawa Timur," *J. Ekon. Pembang.*, vol. 9, 2011.
- [4] D. F. Suryadi and M. I. F. Ilyas, "Adopsi Online Food Delivery Service Bagi Wirausaha Pemula," *Ilmu Adm. Akuntansi, Bisnis, Dan Hum.*, vol. 2018, pp. 75–80, 2018.
- [5] C. Lovelock, J. Wirtz, and Mussry, *Pemasaran Jasa*, Edisi 7. Jakarta: Erlangga, 2011.
- [6] R. Shahjee, "The Impact of Electronic Commerce On Business Organization," *An Int. peer Rev. Ref. Sch. Res. J. interdicilinary Stud.*, vol. 4, no. 27, pp. 3130–3140, 2016, [Online]. Available: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwj7gIjH-O3qAhX0yDgGHWJXB_YQFjALegQIBBAB&url=http%3A%2F%2Foaji.net%2Farticles%2F2017%2F1174-1484826380.pdf&usg=AOvVaw1bAV9-QAaP8tR2mGNMqjwS.
- [7] A. L. Fruhling and L. A. Dignan, "The impact of electronic commerce on the supply chain," *J. Electron. Commer. Res.*, vol. 17, no. 4, pp. 13–22, 2010, doi: 10.1108/bij.2010.13117daa.001.

- [8] Nurlinda, Wardayani, and I. Muda, "Factors Affecting e-Commerce Adoption on Micro , Small and Medium Enterprises in Medan City Factors Affecting e-Commerce Adoption on Micro , Small and Medium Enterprises in Medan City," in *ICOSTEERR 2018 - International Conference of Science, Technology, Engineering, Environmental and Ramification Researches*, 2020, no. August, pp. 1301–1311, doi: 10.5220/0010072313011311.
- [9] N. Nurlinda *et al.*, "Can E-Commerce Adoption Improve SME's Performance? (Case Studies on Micro, Small and Medium Enterprises with Gojek Services in Indonesia)," 2020, doi: 10.4108/eai.11-12-2019.2290850.
- [10] I. Setiawati and P. Widyartati, "Pengaruh Strategi Pemasaran Online Terhadap Peningkatan Laba UMKM," *Strateg. Komun. Pemasar.*, no. 20, pp. 1–5, 2017, [Online]. Available: file:///C:/Users/BAYU/Downloads/Documents/263-760-1-PB.pdf.
- [11] H. A. Mumtahana, S. Nita, and A. W. Tito, "Pemanfaatan Web E-Commerce untuk Meningkatkan Strategi Pemasaran," *Khazanah Inform. J. Ilmu Komput. dan Inform.*, vol. 3, no. 1, p. 6, 2017, doi: 10.23917/khif.v3i1.3309.
- [12] A. Indraswarri and H. Kusuma, "Analisa Pemanfaatan Aplikasi Go-Food Bagi Pendapatan Pemilik Usaha Rumah Makan Di Kelurahan Sawojajar Kota Malang," *J. Ilmu Ekon.*, vol. 2, pp. 63–73, 2018, [Online]. Available: <http://ejournal.umm.ac.id/index.php/jie/article/view/6967>.
- [13] UU No 20, *Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil dan Menengah*, no. 1. 2008.
- [14] F. Malcolm, "The Realities of Web-Based Electronic Commerce", *Strategy & Leadership*, pp. 31–32, 1997.
- [15] J. Papows, "Enterprise.com: Reading, MA: Perseus Books," 1998.
- [16] F. C. Ling and L. Ting, "Assessment of Internet Marketing and Competitive Strategies for Leisure Farming Industry in Taiwan. J," *ournal Am. Acad. Business. ISSN 15401200*, vol. Volume 8, no. Issue 2, pp. 296–300, 2006.
- [17] R. A. S. Peterson, Balasubramanian, and B. J. Bronnenberg, "Exploring the Implications of the Internet for Consumer Marketing," *J. Acad. Mark. Sci.*, vol. Vol. 25, no. No. 4, p. hlm: 329-346, 1997.
- [18] M. Y. Pratama, "Pengaruh Layanan Food Delivery Terhadap Peningkatan Penjualan pengusaha Kuliner (Studi Pada Pengusaha Kuliner Yang Terdapat di Go-Food/Go-Jek Jambi)," Universitas Islam Negeri Sulthan Thaha Saifuddin, 2018.
- [19] R. Soleman, "Pengaruh Penganggaran Partisipatif terhadap Kinerja Manajerial Dengan Budaya Organisasi Dana Gaya Kepemimpinan Sebagai Variabel Moderating," *J. Siasat Bisnis*, vol. 16, no. 1, pp. 87–105, 2012.
- [20] R. Supriyono, "Pengaruh Komitmen Organisasi dan Keinginan Sosial Terhadap Hubungan Antara Partisipasi Penganggaran Dan Kinerja Manajer," 2004.
- [21] J. Soininen, M. Martikainen, Puumalainen, and K. Kyläheiko, "Entrepreneurial orientation: Growth and profitability of Finnish small- and medium-sized enterprises," *Int. J. Prod. Econ.*, vol. Vol. 140, no. No.,1, pp. 614-621., 2012.
- [22] N. Venkatraman and V. Ramanujam, "Measurement of Business Performance in Strategy Research: A Comparison of Approaches," *Acad. Manag. Rev.*, vol. 11, no. 4, pp. 801-814., 1986.
- [23] I. G. Sidik, "Conceptual framework of factors affecting SME development: mediating factors on the relationship of entrepreneur traits and SME performance," 2012.
- [24] Meutiaa and T. Ismail, "The Development of Entrepreneurial Social Competence And Business Network to Improve Competitive Advantage And Business Performance of Small Medium Sized Enterprises: A Case Study of Batik Industry In Indonesia," 2012.
- [25] D. Tjondro and R. Wilopo, "Pengaruh Good Corporate Governance (GCG) terhadap Profitabilitas dan Kinerja Saham Perusahaan Perbankan yang Tercatat di Bursa Efek Indonesia," *J. Bus. Bank.*, vol. 1, no. 1, pp. 1–14, 2011.
- [26] Nurhadi, "Anteseden Penggunaan E-Commerce: Pengaruhnya Terhadap Manajemen Pengetahuan dan Kinerja Organisasi," Universitas Brawijaya, 2015.
- [27] M. Wade, D. Johnston, and R. McClean, ""Exploring the net impact of internet business

- solution adoption on SME performance,” *Int. J. Electron. Bus.*, vol. 2, no. 4, pp. 336–350, 2004.
- [28] E. Doherty, E. Ramsey, P. Harrigan, and P. Ibbotson, “Impact of Broadband Internet Technologies on Business Performance of Irish SMEs,” *Strateg. Chang.*, vol. 25, no. 1, pp. 693–716, 2016.
- [29] Y. T. Arisandi, “Efektivitas Penerapan E-Commerce Dalam Perkembangan Usaha Kecil Menengah di Sentra Industri Sandal Dan Sepatu Wedor Kabupaten Sidoarjo . (Unpublished),” 2018.
- [30] M. N. Utomo, “Efektivitas Bisnis Berbasis Teknologi Internet dalam Membangun Kinerja Kewirausahaan,” *BISMA (Bisnis dan Manajemen)*, vol. 11, no. 2, pp. 156–172, 2019.
- [31] Misnawati and Yusriadi, “Efektifitas Pengelolaan Kewirausahaan Berbasis Kognitif Personal Melalui Penggunaan Infrastruktur Digital (Media Sosial),” *Jurnam Mitra Manaj. (JMM Online)*, vol. 2, no. 3, pp. 138–145, 2018.
- [32] F. Zulfikar and P. Supriyoso, “Efektifitas Penjualan Online Melalui Media Sosail Pada Perusahaan CV Billionaire Sinergi Korpora (Billionaire Store),” in *Festival Riset Ilmiah Manajemen Akuntansi*, 2019, pp. 909–913.
- [33] N. N. Hartmann and B. Lussier, “Managing the sales force through the unexpected exogenous COVID-19 crisis,” *Ind. Mark. Manag.*, vol. 88, no. April, pp. 101–111, 2020, doi: 10.1016/j.indmarman.2020.05.005.
- [34] T. Papadopoulos, K. N. Baltas, and M. E. Balta, “The use of digital technologies by small and medium enterprises during COVID-19: Implications for theory and practice,” *Int. J. Inf. Manage.*, no. June, p. 102192, 2020, doi: 10.1016/j.ijinfomgt.2020.102192.
- [35] I. Ghozali, *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 23*, VIII. Semarang: Badan Penerbit Universitas Diponegoro., 2016.

Proceedings of The International Conference on Environmental and Technology of Law,
Business and Education on Post Covid 19

26 September 2020, Bandar Lampung, Indonesia

ICETLAWBE 2020

Copyright © 2020 EAI, European Alliance for Innovation

www.eai.eu

<http://icetlawbe.org/>

ISBN: 978-1-63190-276-5

EAI Computing and Communication in Emerging Regions - CCER

The EAI Computing and Communication in Emerging Regions Series have already published proceedings from more than 20 conferences of various scopes. In line with EAI's values of equality and openness, their mission is to give greater visibility to research and innovation from emerging regions and share the knowledge worldwide. The audience for the proceedings consists of researchers, industry professionals, graduate students as well as practitioners in various fields. CCER harnesses the Open Access platform to simultaneously guarantee free exposure and distribution, under the Creative Commons license. In addition to being available in European Union Digital Library, the proceedings are disseminated to an even wider audience by being indexed in ProQuest, CNKI, Google Scholar and EBSCO.

European Alliance for Innovation

EAI is a non-profit organization with free membership and the largest open professional society for advancing research careers through community collaboration and fair recognition. Members benefit from finding feedback and mentorship for their work and they are guaranteed to be evaluated fairly, transparently, and objectively through community.

ISBN: 978-1-63190-276-5

<http://eudl.eu/series/CCER> | www.eai.eu