

Hajj Financing With Sharia Pawnshop

1st Wuryaningsih Dwi Lestari
*Faculty of Economics and Business -
 Universitas Muhammadiyah Surakarta
 Surakarta, Indonesia*

2nd Siti Fatimah Nurhayati
*Faculty of Economics and Business -
 Universitas Muhammadiyah Surakarta
 Surakarta, Indonesia*

3rd Zulfa Irawati
*Faculty of Economics and Business -
 Universitas Muhammadiyah Surakarta
 Surakarta, Indonesia*

4th Sri Murwanti
*Faculty of Economics and Business -
 Universitas Muhammadiyah Surakarta
 Surakarta, Indonesia*

5th Muhammad Sholahuddin
*Faculty of Economics and Business -
 Universitas Muhammadiyah Surakarta
 Surakarta, Indonesia
 muhammad.sholahuddin@ums.ac.id*

Abstract— The bailouts of Hajj in Islamic banking is already defunct. The reconstruction of Hajj bailout fund needs an in-depth analysis of the strategy program that has organized by sharia pawn institution. Approach with a review of the business model canvas is used to analyze the program. To fill nine boxes of Business Model Canvas (BMC), the researchers used in-depth interviews conducted to the officials who had to handle it. Meanwhile, there are *sharia* financial institutions give fund of the Hajj such as Rural Sharia Banking, *Baitul Maal wat Tamwil* and Sharia Pawnshop in social justice.

Keywords— *Hajj financing, social justice and sharia pawnshop*

I. INTRODUCTION

After the national council of sharia, Indonesian Islamic Leader Committee (DSN MUI) published a fatwa/ decree no. 29/2002 about financing management of the Hajj Islamic Financial Institutions (LKS), all of the sharia banking terminate bailouts of hajj since 2014. In the decree no. 29/2002, DSN MUI provides the management of the Hajj for customers. LKS can earn rewards service (*ujrah*) by using the principle of *Al-ijarah*, which is under the decree of DSN-MUI number 9/DSN-MUI/IV/2000. Where necessary, LKS can help guarantee the payment of BPIH customers by using the principle of *Al-Qardh*, which is under DSN-MUI number 19/DSN-MUI/IV/2001. Hajj management service performed by LKS should not be required by granting bailouts. The great rewards of *al-ijarah* service not based on the number of rescues of *al-Qardh*, which LKS gives to the customer. Sharia bank offers bailouts funds to customers who have insufficient funds for Hajj. The provisions are the bank will take care of the registration of the Hajj and ask for a wage to the customer. It means that the bank had violated the general conditions number 3 from the DSN decree above.

The presence of the Hajj Sharia banking bailouts product turned out to cause the pros and cons. Most people consider the Hajj Bailouts is a financial product that is useful and appropriate solutions for the people that are having trouble

fund to register of the Hajj. However, some people consider that the Hajj Bailout Fund should abolish because it is illegal and harms the community. For example, people are encouraged to register the Hajj without careful planning. Requiring the services of management of the Hajj by granting bailouts, it also requires the granting of rescues by requesting the services of control of the Hajj. Meanwhile, Bank Indonesia (BI) confirmed Hajj bailouts are allowed with the guarantee that the people who will go to Hajj (pilgrims) have paid off the loan before leaving.

The problem is that with the changes of BPs BPIH and financial management of pilgrims to the Sharia Banks, it is necessary to redesign the current business model. One approach to a business model that is quite popular is Business Model Canvas (BMC) developed by Alexander Osterwalder and Yves Pigneur at the beginning of 2010. Business model canvas consists of nine elements, namely the customer segment, value proposition, channels, customer relationships, revenue stream, the primary resources, key activities, and significant partnerships. To that end, the goal of this research will be redesigning the business model of regular service at Hajj Sharia Bank in Indonesia.

The purpose of this research is conducting a study of the financing model of the pilgrimage/Hajj. The findings of the research model targeted at financing the pilgrimage with a business model canvas approach (BMC) developed by Alexander Osterwalder and Yves Pigneur at the beginning of 2010. Business model canvas consists of nine elements, namely the customer segment, value proposition, channels, customer relationships, revenue stream, the primary resources, key activities, and significant partnerships.

Evaluation is one of the principles of management. Business model canvas is a tool used to reassess the overall business process to make it more competitive and be a new business development [7]. In his book entitled "Business Model Generation," Osterwalder and Pigneur created a framework for Business Model in the shape of the canvas, and it comprises nine interrelated boxes [7]. The grid contains essential elements that describe how an

organization creates benefits for and benefit from its customers [1].

Ma'ruf performed an analysis of the factors that affect the number of pilgrims in Medan City [5]. Among the outstanding factor is the existence of the bailouts of the Hajj, which is facilitated by Sharia banking. Meanwhile, Kurnianto examined the influence of the promotion mix against a decision using Hajj bailouts of Islamic Mega Bank branch [4]. Besides, Ulfah performed an analysis of the impact of marketing against Hajj Islamic interest customer bailouts (a case study in Muamalat bank branches) [10]. Both of these studies found that the promotion mix did have a positive influence on interest and decision in using a product of hajj bailout although with the different object.

Hadi & Widyarini researched Hajj Funds (DSN decree and Practice in LKS) [2]. Riantama investigated the influence of fee-based Hajj bailouts income towards the level of profitability on Islamic banks [3]. He conducted a research study on Islamic Mandiri Bank Branch Office. Nurses conducted evaluation studies over the bailouts of the Hajj Islamic banking products in Indonesia. Bailouts of the Hajj is one of the Islamic banking financial products based on the Sharia Board fatwa/decreed strengthened by Ijtima' Decision of Indonesian Ulama' Fatwa Commission [4]. Hajj bailouts have given to customers who can pay it off before the Hajj. The contracts used in the Hajj bailouts are varied. Some use the Akkadian *ijârah*, *Qardh*, and combined the two. Hajj Bailouts gave a positive impact (*masalahah*) in the form of existence of convenience to the customer to get Hajj departure servings. Meanwhile, the adverse effects (*mafsadah*) of bailouts of Hajj is increasingly blurring the criteria capable of (*istitâ'ah*) in Hajj and extend waiting list of Hajj departures [8].

Ismail & Rahim in a Review of Islamic Economics Finance and Banking conducted Islamic banking business model studies by analyzing the operations of Islamic banks, including Sharia banking industrial development challenges in the future [3]. The method used was the business model canvas with nine building blocks. The Results of the study divided the new Sharia banking business model into five customer segments, namely Government, corporations, retail productive (small and medium businesses/SMEs), retail consumer, and micro. A particular part of the Government of the existence of a group of about 60 trillion Hajj funds and new 30% managed Islamic banks. There is a need to build business models and increase the competence of human resources (HRs) business model to run Special Purpose Banking for Hajj. The potential for increasing the standard of living of middle-class citizens in the consumer retail segment has characterized by a long queue of pilgrims and umrah that intensifies every year. There is a need to build and enhance the competence of human resources to run the business models of Consumer Banking and Retail Banking on Islamic Banks. The previous study shows that Islamic banking has excellent prospects in Indonesia, particularly in the business of the funds of the Hajj. Thus, it deserves to develop [3].

Besides, the responsibilities and considerations behind the motivation of someone go to hajj; the pilgrims also influence increasing the State income, increasing consumption, and income distribution in the community [7]. It can be seen in the pre-pilgrimage period of BPIH initial deposit, the emergence of UMKM entrepreneurs with the number of orders for Hajj and the presence of hajj season workers. During the alms Hajj, Badal Hajj, dam (fine), and insurance Hajj. While the post-war period with the emergence of the spirit of Hajj, Zakat, Infaq, alms, and endowments. The wisdom behind pilgrimage is towards economic existence. It is indicated by a BPIH initial deposit and correlated with the Islamic banking service business model for Hajj. This study will analyze external environmental factors and internal service business models to Islamic Hajj banks based on elements of the canvas business model with specific development.

II. METHOD

The qualitative approach was selected to find information [9]. Researchers make use of previous research related to using as a research direction to focus on research under actual conditions in the field. In this study, the researchers focused on bailing funds in Islamic banking Surakarta City with Business Canvas Model approach. The data obtained by direct interviews with officials of the Islamic banks that have ever handled the bailouts program. In analyzing hajj financing model, the researchers conducted qualitative Business Model Canvas approach which consisted of 9 elements, namely: the customer segment, value proposition, channels, customer relationships, revenue stream, the primary resource, the main activities, and partnerships [6].

III. RESULT AND DISCUSSION

Pawnshops have existed since the year 1998 in Jakarta. Starting in 2013, it has begun to become pawnshops that provide many programs. A gold program for hajj pilgrims is one of the popular program. It utilizes gold to obtain loan money in the form of hajj savings, which is directly registered and earn the portion of Hajj. The application of gold pawnshops to Hajj has taken place for about two years. It turned out to be more or less 200 people who have already following this program. Of the approximately 200 people, starting at age 12, children can already register on behalf of their parents.

Islamic pawnshops A of Surakarta chose individual worshippers only so that the segment be more effective and efficient. Registration is quite easy by just making the contract, opening the savings, and registering the portion of pilgrimage to the victory. The form of savings itself forms the gold nominal, so when the customer deposits money which worth 10,000, it will nominate in the form of gold. Funds needed to get a loan worth 25 million from sharia pawn shops A Surakarta at least 7 million or 15 grams of gold PT. Aneka Tambang. The 25 million loans can pay in installments of 12, 24, 36, 48, 60 months with a maximum

age limit of 65 years. Monthly installment of the method is Rp. 669,500 up to Rp. 2,336,200 per month. The installment consists of administrative expenses, initial deposit savings, and *mu'nah* 0.95%. Also, there is 1% of the value of *ujrah* estimates.

In the Hajj pilgrim program of Sharia Pawnshop A of Surakarta is in cooperation with the Bureau of Hajj, Ministry of Religious Affairs, and conventional banks. The main reason to cooperate with a conventional bank is to integrate with Siskohat (Integrated Hajj Computerized System), then the activity of Hajj runs smoothly. The development of the gold pawn program has done by counseling directly to communities such as schools, villages, provision of seminars, and social activities.

Pawnshop Gold program to Hajj has obstacles, among them is the Islamic pawnshops unit is not yet sufficient in number (limited). Sharia pawnshop branches for Surakarta region only have one branch office with five units. Meanwhile, conventional pawnshops, there are ten branches with 65 units. The Islamic pawnshops were collaborating with other conventional pawnshops to overcome that situation. Pawnshop Gold program for the Hajj is a product of Islamic pawnshops, but conventional pawnshops can still sell where the process is carried out by the Islamic pawn shops. There is not yet a lot of the public who know about the program is another obstacle. Therefore, deliver the Sharia Hajj Gold Pawnshop program is a main activity, both in marketing and operational sense. Marketing activities such as building the relationship and communication between the parties related to Hajj, socializing hajj products to the community, and consulting the Hajj, Hajj bailouts, sales service, SAR currency, and other services. Operational activities such as registration services, opening, and closing accounts, providing souvenirs, and others. Besides, Sharia Pawnshop A Surakarta has separated from the partnership. One of the dominant partners is KBIH through the conventional bank. KBIH is the most strategic partners for being the bank channels to deliver the value proposition to the prospective customer.

The proposition of the value of the pilgrim/hajj services offered is assisted by all the mortgage staff, making the customer willing to buy or pay for the products and services of the pilgrims. One of the dominant sources of income is a Business Hotel of Sharia and gold pawnshop program by customers. Gold Pawnshop product can register the Hajj earlier even though the initial deposit insufficient to get the certainty of the departure time of Hajj. With the value

proposition of excellent service, Sharia Pawnshop A Surakarta requires the primary resources of human resources, technology, and office channel. One of the most critical resources is the availability of a network of Integrated Hajj computerized system (Siskohat) Ministry of Religious Affairs woven with conventional banks. In providing Hajj service value proposition will not run without any cost. The cost structure in the business and service of Hajj in Sharia Pawnshop A Surakarta consists of administration costs, Mu'nah, and Ujrah.

IV. CONCLUSION

The amount of the Bank Deposit Fee for organizing the hajj pilgrimage has changed, and all BPS have not implemented a bailout program. However, the Islamic pawnshops provide products services about gold pawnshop program for Hajj. Priority services have become the primary strategy, namely by increasing communication and marketing of Hajj Gold Pawnshop products with individual targets. The priorities of the approach on the fundamental aspect of the partnership are partnering with the Ministry of Religious Affairs, a conventional bank, Hajj, and Umrah Group, as well as Financing Operation Group.

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