

## **Competition Capability Analysis of Micro Syariah Finance Board in Era of ASEAN Economic Community (Case Study in Saving and Loan Cooperation and Syariah Defrayer *Baitul Maal wat Tamwil* in Medan City)**

Salman Munthe<sup>1</sup>, M. Yasir Nasution<sup>2</sup>, Muhammad Yusuf<sup>3</sup>

<sup>1</sup>PhD Student in Syariah Economic Program, Islamic State University of North Sumatera, Indonesia

<sup>2</sup>Lecturer in Syariah Economic Program, Islamic State University of North Sumatera, Indonesia

<sup>3</sup>Lecturer in Faculty of Economic, Medan State University, Indonesia

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**Abstract :** This research is very important if it is related to reality that a lot of micro syariah finance board that has law board Saving and Loan Cooperation and Syariah Defrayer (SLCSD)-Baitul Maal wat Tamwil BMT) in Medan City before running the ASEAN Economic Community (AEC). It showed that its development is not relative significant. This research use analysis study method (quantitative method). It relate the qualitative input data and quantitative ( mix method). The data collection can be obtained in two ways, they are external and internal data. The model that can be used in the data collection is external strategy factor matrix dan internal strategy factor matrix. The data analysis technical use SWOT matrix. The result shows that SLCSD or BMT has not had a completion capability to the other finance boards ( domestic or overseas finance board) that has a huge money injection to conventional micro finance boar (MFB). It is due to that the human resources (HR) is not good in SLCSD-BMT, if it is compared to the HR in conventional cooperation, although the products that launched by SLCSD-BMT have been suitable to syariaah concept, it can be seen from the difference opinion and thinking of SLCSD-BMT manager.

**Keywords** - Competition capability, ASEAN Economic Community (AEC), SWOT analysis

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### **I. INTRODUCTION**

The economic development in one country and country relationship is very important in Islamic study, especially if it is related to the trade between country. It is due to an economic development in one country is not separated by the other country relationship in bilateral relationship, regional and global. The International trade is always relate to the Islamic concept that it is right to do a transaction between one country and the other one if the products do not give disadvantages to the community [1]. Islamic is one of very unique culture , it is the youngest born, the fast spreading, the huge area, and appear in some aspects of calligraphy, fashion architecture and some science disciplines [2].

The participation of Muslim community and the other community on the market of ASEAN economic community (AEC) is our preparation as one of country that has the biggest market of ± 40.38%. It is compared to the other religious in ASEAN countries. The biggest Muslim population in Indonesia gives the biggest market potential to the jointed countries in ASEAN for transferring products or services. It should been action with full anticipation. It can be observed also based on the Indonesian population number of 237 million and around 88.1% of its number is Muslim and it's the biggest Muslim population in South East Asia. It is above Muslim population in Malaysia and Brunei Darussalam [3].

One of solution to prosperous the Muslim community is to strength the *syariah* micro finance board. It has a power potential to economic crisis, especially it is Saving and Loan Cooperation and *Syariah* Defrayer (SLCSD) and *Baitul Maal waat Tamwil* (BMT). It is as stated by Soedjatmoko that the cooperation development of SLCSD-BMT has an important participation, the cooperation is as traditional economic activity that it is still close to the national life, but it has good potential to be applied as basic development of national economic [4]. The economic umbrella as a cooperation law has been stated by a person who proclaim the Indonesian freedom in 17 August 1945 (Muhammad Hatta). He is awarded as Indonesian cooperation father who has central place in economic system as stated in basic law 1945 section 33 “ the economy is arranged as together trade based on the family foundation”. Thus the cooperation is as a strategy board and federation thing by week economic community to defend hi/her life [5].

## II. METHODOLOGY

### 2.1 Research Location and Time

This research is conducted in Medan city, it is government central area of North Sumatera. It is the fourth biggest city in Indonesia. Medan has ever as traditional empire, a central resident in Dutch government in Indonesia. Medan is also as a development central to the other state. Medan has a strategic area as a gate of the other country.

### 2.2 Research Phenomenological

This research use an observation analysis studies with qualitative method that combine the qualitative data input and quantitative (mix method). This research produce the qualitative data input (human perception) by applying questioner. In this analysis, the qualitative data will be processed to be quantitative data by using SWOT analysis. The analysis result will be concluded by explaining the analysis result in qualitative form.

### 2.3 Data Collection

The data collection is systematic and standard procedure to obtain the required data [6]. For obtaining the enough data and it is suitable to the problem statement, thus the research use some methods of data collection, whereas one of them always take and give. The collection data method in this research is: 1) Observation; 2) Documentation; 3) Interview; 4) Questioner [7]. The questioner is one of data collection technique, The good questioner is always conducted the mixture of art and science and relate one question to the other one [8].

### 2.4 Data Collection Steps

This step is not only a data collection activity, but it is also a classification activity and pra-analysis. In this step, the data collection can be obtained in ways, they are internal and external data [9]. The external data can be obtained from the outside of SLCSDBMT as this listed: 1) Market analysis, 2) Competitor analysis, 3) Community analysis, 4) Modal analysis, 5) government analysis and 6) Specific group activity analysis.

### 2.5 Data Analysis

The matrix Tows or SWOT is a tool that can be used to arrange the company strategy factors. The matrix can explain clearly how the opportunity and external treatment in a company can be suited to its strength and weakness. This matrix can produce four sets strategy alternative opportunity. The matrix of strength-weakness-opportunity-treatment is an important suitable tool that help every manager to develop four strategy kinds: Strategy SO (Strength-Opportunity), strategy WO (weakness-opportunity). It can be improve the SLCSDBMT toward a better company.

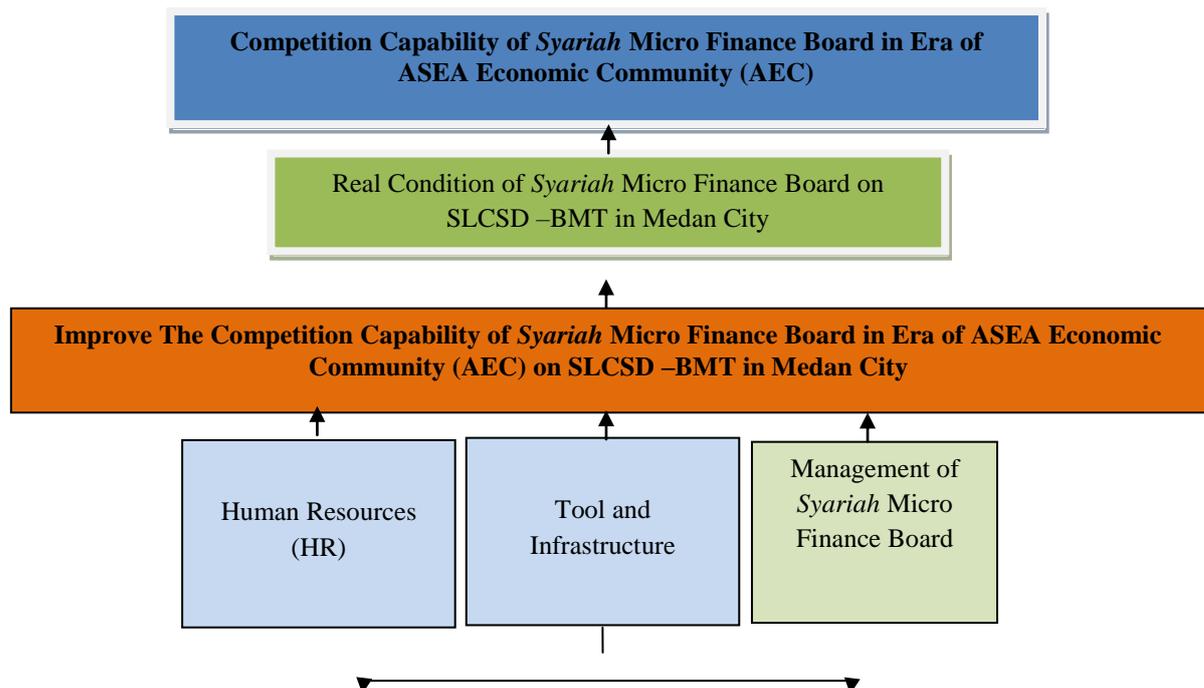




Figure 1. Frame of research concept

III. RESULT AND DISCUSSION

3.1 Development of SLCSDBMT in Medan City

3.1.1 Board Aspect

The SLCSDBMT is found based on the law No. 1 in 2013 and perfected by Cooperation Ministry Rule and Small and Medium Entrepreneurship, Republic of Indonesia No.16/Per/M.KUKM/IX/2015 about activity carrying out of saving and load and *Syariah* Defrayer by cooperation by eliminating the Cooperation Ministry Rule and Small and Medium Entrepreneurship No. 352/PER/M.KUKM/X/2007 about the standard foundation operation of *Syariah* finance services cooperation management and unit of *Syariah* finance services. In the new decision letter of cooperation ministry and unit of small and medium entrepreneurship is still arrange the management operational standard (MOS). It arranges the MOS board, trade, finance and assets safety for *syariah* cooperation. The new ministry rule gives SLCSDBMT to serve the saving and load to its member, defrayer for modal to its member and community and invest by following *syariah* principle. The explanation of number of SLCSDBMT in Medan city can be seen in Table 1 as stated below:

Table 1. Number SLCSDBMT in Medan city

Year	Number of SLCSDBMT	Active	Non Active
2010	48	40	8
2011	46	40	6
2012	43	38	5
2013	43	38	5
2014	44	38	6
2015	42	38	4
2016	50	30	20

Source : Research on SLCSDBMT 2016

3.1.2 Orientation Aspect of Vision, Mission and SLCSDBMT Objective

SLCSDBMT is as cooperation board that has *syariah* concept has clear vision , mission and objective. It gives advantages to not only its member but community. According to its vision, mission and objective, thus SLCSDBMT in Medan city has no clear orientation. It is due to its owner’s thinking about vision , mission and objective. They still run SLCSDBMT based on the conventional cooperation system, it follows real benefit and it has not yet given a function as social board that help the community. The SLCSDBMT in Medan city has not yet given as function to collect the *zakat*, *infaq* and *sedekah*. It only collect the budget from its member and the budget does not flow to its member and the community. The SLCSDBMT in Medan city can not compete to micro board, thus a lot of SLCSDBMT is bankrupt or has money crisis and its operation stop [10].

3.2 Internal Analysis of SLCSDBMT

Based on the questioner data of competition capability internal analysis SLCSDBMT in era of AEC, thus the strength and weakness questioner data can be seen in Table 2 and 3 as stated below:

Table 2. Strength description analysis of SLCSDBMT in Medan city in era of AEC

Strength indicator	Very strength	Strength	Weak	Very weak
Human resource	30%	-	70%	-
Tool	30%	15%	55%	-
Management	5%	35%	60%	-
Modal	25%	35%	40%	-
Service product	35%	5%	60%	-

Source : Research data 2016 (Processed)

Table 3. Weakness description analysis of SLCSDBMT in Medan city in era of AEC

Weakness indicator	Very easy to be solved	Easy to be solved	Difficult to be solved	Very difficult to be solved
Human resource	10%	25%	60%	5%

Tool	15%	20%	65%	-
Management	10%	40%	50%	-
Modal	5%	30%	65%	-
Service product	15%	20%	65%	-

Source : Research data 2016 (Processed)

Based on the table above, It can be seen that some respondents that consist of managers and leaders of SLCSDBMT in Medan City has strength and weakness management.

### 3.3 External Analysis of SLCSDBMT

Based on the questioner data of competition capability external analysis SLCSDBMT in era of AEC, thus the strength and weakness questioner data can be seen in Table 4 and 5 as stated below:

**Table 4. Opportunity description analysis of SLCSDBMT in Medan city in era of AEC**

Opportunity indicator	Very easy to be achieved	Easy to be achieved	Difficult to be achieved	Very difficult to be achieved
Competitor	20%	25%	50%	5%
Economy	5%	85%	10%	-
Government	5%	30%	55%	10%
Demography	20%	70%	10%	-
Technology	20%	65%	5%	10%

Source : Research data 2016 (Processed)

**Table 5. Treatment description analysis of SLCSDBMT in Medan city in era of AEC**

Opportunity indicator	Very easy to be achieved	Easy to be achieved	Difficult to be achieved	Very difficult to be achieved
Competitor	5%	15%	70%	10%
Economy	5%	65%	15%	15%
Government	-	20%	80%	-
Demography	5%	30%	65%	-
Technology	15%	20%	60%	5%

Source : Research data 2016 (Processed)

Based on the table above, It can be seen that some respondents are managers and leaders of SLCSDBMT in Medan City. There is opportunity to be treatment to SLCSDBMT and obstacle to be a barrier in the competition. It is due to that the manager and leader have no modal or loan from bank, government or private institution. It is difficult to obtain the modal or loan opportunity. It is due to that the credit budget from bank is not for SLCSDBMT.

## IV. CONCLUSION

Internal analysis of competition capability in Medan city state that the strength of SLCSDBMT is very low in era of ASEA economic Community (AEC). There is some SLCSDBMT in Medan city that have low education background and not professional and can not understand about syariah concept. External analysis of competition capability in Medan city state that the opportunity of SLCSDBMT is very good to develop. Thus, there are some opportunities can be achieved and treatment can be eliminated. The difficult opportunity is no modal from bank or government or private institution.

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