KJKS BMT Creative Economy: A Proposed Model of Islamic Cooperation for Agrotourism Development Based on Community

Nur Azizah, Galishia Putry, Abdullah Syafii

1Islamic Economics Study Program, Faculty of Economics and Management, Bogor Agricultural University
Bogor 16680, Indonesia
Email: nz.noorazizah@gmail.com, gals.shia@gmail.com, kangsyafii.abdullah@gmail.com

Abstract—Located in a strategic geographical position, Indonesia has natural beauty and biodiversity which varied, such as mountains, oceans, beautiful beaches, endemics animals and plants such as komodo, cendrawasih, and spices. Most of Indonesia’s natural characterize in agriculture. Meanwhile, tourism is an industry that does not require big investment in the long run before giving return. It means that Indonesia has a huge potential to develop agrotourism which is part of the creative economy and community based, as one of the biggest contributors to the economic development of the country. However, Indonesia is still hampered by a variety of factors including the institutional factor. The most appropriate institution which is considered to develop community based agrotourism is Islamic Financial Service Cooperation Baitul Maal wa Tamwil (KJKS BMT). By collecting a variety of creative economy industry in the form of farmers, craftsmen, transportation, hotels, culinary, and performing arts are a part of a agrotourism community, KJKS BMT can help these industries in managing their business. This paper use a qualitative approach through literature study. Therefore, agrotourism is expected to be a strong sector in the economy, provide employment, contribute significantly to the nominal GDP, reduce unemployment, and give welfare for the citizens in the future.

Keywords—Islamic Financial Service Cooperation Baitul Maal wa Tamwil; agro tourism; community based; economy creative

I. INTRODUCTION

Indonesia is a rich country. Located in strategic geographical position, Indonesia has a varied natural beauty, such as mountains, oceans, and beautiful beaches. In addition, Indonesia is also rich in culture. Communities spread across thousands of islands in Indonesia, which recorded that there are more than 400 tribes and 740 ethnics. According to WWF, Indonesia ranks 39th for its cultural wealth. The population of Indonesia based on data from the World Bank in 2012 is amounted to 246,864,191 people and more than 27 percent of that number is the youth in productive age. This data shows how potential human resources that can be developed in Indonesia.

Seeing the facts, Indonesia has a great potential in developing the creative economy and make it as a strong sector in economic development. Elitua and Bastian in the Orange Book 4 (2011) states that the average output growth of the creative economy 2006-2010 period at 3.1 percent. At the national level, the creative economy accounted for 7.28 percent of gross domestic product, absorb 7.75 million workers and accounted for 9.12 percent of national exports. However, practically, the development of the creative economy is still not in its maximal growth in 14 categories.

Fourteen development sector is still far away from its potential in Indonesia, including tourism. According to Antariksa (2011), tourism sector is an industry that does not require big investment in the long term before providing benefits. Most of Indonesia’s natural resources characterize in agriculture. It can be used as tourist attractions. The tourism sector based on agriculture is called agro tourism. However, facts said that the majority of venues have not been well managed. To overcome this problem, agro tourism needs an integrated and organized institution. It needs an institution which can understand the needs of employers of agro tourism and can contribute directly to the development of its business. Institution that can manage the needs of the business community of agro tourism is cooperation.

In practice, the cooperation still operating with conventional principles, such as the withdrawal of interest from savings and loan transactions. Along with the development of Islamic finance in Indonesia, institutions particularly in financial grow, ranging from Islamic banking to Islamic microfinance institutions such as Islamic Financial Service Cooperation Baitul Maal wa Tamwil (KJKS BMT). This paper seeks to lift agro tourism potential problems which is quite high but still not optimized yet. Islamic Financial Service Cooperation Baitul Maal wa Tamwil is expected to become an Islamic microfinance institutions that become a solution for the development of agro tourism in various regions in Indonesia.

II. DISCUSSION

A. Advantage of Agro tourism

Agro-tourism provides an opportunity for entrepreneurs such as farmers or ranchers to earn extra income apart from the harvest or production. Increased innovation and competition among farmers and ranchers also began to grow in developing unique products to attract the attention of tourists. In addition, the potential for development in the area can be developed to facilitate the tourists who enjoy ecotourism. As a form of recreation, agro tourism can accommodate the tourists to relax and enjoy the beauty and uniqueness of the locations used for agricultural purpose. This opens up links for
the integration between city dwellers and villagers, so that the villagers do not have to always lag behind the urban population. Knowledge and insights into agriculture can also be a benefit for the tourists, because the farm itself is very closely related to basic needs, especially food.

Agro-tourism is also an environmentally-friendly recreation. In practice, rubbish and waste that may be generated is easily biodegradable organic waste, so it does not pollute the environment and do not be a trigger for global warming. The tourists who visit the area agro tourism also get a good effect on health, because the air in rural areas are clean, fresh, and protected from pollution and toxins coming from the engine or motor vehicles.

B. Agro tourism in Indonesia

Ministry of Agriculture of Republic of Indonesia showed that there are currently 115 locations for agro tourism which is divided into four sub-sectors. There are 20 locations for agro-horticultural sub-sector consists of horticultural flowers, fruit, and ornamental plants. Agro fisheries subsector amounted to 10 locations of which are the breeding centers, reservoirs, and lakes. Another sub-sector which is the object of agro tourism is farm at 15 locations as the place of cultivation, maintenance, art hall agility, and artificial insemination centers of several types of animals such as cows, horses, frogs, chickens, ducks, and bees. Subsector with the largest number is plantation with total of 70 locations, ranging from tea plantations, timber, oil palm, orchids, sugar cane, rubber, bark and others.

Agro-tourism in Indonesia has several aspects that affect the sustainability of its development. The first aspect is the natural resources and environment. This aspect is the object to be a visitor attraction. The next aspect is the support infrastructure for inputs such as agricultural inputs, input accommodation, and service to consumers. Furthermore, key aspects required for the sustainability of agro tourism is the promotion and marketing.

The last aspect that becomes the determinant of agro tourism is population and communities surrounding agro tourism. Nearby residents is the human resource, ranging from farmers, artisans and other tour guides. It is required a synergy between the various communities. That is why institutions that can support and coordinate the communities in the area of agro-tourism is needed. Institutional support that can be used to develop agro-tourism is the Islamic Financial Service Cooperation Baitul Maal wa Tamwil.

C. Islamic Financial Service Cooperation Baitul Maal wa Tamwil

Today, the Islamic Financial Service Cooperation Baitul Maal wa Tamwil grow and develop in Indonesian society. Some Islamic cooperation that are members of the Islamic Financial Service Cooperation Baitul Maal wa Tamwil that exist today are the result of the conversion of Baitul Mal and Wa Tamwil which currently is not having legal protection. The number of Islamic Financial Service Cooperation Baitul Maal wa Tamwil was approximately 4,117 units with a total membership of approximately 762 thousand members and total assets reached Rp 5 trillion to Rp 8 trillion in April 2012.
The difference between Islamic Financial Service Cooperation Baitul Maal wa Tamwil and regular cooperation is that the former is regulated by Islamic Shari'a. Everyone involved in Islamic Financial Service Cooperation Baitul Maal wa Tamwil must also comply with rules set by the Islamic Sharia.

In general, Islamic Financial Service Cooperation Baitul Maal wa Tamwil serves as a facilitator. Service cooperation is governed by Procedure Baitul Maal wa Tamwil in general is the same as usual in terms of standard of operations, including the funding arrangements, policy, distribution calculation of net income along with the previously issued zakat distribution.

In addition, the manager at Islamic Financial Service Cooperation Baitul Maal wa Tamwil serves as a facilitator. Everyone involved in Islamic Financial Service Cooperation Baitul Maal wa Tamwil in general is the same as usual in terms of standard of operations, including the funding arrangements, policy, distribution calculation of net income along with the previously issued zakat distribution.

III. CONCLUSION

Indonesia has a huge potential to develop community-based agro tourism as one of the greatest contributors to the economic development of the country. However, Indonesia still lags behind in terms of marketing. The most appropriate institution which is considered to develop agro tourism is the institutional form of Islamic Financial Service Cooperation Baitul Maal wa Tamwil. By collecting a variety of creative economy enterprises such as agriculture, culinary, accommodation, creative arts, visiting handicrafts, and as a performing arts facility that can help the businesses of agro tourism in Indonesia to grow. So that in the future agro tourism can be a strong sector which can provide employment, contribute significantly to the national GDP, and overall welfare.

REFERENCES


