

The Model of Management of One Door Agriculture Business in the Border of Indonesia – Malaysia Sambas District based on Islamic Economic Perspective

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Abstract--- This mixed methods study has succeeded in identifying a new model of integrated agricultural business management or one-stop business on the Indonesia-Malaysia border, precisely in Sambas Regency. This new model system is run from the perspective of Islamic economics. Previously, the agricultural business in Sambas Regency was not managed based on the Islamic economic system so that people were only victims of the existing system, not entrepreneurship and innovation investment. To help understand this analysis, a literature review of existing data in the field such as the government and institutions involved to benefit from this new Islamic economic model is carried out. After a few simple statistical analyzes such as displaying data tables, graphs and descriptions, the results of this study identically prove that the findings of this study meet the principle of the validity of the reliability of the problem or research objectives in which a new model of one-door agricultural business based on the Islamic economic system is applied significantly in Sambas district area in West Kalimantan so that local people can now benefit from the management and innovation of this new Islamic economy. Therefore, a similar study with greater coverage is needed so that agricultural systems and businesses can increase agribusiness activities that benefit local communities in sharia business.

Keywords--- Model Management, Agricultural Business, Islamic Economy, Integrated Business.

I. Introduction

The one door agriculture business management model is a business that is developing in the current era in the border of Indonesia – Malaysia exactly in Sambas District, West Kalimantan. This economic agriculture development also indicates the changes experienced by humans, from day to day experiencing extraordinary developments, both in terms of social, cultural, economic, political and other human progress. (Ljutić et al., 2016). The description of changes experienced by humans in all fields illustrates the course of human history from year to year. (Sztompka, 1993; Aslan et al., 2020; Aslan et al., 2020). Toffler, (1970; 1980), divides these developments into three periods, namely agriculture, industry and the current era. The current era is known as the information age. (Mujiburrahman, 2017). From the social changes experienced by people with technology that dominates the world, regardless of where people live, so that the farm management model is enjoyed by people who live on the border, one of them is in Sambas.

Sambas District is one of the border areas owned by West Kalimantan Province, (Aslan, 2019; Aslan and Hifza, 2020; Aslan et al., 2019), so that it becomes one of the strategic areas that concerns the lives of many people, both in the social sphere, cultural, economic and political. (Aslan, 2018). Sambas District has an area of 6,395.70 km², around 4.36% of the area of West Kalimantan, and is located in the northern part of West Kalimantan Province. Sambas Regency is located between 0°57'29,8° and 2o04 '53.1o North Latitude and 108o54 '17,0o and 2°04'53,1° East Longitude. Sambas houses 19 Districts and 193 Villages. (BPS, 2010).

The border area owned by Sambas is the Malaysian state of Sarawak. The largest district in Sambas Regency is Sajingan Besar. Meanwhile, the smallest sub-district is Salatiga. Sambas population has increased from year to year, which in 2017 numbered 529,684 inhabitants. The number of Sambas residents has increased tremendously from

year to year, so from this number there are also extraordinary challenges for the development of border areas. Since before the 19th century, the border region was both a philosophical category and a social phenomenon experienced by the people. (Kolossoff and Scott, 2013; Laine, 2016; Kim, 2017). Government efforts to accelerate development are not as easy as turning the palm of the hand, because the process requires investment, a large budget allocation, and national commitment is needed in its development efforts. One of the sector sectors experiencing these obstacles is the economic problem.

Imelda et al., (2017) finding on the improvement strategy of domestic production of Food modification also reviled and supported the government policy in developing the local community and commodity. It is an economic potential of natural resources in Sambas Regency is quite varied, in the agricultural sector including rice (paddy and field rice), corn, cassava, sweet potatoes, peanuts, soybeans and green beans. In general, the increase in food crop production in Sambas Regency is still strongly influenced by the increase in harvested area. In addition, productivity also greatly affects production. In 2017, the harvested area of rice in Sambas Regency was 74.03 thousand hectares consisting of 3.81 hectares of harvested area for paddy fields and 70.22 thousand hectares was harvested area for paddy rice. In 2017, the harvested area of vegetable crops rose to 1,255 hectares, but production decreased to 5,150 tons. Whereas the production of fruit plants in 2017 reached 930,302 thousand tons from 4.55 million trees produced.

According to the Head of West Kalimantan's Food and Horticultural Agriculture Office, Heronimus Hero until now Sambas is still a mainstay of West Kalimantan Province for rice production, but every Sambas community does a rice harvest, the price of rice has decreased so that it is unstable with the capital spent to farm. (Wibowo, 2019). Moreover, the price of rice bought by middlemen causes the value of rice to plummet.¹ Thus, from this condition, it creates problems that occur in the Sambas community in the economic field by only benefiting certain parties, "Fair Farming Business" is needed, as a strategy to improve the economy of the Sambas community, as the theory of the concept of Islamic economic growth there are three factors that influence it, namely resources that can be invested, human resources and entrepreneurship, as well as technology and innovation.

II. Method

Östlund et al., (2011) suggested that the mixed methods study may use in such social study that help identifying new model of integrated agricultural business management or one-stop business study that has done on the Indonesia-Malaysia border, precisely in Sambas Regency. This new model system is run from the perspective of Islamic economics. Previously, the agricultural business in Sambas Regency was not managed based on the Islamic economic system so that people were only victims of the existing system, not entrepreneurship and innovation investment.

To help understand this analysis, a literature review of existing data in the field such as the government and institutions involved to benefit from this new Islamic economic model is carried out. After a few simple statistical analyzes such as displaying data tables, graphs and descriptions, the results of this study identically prove that the findings of this study meet the principle of the validity of the reliability of the problem or research objectives. (Noble and Smith, (2015), advised that to analyse the social issues, validity and reliability variables shall be measured in qualitative study. in which a new model of one-door agricultural business based on the Islamic economic system is applied significantly in Sambas., district area in West Kalimantan so that local people can now benefit from the management and innovation of this new Islamic economy.

III. Result

Social changes experienced by humans, will experience changes in everything, including in the economic field. (Aslan, 2019). The economic system is the human journey from the field of livelihood to meet the daily needs of life, as experienced by the Sambas community. However, from this trip there was a dynamic base of the economic system in Sambas.

The Sambas Regency Basic Economy

Economic growth that occurred in Indonesia is influenced by several factors, for example education, (Reza and Widodo, 2013; Siddiqui and Rehman, 2017; Mahmood and Alkahtan, 2018), potential sector utilization, investment from foreign parties, political stability and security. (Leasiwal, 2013). These factors have an effect on economic

¹Wahab (32 years) Management of the Arung Medang Village Farmers Group Association, Kec. Tangaran-Alumni of JATP (Japanese Agricultural Training Program), Interview, in Sambas. February 7, 2019.

growth in certain areas as is the case in Sambas. The economy in Sambas from year to year experiences its own journey, so to see the economy in Sambas can be seen using the LQ (Location Quotient) method which can be seen in the following table. (Wang and Ye, 2019).

Table 1: LQ Value of Each Business Sector in Sambas Regency, 2015-2017

Business field	2015			2017		
	Kab. Sambas (Jutaan rupiah)	Prov. Kalbar (Jutaan rupiah)	LQ	Kab. Sambas (Jutaan rupiah)	Prov. Kalbar (Jutaan rupiah)	LQ
Agriculture, Forestry and Fisheries	3841220.40	25571667.70	1.50	4238262.00	28335271.40	1.50
Mining & quarrying	121702.50	4622382.70	0.26	124540.60	5675012.50	0.22
Processing industry	1430108.10	18677203.60	0.77	1561684.00	20093405.60	0.78
Electricity and Gas Use	5287.00	100393.10	0.53	6165.60	127933.40	0.48
Water Supply, Waste Management, Waste and Recycling	6541.50	160308.20	0.41	7673.50	175151.10	0.44
Construction	847916.50	12817662.50	0.66	936784.30	14033227.20	0.67
Wholesale and retail trade, car and motorcycle repair	2012483.60	17161336.00	1.17	2192499.40	18516434.50	1.18
Transportation and Warehousing	289928.00	4716831.10	0.61	312101.20	5237558.00	0.60
Provision of Accommodation and Food and Drink	225216.40	2592128.00	0.87	255819.80	2808797.00	0.91
Information and Communication	525837.00	4903918.00	1.07	660007.90	6297482.70	1.05
Financial services and insurance	297622.70	4060629.10	0.73	363818.60	4770803.20	0.76
Real estate	388059.20	3350904.50	1.16	409052.60	3516275.80	1.16
Company Services	45508.00	552583.40	0.82	47368.70	577140.90	0.82
Government Administration, Defense and Social Security are mandatory	440129.80	5423333.80	0.81	490253.30	6100735.50	0.80
Educational Services	515210.10	4810077.10	1.07	557607.00	4961131.60	1.12
Health Services and Social Activities	136268.20	1627155.50	0.84	144808.40	1737211.50	0.83
Other Services	102232.70	1198240.80	0.85	111082.00	1325165.00	0.84
Total	11231271.70	112346755.10		12419528.90	124288736.90	

Source: West Kalimantan Province in Figures 2018

Information:

1. LQ value <1, means the region concerned has a tendency to import from other regions.
2. LQ value = 1, means that the area concerned is able to meet its own area in certain activities.
3. LQ value > 1, means the region concerned is able to meet certain sectors and has a tendency to export to other regions.

Thus, based on the results of the LQ analysis above it can be concluded that the economic base in Sambas Regency is in the sectors of agriculture, forestry and fisheries, wholesale trade, retail repair of cars, motorcycles, information and communication sectors, real estate sector, and service sectors education. Non-base sector categories are the mining and quarrying sector, the manufacturing industry sector, the electricity and gas use sector, the waste water and waste recycling and processing sector, the construction sector, the transportation and warehousing sector, the accommodation and food and beverage supply sector, the financial services sector, the sector corporate services, the health services sector and social activities, as well as other service sectors. (Alhowaish et al., 2015).

The various types of sectors in Sambas, the potential sectors as leading sectors are agriculture, fisheries, education. These three sectors if a strategic effort is made in each region not only in Sambas but in other regions, they have a high level of specialization and are able to meet certain sectors and have a tendency to export to other regions. Meanwhile, other sectors are only as a support in the Sambas area, because they are still unable to compete with other blood.

Economic Program in Sambas with One Door to Farm Business

The one-door farming program implemented in Indonesian regions, including Sambas, is an analysis to find out which sectors have a big influence on an area. Sambas has the highest base sector of agriculture, forestry and fisheries that can be exported to other countries. (van der Meulen and Yusuf, 2015).

The concept of development in Indonesia based on Islam by looking at the distribution of income, economic inequality and the problem of industrialization can help the economy in Indonesia. (Iskandar, 2018; Asnawi et al., 2020). One that helps the economy in Indonesia that has an influence on the economy in Indonesia is BMT. (Rusyana, 2014). Then, who helped the economy in Sambas with an important role was the Islamic Bank, Baznas, Islamic organizations and Islamic Higher Education. This role can be partnered to develop regional economies in accordance with Islamic principles. However, the cooperation of Islamic organizations and several Islamic banks will not run smoothly if not from the beginning made a careful planning, so that the program was found which is known as a one-door farm management program. The purpose of establishing the door of farming is to improve the quality of agricultural products, as well as overcome difficulties in marketing the results of farming in Sambas Regency. In addition, this program is also expected to create development space for the trade, service and industry sectors. (Kanjilal et al., 2014).

The one-door farming program in conducting its business partners with four directions between the government, the private sector, Islamic institutions, and the community. The government is expected to establish a Sharia BUMD engaged in the management of farming by receiving various supports, especially funds so that the regional government opens opportunities for investors. When the funds are obtained, the BUMD prepares the provision of agricultural materials, warehousing, processing of agricultural products and distribution. For this program to run smoothly, experts are needed from the upstream to downstream sectors.

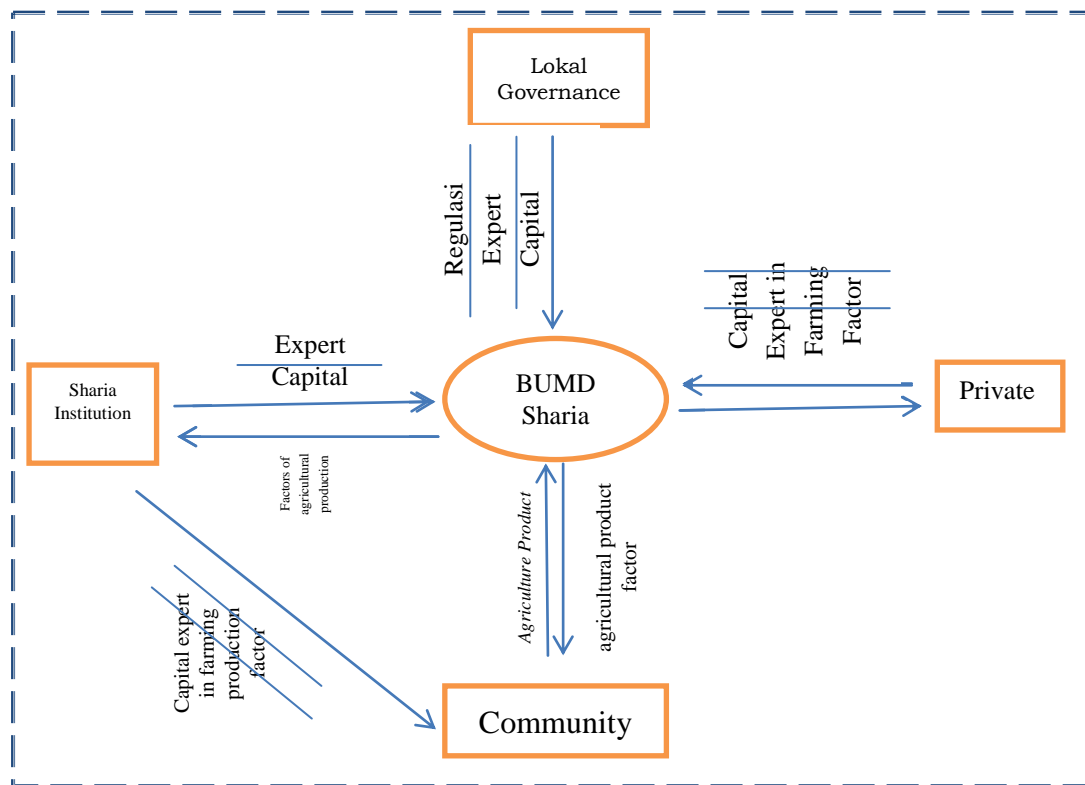


Figure 1: One Door Farm Management Program

Trampel et al., (2014) have integrated farming and economic system and management to protect their people economic contamination of wrong practice that what is called one door management practice. Therefore, this farming program which is carried out in the Sambas border area aims to produce the best products on a micro scale, so that the cooperation is carried out in terms of capital to purchase factors of production of farming. Agricultural production factors supplied by the Syariah BUMD are distributed to farmers through KJKS or UPK in the area where farmers are located. KJKS and UPK Sharia which have partnership with Sharia BUMD provide financing to farmers to buy agricultural production factors. Farmers get guidance or training from experts, or PTN and PTS in KKM activities or community service that participate in socializing this program. When this program runs smoothly and the aim of the program is rice yields that are obtained and have high quality, so exports can be done in certain areas. Similar project also done by Rupika et al., (2016) and have successfully conducted collaboration measuring the higher education into industry research and government in Indian.

Partners who work together to succeed this program are not just mere hero investors without services but take advantage of the rice seeds produced. The following partnership models are shown in Table 2.

Table 2: One Stop Partnership Program for Farming Business Management

Partnership Model	Working Partnership	Partnership Formulation
Policy Strategy Partnership	Government-private-Islamic-community institutions	Regulation
Sharia-based Management and Expertise Partnership	Private – Government	Expert
Sharia-based Sharia Investment Partnership	Private - Government	Modal
Sharia-based Sharia Investment Partnership	Private Government	Sharia-based Sharia Investment Partnership
Sharia-based Sharia Financing Partnership	Sharia-Government Institutions	Modal
Sharia-based Management and Expertise Partnership	Sharia-Government Institutions	Experts
Sharia-based Sharia Financing Partnership	Sharia-Community Institutions	Modal
Sharia-based Sharia Financing Partnership	Sharia-Community Institutions	Production Factors of Farming Business
Shari'a-based Investment Partnership	Government-Society	Production Factors of Farming Business

IV. Conclusion

The conclusion of this mixed method study on the new model of management of integrated agriculture business in the border of Indonesia – Malaysia in Sambas District based on Islamic economic perspective has resulted significant contributions to local sambas community as can be seen in LQ value of Each Business Sector in Sambas Regency, 2015-2017 comparing to previous business practice in Sambas District as well as in the figure of one door farm management program after those data was analyzed using a simple statistical analyzes process such as displaying data tables, graphs and descriptions, the results of this study identically prove that the findings of this study meet the principle of the validity of the reliability of the problem or research objectives in which a new model of one-door agricultural business based on the Islamic economic system is applied significantly in Sambas., district area in West Kalimantan so that local people can now benefit from the management and innovation of this new Islamic economy.

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