

## BDI Funds Allocation Through Kotaku Towards The Development of Pasar Lama Kelurahan Banjarmasin Tengah Viewed from The Impact and Islamic Economy

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### ABSTRACT

Islam sees economic development as the growth of human maturity, where the material progress that is currently inevitable and that must be supported by the strength of spiritual maturity so that prosperity is achieved. Benefit can be achieved when what emerges from a process is benefit and blessing. However, not everything that is beneficial can provide a blessing. The impact of the allocation of BDI KOTAKU funds on the economic development of Pasar Lama Kelurahan, Banjarmasin Tengah in 2017 was well utilized by the allocation of its use and could improve the economy and welfare of the citizens. However, when viewed from the perspective of Islamic economics, this is not enough even optimal in terms of funding because it is still not optimal use of existing and owned resources, it still depends on external sources / foreign debt which incidentally is interest-based so that there is an impact on funding dependency and make the nation's next generation dependent to the West, bearing the burden of debt and interest on its loans. This is what is called in the Islamic Economy with a useful concept but not a blessing / does not give blessing because of the interest / *ribawi* system. Thus the economic approach to the development of Sharia is needed to focus on development instruments that are compatible with religion / sharia and culture / local wisdom (local wisdom) so that existing resources can be utilized properly and benefits can be realized.

**Keywords:** City, Economic Development, Islamic Economy

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### 1. INTRODUCTION

Village Administration is one of the main factors in every development sector in Indonesia. Village are the two lowest Government units with different status. The village is a unit of government that is given adat autonomy so that it is a legal entity. According to data from the Central Statistics Agency, in 2014 the number of Villages in Indonesia spread across 34 Provinces reached 80,895 villages. (Roestanto Wahidi D, 2015). While the Kelurahan is an administrative unit of Government which is only an extension of the Regency / City Government. So that the Kelurahan is not a legal entity but a place where Government

services operate from the Regency / City Government in the local kelurahan area (Hanif Nurcholis, 2011).

In line with the development of people's capacity in development and the reduction of central government interference in the regions, the ideal development should be directed to change people's lives for the better and quality. For this reason, the Government through its various programs disbursed funds in order to realize equitable and equitable national development, both at the central and district / village / Kelurahan levels.

Village / Kelurahan income sources are regulated in Law number 06 of 2014 listed in article 72 paragraph 1, as follows:

1. Regional original income consists of operating results, assets, self-help and participation, mutual cooperation and other village original income;
2. State Budget Allocation and Expenditure
3. Part of the results of the Regional tax and retribution of the Regency / City Region;
4. Village Fund Allocation which is part of the balance funds received by the Regency / City;
5. Financial assistance from the Provincial Regional Revenue and Expenditure Budget and the Regency / City Regional Revenue and Expenditure Budget.

The allocation of a large amount of funds is expected to help and accelerate development, especially in the Village / Kelurahan. Kelurahan Pasar Lama Kelurahan is one of 52 Kelurahans in Banjarmasin City and is one of 15 Kelurahans that have received financial assistance from the State Budget and Revenue in the form of BDI (Investment Assistance Funds) managed by KOTAKU (City without Slums) year 2017 budget of 350 million. The reason for the selection of this Kelurahan was also because the location of the Kelurahan was in the center of Banjarmasin City, with a population of 7930 people, 5,388 women and 2,542 men (RPLP Kelurahan Pasar Lama, 2016).

Based on the above reality, namely the amount of funds disbursed and the benefits obtained after implementation, this research is very important to be carried out so that the allocation of these funds is more felt / obtained so that they can be continuous. The problem in writing this scientific paper is

how the impact of the allocation of BDI KOTAKU funds to the economic development of Kelurahan Pasar Lama, Central Banjarmasin in 2017 in the perspective of Islamic Economy.

## 2. METHOD

This research was conducted in Pasar Lama Village, Central Banjarmasin City, South Kalimantan, using the type of field research. The approach used in this study is a qualitative approach. In this study, researchers divide data sources into 2 namely: 1. Primary Data, i.e. data taken from primary data sources or first sources in the field, among others: data on general description of research and management locations and allocation of BDI KOTAKU funds, etc. so; 2. Secondary Data, i.e. data obtained from secondary data sources or secondary sources. For example books, documents and so on. Among the data collection techniques used are: 1. Literature Method, 2. Field Method (in carrying out this field method three forms of technique are used, namely interviews, observation, and documentation). After the data is collected an analysis is carried out. This study uses two analytical methods, namely: 1. Descriptive analysis, this method describes or depicts systematically, factually and accurately about the facts, the nature of the population and the relationship between the phenomena being studied, 2. Inductive Analysis, this method begins by expressing specific facts, then conclude with general conclusions in the form of generalizations.

## 3. RESULT AND DISCUSSION

### 3.1. *Slumless City (Kotaku) Program*

The City without Slums Program (Kotaku) is one of a number of strategic efforts by the Directorate General of Human Settlements of the Ministry of Public Works and Public Housing to accelerate the handling of slums in Indonesia and support the "100-0-100 Movement", which is 100 percent universal access to drinking water, 0 percent of slums, and 100 percent access to proper sanitation. The direction of the development policy of the Director General of Human Settlements is to build a system, facilitate local government, and facilitate the community (community based). The Kotaku program will deal with slums by building collaboration platforms through increasing the role of local government and community participation.

The Kotaku program is implemented in 34 provinces, spread over 269 regencies / cities, in 11,067 villages / kelurahan. Based on Slum Decree (SK) determined by the regional heads of each regency / city, the slums located in the target area of the Kotaku Program are 23,656 hectares. The Kotaku Program will improve the quality, management and prevention of the emergence of new slums, with activities in rural / urban villages, as well as regions and districts / cities. This slum-handling activity includes infrastructure development and social and economic assistance for the better sustainability of community livelihoods in slum areas.

The Kotaku program has been socialized to local governments on April 27, 2016 in Jakarta. BKM will be a factor that can accelerate the achievement of habitable and sustainable settlements because they have experience in planning and implementing poverty reduction activities.

This BKM is "revitalized" from before which focused on poverty alleviation, now oriented to slum management. The funding source for the Kotaku Program comes from donor loans from foreign institutions, namely the World Bank, the Islamic Development Bank, and the Asian Infrastructure Investment Bank. In addition, local government contributions are allocated from the Regional Revenue and Expenditure Budget and non-governmental organizations, which can become a financial unit in order to achieve the target of improving the expected quality of slums.

The elaboration of the objectives of the Kotaku Program is to improve community access to housing infrastructure in accordance with 7 + 1 slum indicators, strengthen the capacity of local governments to develop collaboration with stakeholders, and improve the level of community welfare through sustainable livelihood development, with indicators as follows: 1) Building (Irregularity in terms of dimensions, orientation and shape; High density does not comply with the provisions in the spatial plan; Non-compliance with the technical requirements of the structural system, lightning security, insulation, lighting, sanitation and building materials); 2) Environmental Road (Condition of road surface that cannot be passed by vehicles safely and comfortably; Inadequate road width; Inadequate road completeness); 3) Provision of Drinking Water (Unavailable access to drinking water; Non-fulfillment of drinking water needs of each individual; Non-fulfillment of drinking water quality according to health standards); 4) Environmental Drainage (Inability to drain rainwater runoff; Gives odor; Not connected

to the urban drainage system); 5) Waste Water Management (Unavailability of waste quality according to applicable standards; Pollution of the surrounding environment); 6) Waste Management (Unavailability of waste management system; Unavailability of waste management facilities and infrastructure; Pollution of the surrounding environment by waste); 7) Fire Protection (Active and passive security systems are not available, water supply is not available for adequate extinction, unavailability of access to fire engines); 8) Public Open Space (Unavailability of land for green open space (RTH); Unavailability of land for non-green open space / public open space (RTP)).

The stages of implementing the Kotaku Program are data collection. The community institution in the village / kelurahan called the Community Self-Reliance Agency / Institution (BKM / LKM) has conducted a baseline survey of 7 Slum Indicators in each village / kelurahan. The data is integrated between community planning documents and district / city planning documents to determine priority activities to reduce slums and prevent new slums.

Monitoring and evaluation can be done periodically to ensure the accuracy of the quality and target activities, so as to help accelerate the handling of slums. Capacity building activities for local governments and communities will be carried out along with the activity stages.

### 3.2. *Village and Economic Development Through BDI Funds*

The context of regional autonomy in Indonesia, Kelurahan is the work area of the Lurah as a District or City Regional

Apparatus. The kelurahan is led by a village chief who is a civil servant. The kelurahan is the smallest administrative unit at the level of the village. Unlike the village, the village has the right to regulate its territory more limited. In its development, a village can be changed its status to become a village. The definition of Kelurahan according to Law Number 23 of 2014 in article 229 on Regional Government is that the Kelurahan is formed by a regency / city regulation based on government regulations. The kelurahan is led by a village chief called the lurah as a sub-district official and is responsible to the camat. The Lurah is appointed by the regent / mayor at the suggestion of the regional secretary of a civil servant who fulfills the requirements in accordance with statutory provisions. The administration of the village administration is the implementation of the administration carried out or carried out by the village administration and is responsible for the economic development of the village.

Infrastructure and economic development carried out using BDI funds include road concrete, road construction, drainage construction, waterway construction, asphalt repair, RTLH construction and latrine construction and so on. This means that the use of BDI funds directly and indirectly has an impact on the economic development of the community. This can be seen in the construction of road infrastructure such as concrete and asphalt of roads facilitating access for community economic activities such as shopping centers, public transportation and financial institutions. In other words, it can increase employment and family economic income and improve poverty reduction

through meeting the needs of the poor. While the use of BDI funds allocated for the improvement of drainage and sewerage, the construction of latrines has reduced environmental pollution caused by the disposal of industrial home wastewater such as making / staining sasirangan fabric. Due to the existence of the construction of drainage, drainage and sewage as well as the construction of latrines making it easier for the community to dispose of household waste and production waste that is around / the environment.

The existence of BDI funds is synergized with the aim of which is to ensure that poverty can be eliminated and infrastructure development can be realized according to the needs of the surrounding community. Thus it can minimize the gaps and poverty that exist in the Kelurahan, so that economic development is realized through empowerment and lead to increased community welfare.

### 3.3. *Economic Development Perspective of Islamic Economics*

Islamic economics has a broader and more comprehensive mission, where the development economy is not just building the people's economy but more importantly is building mental attitude which means building humanity as a whole and the conditions of value. Not only the physical side, but also the transcendental spiritual needs. Economic Development perspective Islamic economics is a balance and continuity / continuity between material and non-material aspects resulting from Islamic morals. The goal is not merely material welfare in the world, but also the welfare of the hereafter.

The basis and value of economic development in Islam consists of monotheism, rububiyah, khilafah and tazkiyah. The principle of monotheism is all human activity in relation to nature and human resources (mu'ámalah) framed in terms of a relationship with God. The rububiyah principle that God is God who created nature, possessed it, provided sustenance, nature and all its contents under His infinite knowledge, will and wisdom. The principle of khilafah that humans as representatives of Allah SWT on earth to prosper the earth and be responsible to Allah SWT about the management of nature and all the resources entrusted to him. Tazkiyah purifies mankind in relation to Allah SWT, his fellows and the natural environment, society and country (Beik, Irfan Syauqi, 2016).

Producing existing funds and resources into the real sector is one of the most profitable alternatives for the economy as a whole, let alone implemented in developing countries where the country needs funds to build the country's economic infrastructure. Developing Muslim countries like Indonesia should develop economic cooperation and refrain from being dependent on external sources wherever possible (Ali Mizan, 2016). It aims to minimize the burden of interest-based debt and save future generations from dependence on the West. Therefore, efforts are needed to increase all available resources. In order to be more realized aspects of benefit.

Benefit can be achieved when what emerges from a process is benefit and blessing. However, not everything that is beneficial can provide a blessing. However, all blessings must be useful. For example,

liquor may provide a benefit to the government through taxes. But it is certain that liquor certainly leads to endlessness. Mudharatnya greater than the benefits QS. Al-Baqarah: 219 and Al-Maidah: 90-91 (Departmen Religion RI, 2017).

Islamic economics realizes a balance between individual interests and the interests of society. Noble ideals, Islamic Economics is carrying out the mission as a caliph on earth with the task of prosperity. A Muslim believes that he will take responsibility for his obligations before Allah. Islam sees economic development as the growth of human maturity, where the material progress that is currently inevitable and it must be supported by the strength of spiritual maturity.

In Islam, the concept of economic development receives special attention. Imagine, al-Qur'an gives serious attention to efforts to improve the fate of a people that can only be determined through hard work and eliminate the lazy nature (impostor) as implied in QS 63: 9-10. The principles of economic development in Islamic perspectives include: (a) Economic development in Islam is comprehensive and contains spiritual, moral and material elements. (b) The main focus of development is man and his cultural environment. (c) Economic development is a multidimensional activity so that all efforts must be left to the balance of various factors and not cause inequality and (d) The main emphasis in development according to Islam, lies in the utilization of resources that God has given to the human race. Meanwhile, according to the results of research conducted by Djumadi Islam's view of economic development is focused on (a) the

benefit of humanity from extinction; (b) human resources (good human resources, reflecting Halal Revenue Sources (SPH)) (c) protecting and preserving natural ecosystems from damage, (d) maximizing land use and paying taxes to the state Interpretation results show that the message Al-Qur'an about economic development perspective of Islam has not received much attention especially in Islamic countries (Djumadi, 2016). One of the development indicators described is the level of inequality and poverty that afflict various Developing Countries

The impact of the allocation of BDI KOTAKU funds to the economic development of Pasar Lama Kelurahan, Central Banjarmasin in 2017 in the perspective of Islamic Economy. The existence of economic growth is expected to be born prosperity. But true wealth can be born through a process of synergy between economic growth and distribution, so that growth with equity can really be realized. For this reason, the role of government and society is needed in an economic development. As a yardstick is when the government makes the community's weakest node as the basis for economic policy making. As according to Prof. Ataul Huq Pramanik, there are 3 roles of the State or government in the economy, namely:

1. Ideological role
2. Developmental role
3. Welfare role

As aspects of economic development in Islam or economic development according to Islamic economics which have different philosophical foundations, namely: (1). Tauhid rububiyah, this concept teaches that God is the creator of everything. Allah create

the world and nature. It is for people who further regulate development models based on Islam. (2). Justice, namely equitable economic development (growth with equity), (3). Khalifah, which states that humans are the representatives of Allah. on earth to prosper and be responsible for managing the resources entrusted to him, and (4). Tazkiyah, namely to purify humans in relation to God, their fellow humans and the environment, society and country So in my opinion, the impact of the allocation of BDI KOTAKU funds on economic development in Pasar Lama Kelurahan, Central Banjarmasin in 2017 has generally been well utilized such as the existence of drainage, road infrastructure, repair of culverts and so forth which in turn improves the economy and welfare of citizens. It's just that when viewed from the perspective of Islamic Economics it has not been directed as a whole as stipulated in the concept of Islamic Economics (Beik, Irfan Syauqi, 2016). This is indicated by the lack of maximum use of existing resources, and still depend on external sources / interest-based foreign debt in the utilization of the real sector economy. What's more added the use of these funds by developing countries such as Indonesia is used to build the country's economic infrastructure.

Therefore developing Muslim countries like Indonesia should develop economic cooperation and refrain from being dependent on external sources / interest-based foreign debt wherever possible. It aims to minimize the burden of interest-based debt and save future generations from dependence on the West. The solution offer is a development approach that is comprehensive, holistic and can

accommodate the needs of the community, especially Muslims in the Old Market District of Central Banjarmasin so that Muslims become hosts in the Kelurahan itself. Thus an Islamic economic development approach is needed. This is in line with research conducted by K.A. Ishaq in 2003 which stated that among the causes of the failure of economic development so far was due to the neglect of development instruments that were in accordance with religion / sharia and culture / local wisdom (local wisdom). Therefore, the economic concept approach to sharia development has a strategic and much needed position, especially in Banjarmasin which is predominantly Muslim and in general in Indonesia which incidentally is the country with the third largest Muslim population and a member of the OKI.

Economic development of sharia is a concept that studies and analyzes the development process and the factors that influence it, as well as identifying and recommending development policies based on the Qur'an and the Sunnah of the Prophet Muhammad. The basic concepts that form the basis in Islamic economic development include the following:

1. The concept of monotheism, caliph and tazkiyah in economic development
2. Development aspects: physical material, spiritual moral
3. The main focus: humans (subjects and objects of development) and social welfare

#### 4. CONCLUSION

Islamic economics realizes a balance between individual interests and the interests of society. Noble ideals, Islamic Economics is carrying out the mission as a caliph on earth with the task of prosperity. A Muslim believes that he will take responsibility for his obligations before Allah. Islam sees economic development as the growth of human maturity, where the material progress that is currently inevitable and that must be supported by the strength of spiritual maturity so that prosperity is achieved. Benefit can be achieved when what emerges from a process is benefit and blessing. However, not everything that is beneficial can provide a blessing.

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Thus the economic approach to the development of Sharia is needed to focus on development instruments that are compatible with religion / sharia and culture / local

wisdom so that the available resources can be utilized properly and benefits can be realized.

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