

DEVELOPING OF COLABORATIVE ENTREPRENEURSHIP MODEL IN INDONESIA: A NEW PARADIGM OF COLLABORATIVE ENTREPRENEURSHIP MODEL IN ISLAMIC BUSINESS

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ABSTRACT

Sociologically, in fact, the Collaborative Entrepreneurship in the paradigm of Islamic economics and business has been running well in Indonesia. The System of 'maro' (working for a half plots, getting half return); 'mertelu' (working for one-third plots, getting one-third returns); 'mrapat' (working for one-fourth plots, getting one-fourth returns). This study aims at exploring the concept of Collaborative Entrepreneurship in Islam business and the application concept in Developing a Collaborative Entrepreneurship in Indonesia. This research is important for the presence of new paradigm that individual Entrepreneurship now applied in western countries and also become the Qibla or guidelines for entrepreneurship development in Indonesia, will be equipped by Communal Entrepreneurship, collaborative excavated from the Islamic conception of economics and business.

The results of this study are in the form of the basic conception models and applications of the collaborative entrepreneurship in agriculture and modern franchizing business sectors if using the concept of Islamic collaborative entrepreneurship.

Keyword: *collaborative entrepreneurship, Syirkah, application of Islamic collaborative entrepreneurship*

INTRODUCTION

Economic concerns about the problem of guaranteeing the property turn-over among the people, so that they can maximize the functions of lives as servants of God to reach *falah* in the world and *akherat* (*hereafter*). So, the economy is a COLLECTIVE activity; the distribution of property among the people as the main principle.

The concept of distribution according to the Islamic view is to increase revenue sharing and distribution of wealth so, that circulation can be improved that the

existing wealth can be abundant but not just evenly circulated among certain groups of people only. (Rahman, 1995: 93).

The position of distribution in economic activity is very important. Ideally, the distribution becomes the primary responsibility by the government, but unfortunately, this role has not been used as an important domain, but only applied in the form of tax levies (either individual or corporate taxes). Although, in fact, there are many more productive ways than just a tax levy. Currently, the creativities of Muslim community in order to contribute the distribution of wealth to all *ummah* (people) is carried by institutionalizing the ZIS, in which, in this case, the government is not directly involved in the mobilization of income management received by ZIS. Anas Zarqa suggested that the definition of the distribution of income as a transfer of wealth between individuals by means of exchange (via Market) or by other means, such as inheritance, *sadaqah*, *waqf* and *zakat*. (Zarqa, 1995: 181). Based on the definition put forward by Anas Zarqa mentioned above, it is understood that not only limited to the management of Zakat, the infaq (donation) and shadaqoh, the existing distribution mechanisms in the Islamic economic system can be broadly grouped into two groups of mechanisms, namely (1) what the so called economic mechanisms and (2) non-economic mechanism.

The Economic mechanism is that by relying on the distribution of economic activities in order to achieve the distribution of wealth, such as the management of markets, trade and business cooperation in the Islamic pattern. Non-economic mechanisms, for example, state-driven society, gives individuals who are able to work on agricultural land, but do not have any land, then the state will provide lands belong to the state to the individuals who do not have the lands. Or, the state gave the properties to individuals who have land but do not have the capital to manage it. Another example is the state can give its property to an individual who owes money but can not afford to pay it off so that they can pay off their debts.

Non-economic mechanism, instead of having not done by the State, it is then carried by the socio-economic institutions initiated by the community.

Giving *Zakat* paid by the *muzakki* (payer) to *mustahik* (payee) is another form of non-economic mechanism in terms of wealth distribution. *Zakah* is an obligatory worship which must be implemented by the *muzakki*. In this case, the state is obliged to force anyone on the *muzakki* to pay the *zakat*. With these coercive activities, there will be no circulation of wealth through economic mechanisms of the rich to especially the poor. The *zakat* is then distributed to certain groups, namely eight *ashnaf*. So, *zakat* is the worship with economic impact, which acts as an instrument of wealth distribution among humans.

Economic mechanism is done through the development of what we refer to as the "Economic Cooperation" or "Collaborative Economics" which in the language of religion is referred to as "*shirkah*", which is a partnership between two or more parties in a project, respectively - each party is entitled to all the benefits and responsible for business carried on well in favorable conditions or otherwise.

In the context of the development, it can be applied what so-called the concept of farming *Shirkah*, stock breeding *shirkah*, gardening *shirkah*, fishery *shirkah* and so on. *Shirkah* patterns vary so much, and they have actually been executed by sociologically in Indonesia although not realize that Islamic economics has actually been done.

The basic principles of profit sharing for the agricultural sector as mostly used as follows:

- 1 System of *maro* (working half plots, getting a half returns);
- 2 System of *mertelu* (working for one third plots, getting one-third returns);
- 3 System of *mertelu* (working for one-fourth plots, getting one-fourth returns).

In general, profit-sharing system used in the cultivation of agricultural cooperation involving two parties ie., the owner of the paddy and rice cultivators, where the implementation is done by mutual agreement in accordance with the agreed contract. The implementation of the sharing system among farmers in the countryside, is not only based on the material to meet the needs of any benefit, but also as a form of communication adhesives and their kinship.

Collaborative economic model or *Shirkah* is very appropriate to be developed. The only way to beat the economic dominance of individuals are economic congregation, meaning that's why the congregation was encouraged and motivated in such a way that the paradigm in building a life together has to grow together.

In line with the economic development of collaborative, cooperative economics, economics congregation or economics *shirkah*, it is also necessary either for knowledge and management skills. So, it is also necessary education, training and mentoring as well developed collaborative entrepreneurship in such a way in the business collaboration systems in the paradigm of Islam (*shirkah*).

Problem Formulation

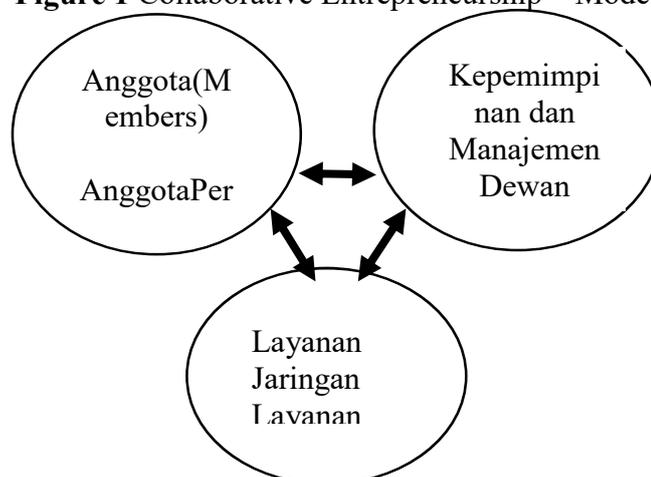
1. How the collaborative entrepreneurship model in the Islamic collaborative entrepreneurship paradigm?
2. How the concept of collaborative entrepreneurship application on the collaborative entrepreneurship model in Indonesia?

Research Objective

To explore the concept of Islamic Collaborative Entrepreneurship and its application in the development of Collaborative Entrepreneurship in Indonesia.

Theoretical Framework

Figure 1 Collaborative Entrepreneurship – Model



Source: Miles, Snow and Miles (2000)

Entrepreneurship in Islam

Islam does not give any explicit explanations related to the concept of entrepreneurship, but there has been a closely connection between them; they have a closely related spirits or souls, although technically, the term used differently.

The Islam term uses 'hard work', self-reliance (*biyadihi*), and not *whiny*. At least, there are some verses of the *Koran* and *Hadith* which can be a reference to the message about the spirit of *hard work* and *self-reliance*, such as; "Charity work is best done with the stream of his own sweat, '*amalurrajuli biyadihi* (HR.Abu Dawud)";

"Hands on hands is better than hands under hands"; "*Al yad al 'ulya Khairun min al yad al sufla*" (HR.Bukhari and Muslim) (with a very symbolic language of the Prophet encouraged the people to work hard in order to have wealth, so as to give something to someone else), *atuzzakah*. (Q.S. Nisa: 77)

"Man must pay *zakat* (God requires man to work hard to be rich and able to perform the obligation to pay *zakat*)".

In a verse Allah says, "*Work hard*, then Allah and those who believe will see you work hard" (Surat at-Tawbah: 105). Therefore, if the prayer has been fulfilled then disperse you in the earth and look for the gift (good luck) of God. (Q.S. al-Jumu'ah: 10)

Even the words of the Prophet, "Verily work for *kosher rizki* as an obligation after worship *fardlu*" (HR.Tabrani and Bayhaqi).

This *Nash* is clearly signaled that humans work hard and live independently. Working hard is the essence of entrepreneurship. The principle of hard work, according to Wafiduddin, is a real step that can produce success (sustenance), but must go through a process fraught with challenges (*reziko*). In other words, people

who dare to pass the risk will gain great opportunities of *rizki*. The word 'rizki' have a winged meaning; sustenance as well *reziko* (read: *risk*).

In the history of the Prophet Muhammad, his wife and most of his friends were the traders and the most popular state entrepreneur. He was a practitioner of economic and the figure model for people. Therefore, it is not true to say that the mental foreign entrepreneurial spirit is inherent in Islam itself. Islam is not a religion of the trader, spread around the world at least until 13th century AD, by Muslim traders.

Based on the trading activities carried out, and most of the companions of the Prophet have changed the glory of one's view of the world that is not located on the nobility of blood, nor in a high position, or a lot of money, but on the job.

Therefore, the Prophet also said: "*Innallaha yuhibbul muhtarif*" (surely Allah loves those who work to earn a living). Umar Ibn Khattab said instead that, "I hate one of you who does not want to work that concerns the affairs of the world".

The presence of Islam in Indonesia is also spread by the merchants. In addition to spreading religious knowledge, these traders also passed salesmanship particularly to coastal communities. In the Pantura (northern region, for example, most people have a strong religious base, chanting and business activities has become a very familiar and fused term, so that the term is very famous with *Jigang* (Koran and trade).

The history also noted the well-known Islamic figure as tough businessmae such as Abdul Ghani Aziz, Agus Dasaad, Djohan Soetan, Perpatih, Jhohan Soelaiman, Samanhudi Haji, Haji Shamsuddin, Niti Semito, and Rahman Tamin.

What described by the above mentioned, at least can be a proof that the ethos of businesses owned by Muslims very high one, or in other words, Islam and trade is like 'two sides of one coin'. It is true of what the Prophet had mentioned, "Be ye trade because it constitutes 90 percent of the door of good luck" (HR. Ahmad).

Motif of Entrepreneurship in Islam

Doing entrepreneurship gets a place of honor in Islam, such as said by the Apostle: "What earning is the best one, *Ya Rasulallah*" He replied: He is a person who worked with his hands and every sale and purchase of the *net*." (HR. Al-Bazzar).

In QS.Al-Baqarah: 275 is explained that Allah has permitted trading activities and forbidden usury. The usury activity is very detrimental because it makes trading activities undeveloped. This is because of the money and capital only rotates on one side that can eventually exploit the desperate needs of the people livings.

A praised behavior in the Entrepreneurship. According to Imam Ghazali, there are 6 characteristics of commendable conduct in trade, namely:

First, it does not take a lot more profit. Paying the price a little more expensive to poor traders. Cheapen the price and gave the pieces to poor buyers, so it will double the reward. When paying off debt, then pay faster than a predetermined time. Cancel the sale and purchase if the buyers want it. When selling food to the

poor in installments, then do not be billed if the person is not able to pay it and freeing of debt if he dies.

Secondly, Debt Management. This debt has been attached to the life of our society. Sin will not be lost if the debt is not paid. Even people died in syahid, the sin of debt will never be apologized. So, if someone dies, the heirs are required to pay off the debt. But if the person has tried to pay, but it really cannot afford it, and he later died, the Prophet became guarantor. As in the following *hadith*: "Whoever of my *ummah* who have debt, then he tried hard to pay, then he dies before the debt is paid off, then I am the guardian." (HR.Ahmad).

Third, Demonstration Effect or 'showing off the wealth' will invite the social envy, others become envious, inviting thieves / robbers, making people capital become 'frozen' and making people unproductive ones. The Prophet recommends that we use the money for God's interests in *ridhoi Allah*, especially for the purpose of development of productivity used for the benefit of the people. Mentioned in a *hadith*: "He who takes care of orphans with possessions, then let him trade the treasure for him, do not let the treasure eroded alms (*zakat*)." (HR. At-Tarmidzi and Ad-Daruquthni).

In the *hadith*, we can conclude that if we have the capital, then it should not be stored for granted, but it must be used to produce something.

Fourth, Guiding the Down-liners. The relationship between employers and workers should be guided by a sense of compassion; mutual need and mutual help. It can be seen from the relationship in the field of employment. Employers provide the employment and workers receive sustenance in the form of wages from employers. The workers provide power and the abilities to help entrepreneurs to complete the works being ordered. The employers have the rights to rule the subordinates and profit. The employers also have obligations to pay the employees' wages as soon as possible and protect their employees. As in the following *hadith*: "Give your employees' wages before their sweat dry." (HR. Ibn Majah).

Theory of Collaboration in the Islamic Business

- a. **Syirkah Abdan.** *Syirkah abdan* (physical syirkah)/*syirkah a'mal* (working syirkah)/ *syirkah shanaa'i* (merchant syirkah)/ *syirkah taqabbul* (income syirkah). A form of *shirkah* between two or more parties than among workers / professionals in which they agreed to work together; doing a job and sharing of income received. Example: collaboration between accountants, doctors, lawyers, tailors, carpenters and other buildings.
- b. **Syirkah Wujud.** It is a collaboration between two parties in which each party is totally exclude capital. They exercise its right based on third-party trust. Each partner contributes the good name, reputation, creditworthiness, without depositing capital.
- c. **Syirkah 'inan.** It is a partnership in which the position and composition of the parties involved in, is not the same, both in terms of capital and jobs.

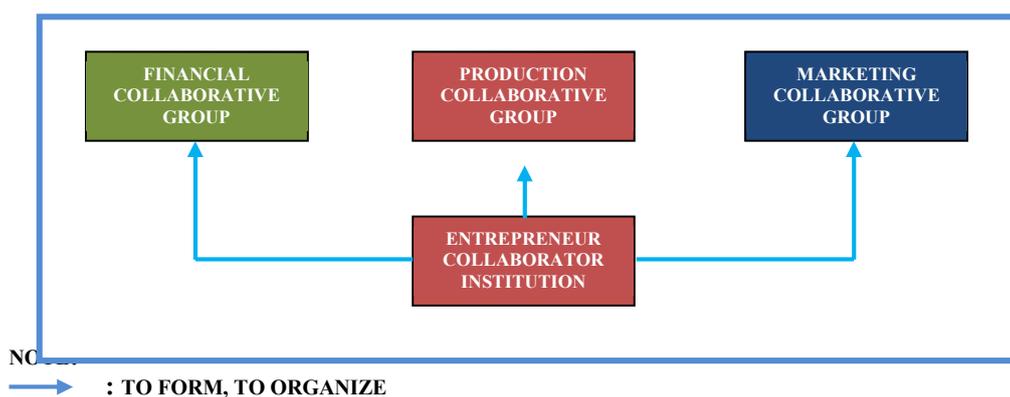
Each partner acts as an agent for the benefit of another party (mutual agency), because of the action taken on behalf of the other partners should be based on the recognition of the law.

- d. **Syirkah mufawwadhah.** A partnership in which the position and composition of the parties involved in it should be the same, both in terms of capital, employment, religion, profit or risk of loss. The shape is similar *shirkah* as firm, but the firm paid-in capital amount should be not equal

Analysis and Discussion

Basic Concept of Developing the Collaborative Entrepreneurship Institution of Islamic model

Figure 1 Developing Collaborative Entrepreneurship Institution of Islamic model
(Developed by Writer)



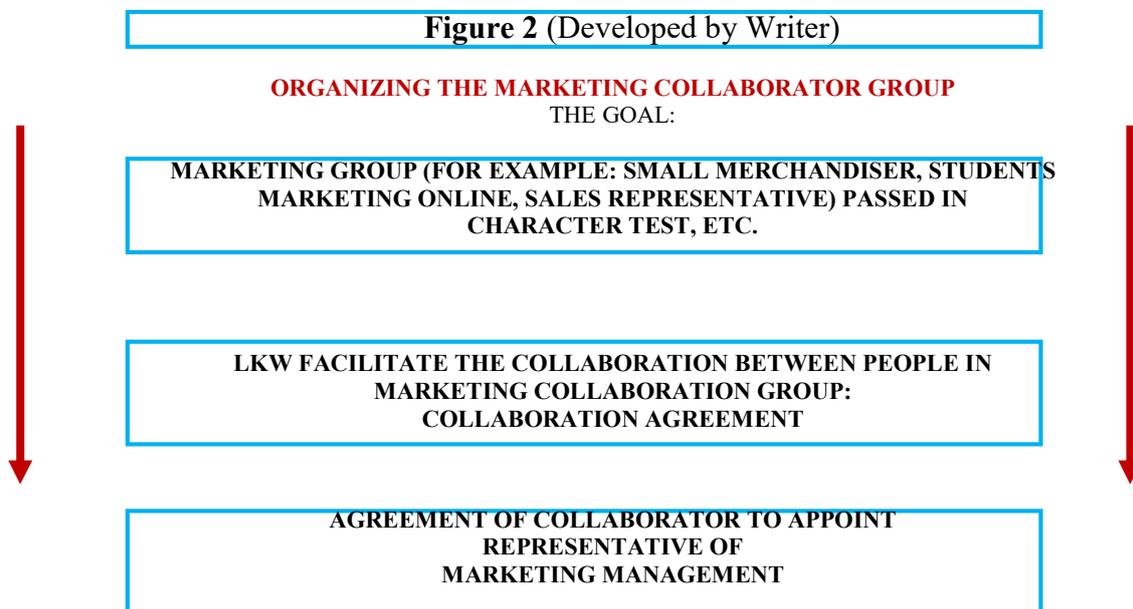
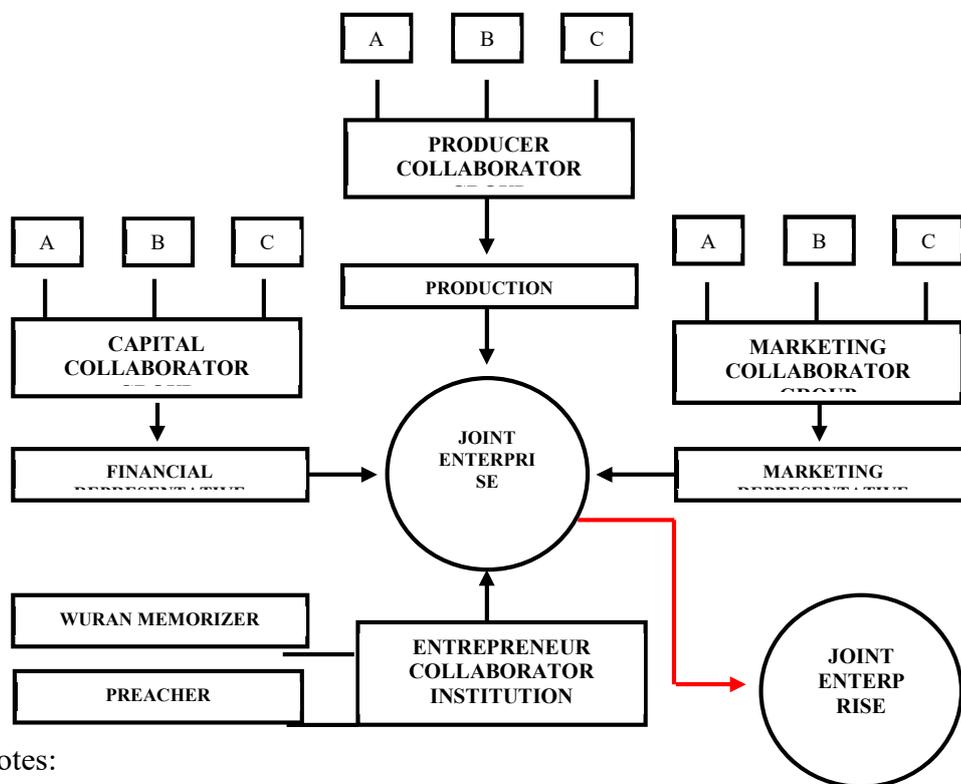


Figure 3 Collaborative Entrepreneurship Model
(Developed by Writer)



Notes:

1. Each of the individuals who have the same skills are grouped into a single, shared work and collaboration systems for the result set between them.
2. Appoint representatives from each group expertise.
3. Furthermore, between groups (group production, marketing groups, and the financial group) collaborated.
4. The results of his efforts were then divided according to the agreement.

Developing the Collaborative Entrepreneurial Concept in the Agriculture Sector

Figure 4
Illustration of Agricultural *Syirkah* Model (Collaborative Entrepreneurship in Agricultural Sector)
(Developed by Writer)

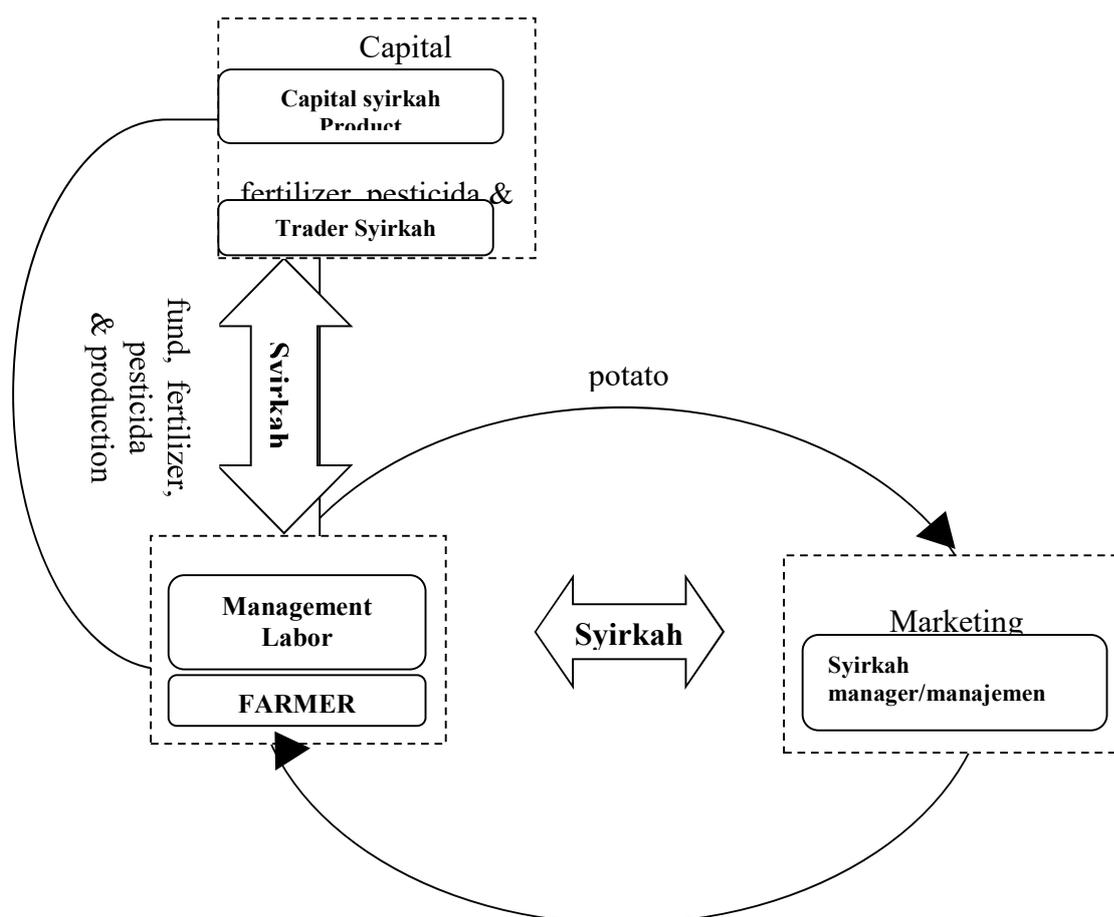
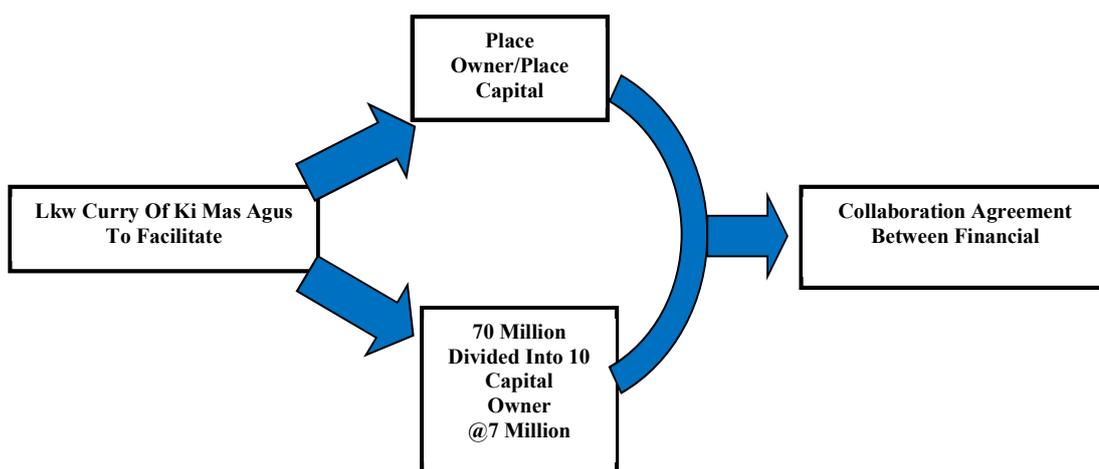


Figure 5:
Collaborative Entrepreneurship Model on Modern Franchising Business Sector
Illustration: Franchising of Fish Head Curry
(Developed by Writer)



Organizing a Production Collaborator Group (Production Syirkah)
(Developed by Writer)

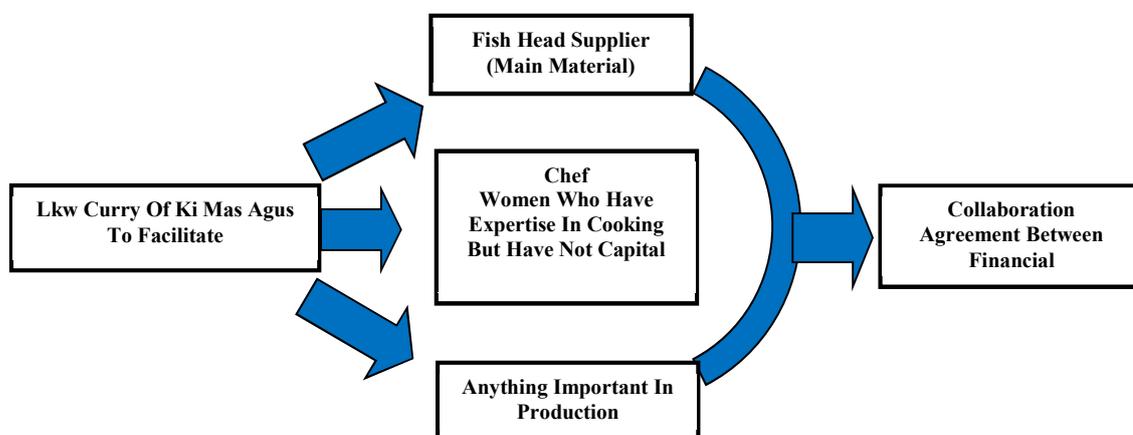


Figure 7
Organizing the Marketing Collaborator Group (Marketing Syirkah)
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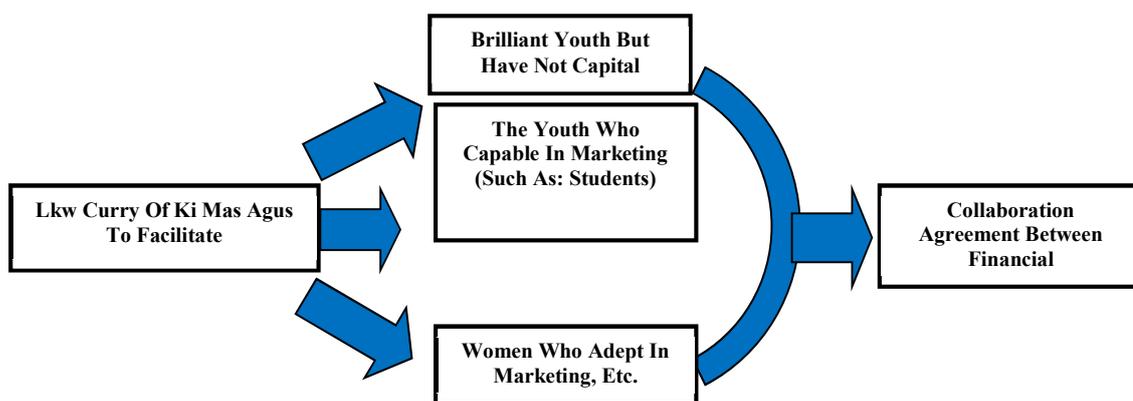
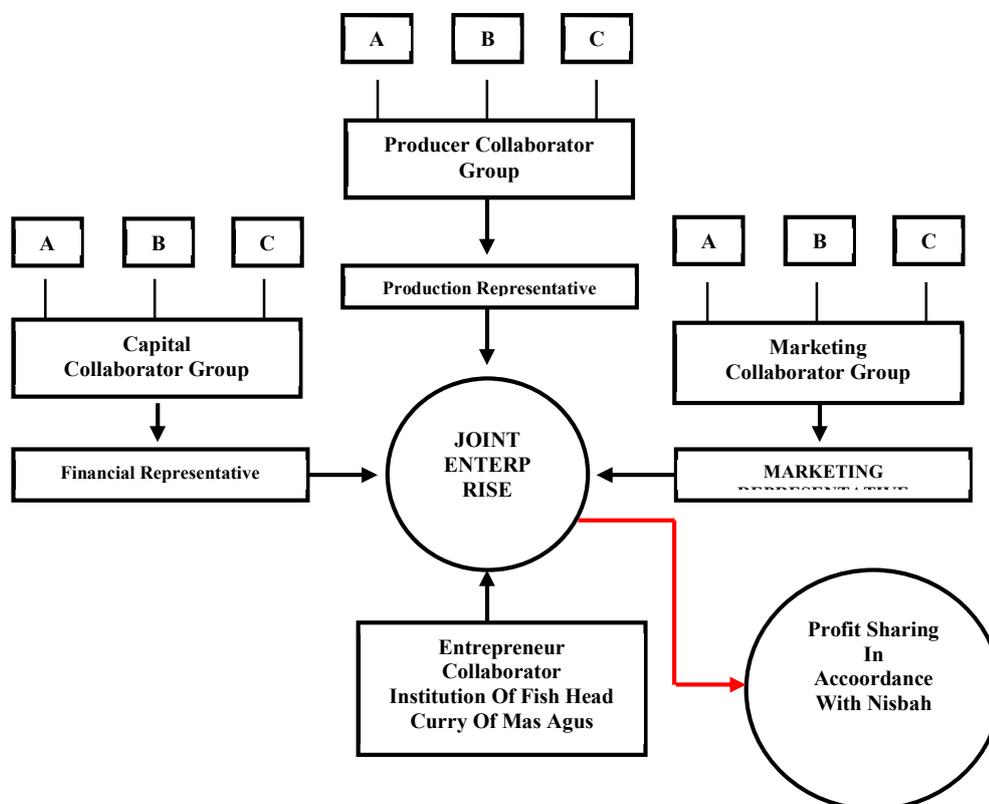


Figure 8
Francising Collaborative Entrepreneurship Model
Fish Head Curry “Mas Agus”
(Developed by Writer)



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