

CHAPTER I

INTRODUCTION

A. Background

One of the aims of economic development is to provide welfare for all Indonesian people. Growth that is not accompanied by equalization will only lead to disharmonized among the society. Economic growth is not only felt by a few people while others are still difficult to fulfill their basic needs. To realize the equalization required concern of the government in the provision of financial services for the community.

The presence of sharia cooperatives or better known as BMT (BaitulMaal Waa Tanwil) exist in order to respond complicated problems faced by the community. The existence of BMT which was originally only with passion and concern, has now equipped itself with professionalism. BMT is an Islamic microfinance institutions that have direct contact with people in rural area, so the existence is to help people especially poor people in obtaining funds. People categorized unbankable currently can access the financial institution through BMT.

Development of Islamic Microfinance Institutions (LKMS) in Indonesia has increased significantly and has a very important role in the development of Indonesian economy. Islamic Financial Services Cooperatives (KJKS) in the form of BaitulMaal Waa Tanwil (BMT) developed very significant. This is not separated from the development of performance BMT nationally in 2015 has reached Rp 4.7 trillion of assets and

the amount of financing about Rp 3.6 trillion. And also in 10 years, there are 561 BMT with legal status cooperative, and has assets of Rp 11.9 trillion and has a membership of 2,694,013 people spread throughout Indonesia. With the development of such performance BMT will have a very important role as a microfinance institution which capable to run the real sector in the community (Minister of Cooperatives and SMEs, 2015).

BMT is a financial institution that not only concentrate the wealth in some people, but also BMT is a financial institutions whose wealth is distributed evenly and fairly. So, BMT is a financial institution that has goals on business and social orientation. BMT grow rapidly because of the increase in performance throughout the year and also the system adopted very helpful in community. BMT become Islamic financial institutions with the most numbers rather than other Islamic financial institutions. (Ridwan, 2004).

The emergence of BMT in Indonesia is not supported by factors that can support a BMT to continue to develop and run well. Facts on the field indicate that many BMT bankrupt due to various things, partly because of the lack of professional management, managers who do not mandate public trust will trigger massive withdrawals, and difficult capital (Santoso 2003). In fact, efforts to increase the performance of BMT emphasized the presence of financial capital, human capital, natural capital, and technological innovation. These variables have important role in increasing the productivity of BMT. Focused of such factors as an input indicator to improve performance of BMT sometimes ignore the social capital variables as inputs are actually a

very important role in the economy to increase business productivity and efficiency.

According to Putnam, Leonardi and Nanetti, social capital represents the 'features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions'. It generally refers to 'trust, concern for one's associates, a willingness to live by norms of one's community and to punish those who do not' (Bowles and Gintis, 2002).

Reed (2009) found evidence that human capital supported by social capital will give a much larger multiplier effect, than if these two sources are independent. Or social capital become increasingly valuable when human capital are in close relation to environmental organizations. This is what gives another reason for the need of the assessment of human capital and social capital simultaneously.

In Indonesia, social capital still not considered affect the development or the performance of BMT. But many studies have proved that social capital affects the performance of Islamic Micro Financial Institutions (LKMS) and very helpful social relationships among boards and customers. As research conducted by Supardi (2015), social capital in the form of trust formed personal guarantee so that customers can access the financing in Pandawa Cooperative without material guarantee. Mutual trust between cooperative and members formed a social network that is mutually beneficial. The social network gives the trust to BMT, so BMT can continue to develop, and

customers get easy access to get financing in BMT as well. Social relations among them based on the norms prevailing in the surrounding community.

Social capital still unfamiliar in the society, and not many people, especially administrators of BMT know about the concept of social capital, how the role of the community as well as its benefits for them. If the research on social capital does not run, and BMT only oriented on the development of financial capital, human capital, and technological capital it will impact on the development of BMT tend to be same with existing financial institution. Based on the background described above, the writer interested in conducting research on "**ANALYSIS OF SOCIAL CAPITAL OCCUR IN BMT(BaitulMaal Waa Tanwil)**(Case Study BMT (BaitulMaal Waa Tanwil) Incorporated in PUSKOPSYAH (Sharia Cooperative Center) Special District of Yogyakarta)".

B. Research Limitation

1. This study only focus on BMT in DIY.
2. Only examines BMT incorporated in PUSKOPSYAH DIY.
3. The period in this study took place during the month of November 2015.

C. Research Questions

From the background of the problems that have been described previously, the research question in this study are:

1. How does social capital that occur in BMT member of PUSKOPSYAH DIY?

2. How does social capital aspect of trust that occur in BMT member of PUSKOPSYAH DIY?
3. How does social capital aspects of social network that occur in BMT member of PUSKOPSYAH DIY?
4. How does social capital aspects of norms that occur in BMT member of PUSKOPSYAH DIY?

D. Research Objective

Based on the research questions, thus the objectives of this paper are:

1. In order to know social capital that occur in BMT member of PUSKOPSYAH DIY.
2. In order to know social capital aspect of trust that occur in BMT member of PUSKOPSYAH.
3. In order to know social capital aspect of social networks that occur in BMT member of PUSKOPSYAH.
4. In order to know social capital aspect of norms that occur in BMT member of PUSKOPSYAH.

E. Research Benefits

1. For BMT

BMT get information that there are another capital to note besides financial capital. Social capital is also a very important asset to improve performance of BMT.

2. For researchers

Results of this research is the application of knowledge gained during lectures and gained knowledge and insight, especially with regard to social capital that occurs in BMT.

3. For the general public

This research is expected to add insight and knowledge about the social capital of cooperatives, especially in the field of sharia cooperative in this case BMT.

4. For Science

Results of this study are expected to be used as input in the development of the sciences of the BMT and the concept of social capital.