

A Study of Money Lending Philosophy, at the Bantul Traditional Markets, Indonesia

Sulastriyono^a, Jumadil Saputra^{b*}, ^aFaculty of Law, Universitas Gadjah Mada, 55281 Daerah Istimewa Yogyakarta, Indonesia, ^bFaculty of Business, Economics and Social Development, Universiti Malaysia Terengganu, 21030 Kuala Nerus, Terengganu, Malaysia, Email: ^asulastriyono@mail.ugm.ac.id, ^{b*}jumadil.saputra@umt.edu.my

This study investigates the philosophy of the traditional market traders of Bantul Regency, in implementing loan activities. The obstacles encountered in implementing borrowed money, faced by traders in the traditional markets of Bantul Regency, is a principle of money lending. The design of this study is qualitative with descriptive analysis, which involved the traders themselves. It aims to illustrate and describe in detail the philosophical activity in money loans at the sites. Primary and secondary data are used. The informants were selected purposively. The results of the analysis show that the believed philosophy of the traders, in carrying out money loan activities from the providers, was an honest life philosophy. The obstacles faced by the traders were both internal and external. The principle of the money loan activities demanded by traders in the traditional markets in Bantul Regency, in future, is the principle of convenience combined with the law of prudence.

Key words: *Philosophy, traders, traditional markets, money loan activities.*

Introduction

Money lending is an economic activity in a public community. It is conducted inside and outside both modern and traditional markets. The definition of a traditional market according to Clause 1 point 2 of Government Regulation number 112, year 2007 is a market built by governments, privates, cooperatives, or self-reliant communities, with business places like shops, kiosks, stalls or tents, managed by small and medium-sized traders or cooperatives, in small-scale business with small capital and buying and selling through bargaining. Based on the data issued by the Market Management Office of Bantul Regency, the number of

traditional markets with a good status in the Bantul Regency, was 14, as of 2015 (Anonim, 2015). The turnover of service and money in traditional markets could be in the form of buying and selling, or borrowing money. Not all traders who bought and sold goods in the market had enough capital, as money. Thus, there were parties lending money. In previous research into the phenomenon, there was a pre-test interview with a Mrs. Sumiyati, a market trader in Wijirejo traditional market, Pandak. It was found that traders who lacked capital in the Wijirejo traditional market borrowed from money lenders, in the form of either individuals, or banks and cooperatives (Sumiyati, 2016). The buyers and sellers borrowed money, and needed both government and private sector support.

The relationship between traders and money lenders in traditional markets was due to strong shared values among traders with money loan providers, who were already like brothers or neighbours (Waljiyem, 2016). If there were traders who experienced financial problems, then the parties who could provide direct lending services helped to provide money loans. If one trader had difficulties, then the event spread quickly and elicited a response from other traders who immediately gave assistance to that trader. According to customary law, various activities of traders in traditional markets, in lending and borrowing, could be categorised in the law of debt. The traders engaged in borrowing money for capital and borrowing goods as a way to keep the business going. Not all traders can run their business smoothly, in the sense of having sufficient capital. To overcome money shortages, the traders had an idea of borrowing money as business capital from other traders or parties who provided money loans. Various lending activities to borrow money from neighborhood traders in traditional markets were based on the value of customary law unity. Capital loan supports were not only in the form of money, but also goods. For example, goods could be taken without having to pay it first, but paid for after the merchandise was sold.

Humans are not only required to meet primary needs such as clothing, food, and residence. During hard times, the secondary needs that support human welfare also become important, such as ownership of motorcycles, schools, telecommunication equipment and electronic equipment. Although there are savings and loan cooperatives and market banks as money lenders, so far, traders in these traditional markets have also obtained alternative solutions to get money quickly and easily from individuals as money loan providers. The advantages of borrowing money from the company that provides money loan services were that the traders, to repay the loan, could use the system of daily installment or Javanese market-day installment. Money loan activities to an individual could teach discipline to set aside money for installments, and saving on individually, together with the installment. In general, the system of borrowing money from an individual was simple because it used only simple notes, and unwritten and unsecured agreements.

Recently, lending and borrowing activities of traders in traditional markets have been influenced by modern economic systems implemented by cooperatives and market banks. However, the method of borrowing money from individuals was conventionally still an alternative solution for traders. The recent economic system has introduced banks, cooperatives, and other state-owned financial institutions, replacing relatives as a part of the economic life of a family. The government hoped that traders would be more interested in borrowing money from cooperatives and banks than from individuals. The government, through the banking sectors, expected traders to turn to modern economic systems, to borrow business capital and save business profits in banks, cooperatives, and other financial institutions. Using the previous studies, we found that there is gap and also differences as to the current research. Previous researchers have not revealed the philosophy of traditional market traders, in borrowing money. Nor have they discussed the model of money lending to banks, savings and loan cooperatives or individuals, as providers of loans desired by traders.

Methodology

The present research about money loan activities in this traditional market included a kind of field research, supported by library research. Field research was conducted through interviews with respondents and resource interviewees. Library research was done by reading and criticising various library materials. Research was divided into exploratory, explanatory and descriptive research (Waluyo, 1991). The aspect of research on money loan activities of traders in traditional markets of Bantul Regency was descriptive research. It provided an overview or description of the process of money loans and the philosophical background of money loans, in the traditional markets of Bantul Regency. This descriptive study was used to (1) accurately describe the character of individuals, groups, situations or specific symptoms; (2) determine the frequency or distribution of a symptom; (3) determine the frequency of a particular relationship between a symptom with other symptoms (Sumardjono, 2014).

The data in this research divided into two, primary data and secondary data. Primary data was obtained directly from the source; namely the results of field research obtained from both interviews and observations in the field, and the results of distributing questionnaires to respondents and resource interviewees. Secondary data was obtained indirectly from the source, because the data was already available or existed in library materials such as legislation, books, research results, journals, newspapers, magazines, and the internet. The juristical materials in this study included the primary juristical materials which bind citizens, as the Constitution, legislation and regulations; thus (i) the 1945 Constitution of the Republic of Indonesia, (ii) Law number 10, year 1998 about Amendment to the law No 7 (1992) about Banking, (iii) Law number 25, year 1992 about Cooperatives, (iv) Regional Regulation of Special Region of Yogyakarta number 8, year 2011 about Traditional Market Shopping Centers and Modern Stores, (v) Regional Regulation of Bantul Regency Number 16, year

2010 about Market Management. Further, the secondary juristical materials explained primary juristical materials and lack binding power, such as books, journals, research results, and articles published on the internet.

The selected location of this study was traditional markets located in Bantul Regency. Based on data from the Government of Bantul Regency, there were 14 traditional markets with a good status condition (Anonim, 2015). Based on the traditional markets in Bantul Regency, there were locations in the middle of the city, in the suburbs and outside the city of Bantul. In this study, one (1) market was located in downtown Bantul Regency with a good traditional market status, namely the Bantul market, three (3) traditional markets in the suburbs had good status, namely the Niten market, Piyungan market, and Pijenan/Jodog market. Three (3) traditional markets outside the city of Bantul had good enough status, namely Semampir market, Sungapan market, and Sungapan market. These particular markets were selected with the hope of portraying and reflecting the conditions of money loan activities in traditional markets of the Bantul Regency.

The subjects in this study consisted of respondents and interviewees. Respondents were determined purposively, based on criteria determined by the researcher, namely: (i) market traders who borrowed money and got problems in carrying out money loan activities, and (ii) individuals, as money loan providers towards traders in the traditional market on-site research. Interviewees were selected are having data about money loan activities but not borrowing money personally, namely the headman of the traditional markets and senior staff in the Market Management Office that took care of the traditional markets in Bantul Regency.

Library research in this study used data collection tools, namely documents and library materials, in the form of legislation, research results, books, articles on the internet. Data collection tools when conducting field research were interview guides, voice recorders, picture-taking or drawing tools, and stationery in the form of notebooks and pens. The techniques of data collection that are directional and suitable for the standards of research method are a prerequisite in the effort of data collection. Data collection must be implemented by researchers, to assist in discussing the results of research and drawing appropriate conclusions.

To collect data that is suitable for the standards of research, the researcher conducted data collection in the field and literature. Research activities in the form of literature studies included the activities of researchers exploring various library materials. The technique of collecting secondary data was done by document study. Researchers read and criticised the legislation, books, journals, research results, theses, dissertations, magazines, newspapers and the internet which were closely related to the research problems. Data from the results of this

literature study were used as supporting materials in analysing and discussing the research problems. Data collection techniques when conducting field research were to conduct interviews based on guidelines/interview guides. Primary data, as data obtained from the results of field research, was data obtained from the interview results with respondents and interviewees (Ali, 2010).

Data analysis is setting the order of data, organising it in a pattern, categorising it, and providing one basic description of it. Data analysis is also a simplification of data in a form that is easier to read and interpret. The researchers did various activities, to find and systematise the interview notes, improve the understanding of the case study and present it as a finding. In brief, data analysis is a process of compiling and combining data results from literature and the interpreted field research. The researchers conducted data analysis from the beginning of the study until its end. Attempts to compile and combine data, based on a theme or a pattern, means that the researcher classified data. The researcher's effort in interpreting the data means that the researcher gave meaning and explained the design or theme, and sought the relationship between the various concepts. In this research, the process of data analysis was carried out from the beginning of the study, by collecting library materials related to the research problems.

Data analysis in this study bifurcated into quantitative and qualitative analysis. The research about traders' money lending in the traditional market of the Bantul Regency was analysed qualitatively. Qualitative data analysis is a very personal process (Widiono, 2010). Data obtained from literature and field research were analysed qualitatively. The obtained data were grouped and selected based on quality and validity, which related to the research problems. The method used to solve the issues and conclude this research was an inductive method. The inductive method is analysis by using the method of exposure (descriptive) (Miles and Huberman, 1994). The researcher presented all the data obtained through interview materials of field research, and combined it with secondary data in the form of library materials obtained from the results of literature research, and concluded.

Results and Discussion

Philosophy of the Traders in Traditional Markets in Implementing the Money Loan Activities

In customary law, a money loan activity is an agreement implemented by the community. In everyday life, it is known as a mutual help activity to realise the value of collectivism that becomes a guideline for living in Indonesian society. A money loan activity is a part of customary law. There is a delivery of goods to others, with an agreed obligation to return the products in the future. If someone has been helped and lent goods by another party, but does

not reply when the other needs help, then the borrower will feel embarrassed. A money loan, in principle, is a manifestation of mind which works such that the borrower feels indebted, and must repay the favour in the future. If the money loan activities precipitate no reaction from the borrower in the form of repayment acts, then the borrower gets a rejection reaction from the community. He or she is considered to not know customary law. It is the characteristic of the debts and receivables in customary law (Hadikusuma, 1998).

The objects of loan activities can be in the form of goods or money. They are borrowing of goods by returning goods or borrowing goods with a money refund. In societies, there is also an act of lending money with a money refund and an act of lending money with a return of goods. Debt or money loan is a normal activity in Indonesian society whether borrowing money with or without interest (Setiady, 2008). Although Islamic law forbids borrowing money by taking interest on borrowed money because it is included in the category of usury, in practice, there is a money loan activity by paying interest in the loan. In other words, the borrower, within a predetermined time, is obliged to return the money with the interest of the loan. The study of money loan activities conducted by the traders in the traditional markets of Bantul Regency included not only juridical aspects but also philosophical aspects. In the Big Indonesian Dictionary, 'philosophy' is defined as faith and belief that serve as a guide for human life. Philosophy is an abstract faith and belief manifestly visible in human behaviour.

The traders in the traditional markets of Bantul Regency in carrying out money loan activities from banks, savings and loan cooperatives, and individuals as the providers of the loans were acting in accordance with an honest life philosophy. This has been expressed by a clothing merchant in Piyungan market, Mr. Karno (Karno, 2016); a vegetable trader in Bantul market, Mrs. Pawiro (Pawiro, 2016); a chicken seller in Sungapan market, Mrs. Wartini (Wartini, 2016); and a traditional food trader in Pijenan or Jodog market, Mrs. Ngadiyah (Ngadiyah, 2016). The implementation of honest life philosophy is based on the Javanese phrase "*urip iku urup*" (life is beneficial), meaning that humans give benefits in their lives. The traders were trying to make their lives useful to human beings, as well as to their environment through trading activities. Bantul Regency traders often lack the capital to add their wares. Their solution was to borrow money to increase business capital, to add wares so that it is beneficial to others, especially buyers.

The philosophy of honest living was justified by the headman (Lurah) of Piyungan market (Suhadi, 2016). Borrowing money for additional business capital increases the number of goods, and could benefit the community, especially prospective buyers. If the goods were sold well, then the money earned also increased and could pay or repay the loans, within the time agreed by the lenders and the traders who received the money loans. Based on the information from Mr. Harjo as the headman (Lurah) of the Sungapan market (Harjo, 2016), the honest life philosophy of the traders in the Sungapan market could be seen in actions and

everyday behaviour. From observation, the traders who have an honest life philosophy, rather than an odd philosophy, could smoothly engage in money loan activities. Observations were also made by another market chairman (Lurah Pasar) from the Niten market, Bantul market, Pijenan market/Jodog market, Semampir market, Sungapan market and the Koripan market, as to the traders who carry out trading activities, in accordance with the market philosophy of honest life produces a happy and prosperous life. If the traders also apply a philosophy of honest living, when borrowing money, then there is no problem in the loan. If the traders do not apply an honest philosophy, then they will have difficulty in returning the money to the service providers in the markets.

BRI bank officers also strengthened the honest life philosophy in the Bantul market area (Officer of BRI Bank, 2016). The traders in the traditional market of Bantul Regency had to be honest in borrowing money from the BRI bank. If not, then they would have difficulty in repaying the credit. For example, one customer (Mrs. X) was not honest. The credit given her by the BRI bank was not used to increase the capital, but for a spree instead. Therefore, she encountered difficulties in repaying the debt to the bank, and eventually the bank seized her land as collateral debt.

Obstacles Faced by the Traders in the Traditional Markets in Implementing the Money Loan Activities

The parties that lend money in traditional markets in Bantul are financial institutions such as government banks; namely the BRI bank, BPD bank, and Bantul bank. Based on the field research, it was obtained that not every traditional market has these banks, the BNI bank or the Syariah bank. It depended on the number of traders and market criteria. For example, in the Semampir market and the Sungapan market, there are no BPD, Bantul, and Syariah. That is because there are fewer traders compared to other markets. From the aspect of market criteria, Sungapan and Singgar include traditional markets that are in a good enough condition. The private financial institutions that provide money loans to traders in the traditional markets of Bantul Regency are BMT and saving and loan cooperatives. As for individuals who provide money loan services to traders in the traditional market of Bantul Regency, there is no definite number. However, according to traders and market managements, individuals who provide the money loan services in the markets still exist.

The act of borrowing money from banks and cooperatives is known as credit. Credit is a simple act because without it, in general, Indonesian people can not have possessions like houses or vehicles. People use the services offered by financial institutions and individuals because they provide many benefits. The public, namely people with limited money, benefit directly because they can have possessions without paying cash. Further, the community

acquires financial relief. The government has issued a convenient policy, in relation to applying for money loans to banking parties. It is outlined in Law No. 10, 1998. That banking law also regulates the distribution of funds to the community, called credit for the public. Credit comes from the word "*credere*". It means trust. For a person to obtain credit means that person gains the trust of the other party. Thus, the basis of credit is trust. Credit involves voluntarily giving the amount of money to be used freely by the credit recipient, entitling the recipient to use the loan, with an obligation to return it before the repayment deadline (Aman and Putra, 1989).

Money can be an object of loan agreements, because it includes goods discharged due to usage. Money that functions as a medium of exchange will run out, because it is used for shopping (Suparmono, 2013). Generally, in a loan agreement, the borrower must return the amount borrowed within a period specified by the contract. Another kind of agreement is where interest must be added to the repayment of the loan. Based on interview results with the traders in the traditional market of Piyungan, the researcher obtained that there were traders that borrowed money from the banks, to increase their business capital. According to the traders, they can borrow money until IDR 1,000,000.00 but only receive IDR 970,000, which is paid following the agreement, even if the market is quiet. In this case they should not pay the installments. The principle run by BRI bank is a pick-up-ball model. This meaning they go to every market to meet the traders, to attract installments or offer money loans for business capital.

Numerous elements must be fulfilled when the banks give credit. There must be: (1) a meaningful trust, the belief of the banks as credit providers to the achievements given to the debtors that the debtors can pay off the loans as agreed; (2) the period of providing credit and repayment of the credit; (3) achievements in the form of interest decided by the parties; (4) guarantee of materials such as certificates or letter C/D. Bank credit should (1) improve the use of money; (2) increase the amount of money circulating and money traffic; (3) improve the value or usefulness of goods; (4) improve the flow or distribution of goods; (5) be an instrument for supporting the stability of the economy; and (6) activate and upgrade the uses or potentials of the existing economy; (7) be a bridge to increase the distribution of national income; and (8) be an instrument for international relations. The objectives of credit generally are: (1) to gain profit in the forms of interest and administrative cost; (2) improve business for the borrowers (debtors); (3) increase developments in the economic sector, because the more credit is distributed by the banks, the more economic activities of the community. This credit can help the tasks of the government.

Obstacles Faced by the Traders due to the Banks (Money Loan Providers)

It is said that a credit is in trouble if the installments and the interest of the credit, with doubtful collections, can not be paid for more than 2 (two) installments plus 21 (twenty-one) months, or the credit settlement has been submitted to Courts/BUPLN or has been proposed for compensation to Credit Insurance Companies (Rahman, 1995). A problematic credit can be measured or cannot be assessed as to the collectibility of the principal payments, or installment and interest rates of the credit by the debtors, and the level of possibility of refunds. To avoid problematic credits, banks conventionally apply the principles of “*The Five C’s of Credit Analysis*.” These consist of *Character*, *Capacity*, *Capital*, *Collateral*, and *Condition*. *Character* is defined as a personality or character of the prospective debtors. The purpose is to ascertain whether the prospective debtors can fulfil their obligations well. *Capacity* is an ability of the prospective debtors to develop and control their business, and an ability to use the credit facilities well. From this *capacity* will be known the ability to pay, namely the ability of the prospective debtors to pay the credit given. *Capital* or wealth is owned by the prospective borrowers. It also needs to be known, in order to know how much credit facility will be given to the prospective debtors. *Collateral* means guarantee. In the provision of credit, the prospective debtors must provide guarantees for the proposed credit. Guarantee here aims for certainty for banks in repayment of the credit. *Condition of economy* - in addition to the personal economic condition and personal capacity of the prospective debtors, it is also necessary to know the general, widespread economic condition. This includes the economic condition of the institutions or companies where the debtors work, or the condition of the prospective debtors’ business competition.

The requirements of giving loans to traders in traditional markets no longer involve the conventional principles mentioned above. The banks’ paradigm should be changed, to recognise that the loan providers have moved from being passive to active, by using with a pick-up-ball model. That view is based on the experience of the traders who make bank loans. A particular trader in the traditional market of Pijenan/Jodog, named Mrs. Mujilah (Mujilah, 2016), faced obstacles when borrowing money from the BRI bank. The installment payment model still used the conventional way, where she must come to the BRI office to pay the loan. On the other hand, she was always busy serving buyers. The paradigm of paying loans, that still uses the old model, must be replaced with a new paradigm; a pick-up-ball model. The old paradigm is that when traders need money, they have to come to the BRI office to borrow money. In the new paradigm, the banks must provide services to customers. That is serving the needs of traders with the pick-up-ball model. The pick-up-ball paradigm was implemented by BPR bank in Pijenan/Jodog market, so Mrs. Mujilah became a BPR customer in the market. She then borrowed two million IDR from the BPR bank for additional capital needs. Repayments or installment payments were made monthly in the amount of IDR 207,000, for ten months.

Obstacles Faced by the Traders in the Traditional Markets due to the Cooperatives being the Money Loan Providers

Cooperatives are institutions that are expected to become a pillar of the Indonesian economy, because the principles they implement are from their members, by their members and for their members. The basis form their business activities includes the following eight principles: (1) Kinship, reflecting the consciousness of the mind. Human consciousness as implemented in cooperatives is by all for all; (2) Cooperation, because in the cooperative conscience and spirit work together without thinking of themselves, but always for the common welfare. The principle of mutual cooperation and kinship in a cooperative should produce a dynamic mind, one that can describe a collective work in performance rights and obligations to help others by justice and compassion. It is clear that the principles of kinship and mutual co-operation are dynamic, with a purpose to help others on the basis of justice and self-sufficiency; (3) Membership is voluntary and open to every Indonesian citizen. The voluntary cooperative kind of association means that everyone who enters, as a member of cooperatives, must do so on the basis of awareness and confidence of members actively participating in and with the cooperative, determined to improve the lives of members and the community; (4) Meetings of cooperatives' members are the supreme authority, reflecting their democracy. In a cooperative organization consisting of persons without representing the same political, group and political ideals of individuals and voting rights of one primary cooperative is a fundamental principle of cooperative livelihood.

Four further principles of cooperatives can be described. (5) The distribution of the remaining business proceeds are regulated according to the merits of each member. The cooperative is not an association of capital, so the rest of the business results should be divided among the members. It is done not based on the wealth owned by someone in the cooperative, but based on the consideration of services/businesses and their activities in cooperatives; (6) Capital in cooperatives as a factor of production are used for the happiness of members and to seek profit. (7) Developing the welfare of the members in particular and society in general. Cooperatives are at the core of the business, in the form of economic organisations that are fostered by and for the members. Yet they must contribute to building the community in general. Therefore, the dedication of the cooperatives is more real. (8) Business and management are open. Cooperatives as associations of people engaged in economic fields. They should be open to all members. Cooperative businesses should be nurtured by members openly.

In carrying out their functions, the following principles apply to cooperatives: (1) they are an instrument of economic struggle to enhance people's prosperity; (2) national economic demobilisation of cooperatives is part of a weak economic power base; (3) cooperatives are a tool of community counsellors, to strengthen the financial standing of Indonesian nation and

unite in regulating the people's economic livelihood. The development of cooperatives is closely related to the internal target, of enlarging the capability and resilience of cooperatives in order to carry out their function correctly. An effective channel to achieve the objective is management, the core of activity in cooperatives.

Business cooperatives are classified as follows: (1) Village Cooperatives; (2) Consumer Cooperatives; (3) Agricultural Cooperatives; (4) Livestock Cooperatives; (5) Fisheries Cooperatives; (6) Handicraft or Industrial Cooperatives; (7) Savings and Loan Cooperatives or Credit Cooperatives; (8) Insurance Cooperatives; (9) Village Unit Cooperatives (KUD); and (10) Village Cooperatives/Multi-Purpose Cooperatives (KSU). Village Cooperatives' members consist of villagers who have interests that related directly to each other, such as (1) running various businesses within an environment, so the Village/Multipurpose Cooperatives can run several kinds of (multipurpose) conditions, according to the needs of the village community, including; (2) Land cultivation; (3) Purchase of agricultural equipment; (4) Purchase of fertilisers; (5) Transport - communications; (6) Daily necessities (consumption); (7) Saving/borrowing; (8) Shared sales and: (9) Handicrafts and others.

The members of savings and loan cooperatives (credit cooperatives) are everyone who has a direct interest in the field of credit. The purposes of credit cooperatives are: (1) to assist the credit needs of members, who are in a great need, with easy conditions; (2) to educate members to regularly save money, so they can form their own capital; (3) to educate members to live thriftily by setting aside some of their income; (4) to increase knowledge about cooperatives. Indonesian cooperatives are a place to develop people's economy, based on kinship and mutual cooperation. They are characteristic of the lives of the Indonesian nation, regardless of classes, flows, or beliefs. The Indonesian cooperative guarantees individual rights and holds the principles of democracy. The developments of cooperative arrangements in Indonesia are influenced by political and economic forces, so that their purpose become blurred; even their direction contradicts with their primary goals. Cooperatives should be able to play a serious role in the economic systems of Indonesia, based on development, economic activity and economic renewal, and financial and development policies. Indonesian cooperatives are adapted to Indonesia's democratic structure. The developments of cooperatives begin integrating with developments generally, and cooperatives are integrated into economic development at large, which is directed to the formation of entrepreneurial skills among communities both consumers and producers.

Indonesian cooperatives are based on kinship and mutual cooperation. In accordance with the personality of the Indonesian nation, a living system is based on kinship and mutual cooperation to help each other. Indonesian cooperatives should be aware of mutual cooperation with cooperatives, to improve the welfare of Indonesian people. They reflect the living personality that is affected by the condition and place of environments based on

kinship and mutual cooperation with the motto of Bhineka Tunggal Ika. For cooperatives, the principle of mutual cooperation means that there is realism and awareness, spirit, and responsibility to work without thinking for oneself, but always for the common welfare. The problem of solidarity is an important element because cooperatives can not develop on their own. People must help each other and recognise the progress that has been made.

Field research indicated that the cooperatives have not been as expected. The cooperatives in the traditional markets of Bantul Regency were still confined to a limited environment, namely regular social gatherings by the trader community that provides money loan services to community members. The trader community provides these social gathering services. It can be the basic capital for the establishment of trade cooperatives supported by professional bookkeeping models. This community, in its weakness, is not supported by human resources that can support the existence of the cooperatives.

Obstacles Faced by the Traders in the Traditional Markets when Borrowing the Money from Individuals

A vegetable trader in the Jodog market called Mrs. Uwuh (Uwuh, 2016) borrowed money from a loan shark for 1 million IDR. The repayment system was 30 thousand IDR every day and paid for 40 times. The obstacles of the repayment faced by Mrs. Uwuh were that every morning, the loan provider billed the money even though there were no buyers.

Principles of Money Loan Activities, Desired by the Traders as to Saving and Loan Cooperatives and Market Banks, as Money Loan Providers in the Future

In the 1945 Constitution, Clause 33, Paragraph (1) mentions that the: “Indonesian economy is organised jointly and based on the principle of kinship”. To maintain the purity of the Constitution, cooperatives are suitable as a financial institution in developing the Indonesia nation. Cooperatives should be one of the main places that foster the ability of weak economic groups. Efforts to improve cooperatives’ ability are coaching for members’ skill improvements and capital management, so that cooperatives can be a vehicle to improve people's welfare. Given an interview with a trader named Sri Mujiyanti (Mujiyanti, 2016), cooperatives should be built as trader cooperatives, so they can help manage mutual funds, primarily to obtain larger loans of money than in the market. The principles of money loan activities, desired by the traders in the traditional markets of Bantul Regency in the future, are convenience combined with prudence. Convenience requires a paradigm change in the process of loan applications and disbursement of money loans. Prudence also requires a paradigm change in debt guarantees.

Borrowers from money lenders are either institutional or private parties. In the future however, there needs to be a paradigm change as to money lending by traders. Previously, the paradigm of traders borrowing money is one of debt, gaining capital to increase goods to earn profit and no difficulty in eating. The government is expected to be present with the traders and the providers of synergy. Various government regulations/policies should develop the business activities of traders and the providers of money loans. With this model, traders can run businesses smoothly without any obstacles, so that traders lives will be more peaceful. The providers, both private institutions and financial institutions, can also run their business smoothly so that the wheels of the economy will rotate smoothly by increasing the circulation of money in the traditional markets.

Conclusions

The philosophy that becomes a belief of traders, in the traditional markets of Bantul Regency carrying out money loan activities from money lenders, is an honest life philosophy. Honest life philosophy not only covers the truth as to others, but also fairness to oneself that affects the honesty of God Almighty. The impacts of honest life philosophy are on the natural and inner life of the traders. Outwardly, the traders live prosperously because the needs of clothing, food and residence are met. Inwardly, the traders live more calmly, because the traders can increase the desired money capital. The honest life philosophy that is used as a living guide for the traders cannot exist, without a real, continuous effort in every aspect of life. Honest life philosophy can foster a sense of responsibility to the obligations of the traders, including that of paying off their debts. The sense of responsibility does not spontaneously exist. Instead it grows and develops in the hearts of the traders. Therefore, it is necessary to require continuous efforts through real actions, in living the life of society to be always nurtured and live among traders.

Further, the obstacles faced by the traders in paying off loans to the providers are in the forms of internal and external constraints. These constraints make traders unable to pay off loans on time. The repayment of money loans, which is not on time, clogs up the turning of the economic wheel in the markets. Disturbed and unsustainable industrial wheels in the traditional markets of Bantul Regency impact on trading activities in the traditional markets; the trading activities do not run as expected. The traders who experience problems in returning the loans do not always stop running their business, because trading has been their profession for many years. The traders who face obstacles in borrowing money generally continue to trade. Trading has become a life choice. Therefore, although they face various borrowing challenges, they still run their businesses as traders.

The future principles of money loan activities desired by the traders, in the traditional markets of Bantul Regency, are convenience combined with prudence. Convenience requires



a paradigm change in the applying for loans and disbursing money loans. Prudence also requires a paradigm change, in debt guarantees. Money lenders are institutional or private. But in the future, there will be a paradigm change as to money loans by traders. Previously, traders in borrowing money engaged in a debt paradigm. To be able to eat, they took debt for business capital to increase their wares, to gain profit and had no difficulty in eating. The government was expected to be present with the traders and provide synergy. Various government regulations/policies should develop traders' business activities and the providers of money loans.

REFERENCES

- Ali, Z., 2010, *Legal Research Methods*, Sinar Garfika, Bandung, page 107.
- Aman, T. and Putra, E., 1989, *Kredit Perbankan Suatu Tinjauan Yuridis*, Liberty, Yogyakarta, page 1-2.
- Anonim, 2015, Kantor Pengelolaan Pasar Kabupaten Bantul, Yogyakarta.
- Anonim, 2015, Kantor Pengelolaan Pasar Kabupaten Bantul, Yogyakarta.
- Hadikusuma, H., 1998, *Hukum Perjanjian Adat*, Mandar Maju, Bandung.
- Harjo, 2016, Interview Results with an interviewee on 9th August 2016.
- Karno, 2016, Interview Results with a respondent who is a clothing trader on 2nd August 2016
- Miles, M.B. and Huberman, A.M., 1994, *Qualitative Data Analysis: An Expanded Sourcebook*, New York, SAGE Publications, page 16.
- Mujilah, 2016, Interview Results with a respondent with a profession as a trader, on 21th August 2016.
- Mujiyanti, S., 2016, Interview Results with a trader in Jodog market on 20th August 2016.
- Ngadiyah, 2016, Interview Results with a respondent on 15th August 2016.
- Officer of BRI Bank, 2016, Interview Results with an interviewee on 3rd August 2016.
- Pawiro, 2016, Interview Results with a respondent on 3rd August 2016.
- Rahman, H., 1995, *Aspek-Aspek Hukum Pemberian Kredit Perbankan Indonesia (Panduan Dasar: Legal Officer)*, Citra aditya Bandung, page 109.
- Setiady, T., 2008, *Intisari Hukum Adat Indonesia (dalam kajian Kepustakaan)*, Alfabeta, Bandung, page 342.
- Suhadi, 2016, Interview Results with a respondent on 2nd August 2016.
- Sumardjono, M. S. W., 2014, *Metodologi Penelitian Ilmu Hukum*, Universitas Gadjah Mada, Yogyakarta, page 6-7.



- Sumiyati, 2016, Interview with a trader in the Wijirejo Traditional Market, Pandak, Bantul on 6th March 2016.
- Supramono, G., 2013, *Perjanjian Utang Piutang*, Jakarta, Kencana Prenada Media Group, page 10.
- Uwuh, 2016, Interview Results with a respondent with a profession as a trader on 20th August 2016.
- Waljiyem, 2016, Pre-research interview with a trader in the Sungapan Market, Sedayu, Bantul on 5th March 2016.
- Waluyo, B, 1991, *Penelitian Hukum dalam Praktek*, Sinar Grafika, Bandung, page 7
- Widiono, M., 2010, *Metode Penelitian Praktis: sebuah Panduan*, Pustaka Pelajar, Yogyakarta, page 137.
- Wartini, 2016, Interview Results with a respondent on 3rd August 2016.