

A COMPARATIVE STUDY BETWEEN ISLAMIC BANKS AND ISLAMIC PAWNSHOPS

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ABSTRACT

Islamic banks are banks that operate in accordance with Sharia Principles. Islamic Banking aims to support the implementation of national development in order to increase justice, togetherness, and equitable distribution of people's welfare. Pegadaian is a place where people who need cash can come to borrow money with personal items as collateral. Pawn in fiqh is called Rahn, which is a debt and credit agreement between two or more parties regarding the issue of objects and holding something as collateral or he can take some of the benefits of the goods. The benefit of this research is that it is expected to be used as input for all parties concerned to know and understand about the comparative between Islamic banks and Islamic pawnshops.

Keywords: *Islamic banks, Islamic pawnshops and Islamic economics*

INTRODUCTION

Islamic economics as a science emerges through a long process of scientific study. Islamic economics comes from tawhid, Islamic economics believes that everything that exists belongs to Allah SWT. Some experts define Islamic economics as an economic science that studies the social behavior of people to meet needs with limited resources to meet needs within the framework of sharia. The Islamic economic system is governed by the Al-Quran and As-Sunnah, the laws behind the transaction procedures are entirely for the benefit of the community, so that no party feels disadvantaged¹.

According to various economic studies, the prospects and opportunities for the development of Islamic financial institutions are better than the development of conventional financial institutions. The provisions in business contracts are flexible, harmless and safe, without causing difficulties in the implementation of both forms of business and sharia-based transactions². In addition, it is not

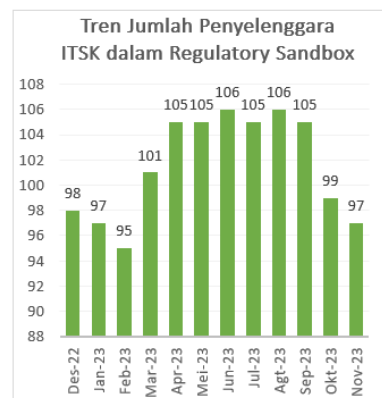
¹ F Nasrullah, N., & Figriyanti, "Analysis of Customer's Interest in Selecting Paid Products in PT. Hasanuddin Gowa Branch Syariah Pegadaian," *Jurnal Ar-Ribh* 5, no. 2 (2022): 146, [https://www.google.com/search?sxsrf=ALiCzsaLMt7_H2jVlb3ZYV1LDVfTnUmfuA:1671753243403&q=Na srullah,+N.,+%26+Fitrianti,+F.+\(2022\).+Analysis+Of+Customers+Interest+In+Selecting+Paid+Products+In+PT.+Hasanuddin+Gowa+Branch+Syariah+Pegadaian.+Jurnal+Ar-Ribh,+5\(2\).](https://www.google.com/search?sxsrf=ALiCzsaLMt7_H2jVlb3ZYV1LDVfTnUmfuA:1671753243403&q=Na+srullah,+N.,+%26+Fitrianti,+F.+(2022).+Analysis+Of+Customers+Interest+In+Selecting+Paid+Products+In+PT.+Hasanuddin+Gowa+Branch+Syariah+Pegadaian.+Jurnal+Ar-Ribh,+5(2).)

² Nova Purnama Sari and Estelee Elora Akbar, "Studi Komparasi Gadai Emas Pegadaian Konvensional Dan Pegadaian Syariah Di Cabang Metro," *Jurnal Ekonomi Dan Bisnis Islam* 3, no. 2 (2023): 143.

only the Muslim community that makes Islamic financial institutions in great demand by investors because of its wide market area so that it has the opportunity to generate large profits³.

Islamic financial institutions, both banks and non-banks, play an important role in economic activities. The strategic role of banks and non-banking institutions is to manage other people's finances and channel them to the community efficiently and effectively to improve people's standard of living⁴. The establishment of Bank Syariah Indonesia involves providing any product or service that the establishment can provide to meet customer needs. Islamic banks in Indonesia are growing rapidly because the majority of the population is Muslim. This is to attract more consumers with the benefits offered, one of which is gold products⁵. Saving gold is the simplest way of investing and attracting public interest. Apart from saving gold, people can pawn their jewelry or precious metals and then redeem them for money through pawnshops or Islamic banking⁶. The history of the pawnshop business in Indonesia cannot be separated from the existence of Perum Pegadaian, a pioneer in pawn services. Decree No. 10 of 1990 issued by the State Council on April 1, 1990 was the first milestone in the revival of the Pawnshop Service Company⁷. Sharia pawnshops follow sharia principles in carrying out their operations. Basically, sharia products have features such as not charging interest in various forms due to usury, establishing money as a medium of exchange and not a traded commodity, and receiving rewards / profit sharing. Pegadaian itself has two business units, namely conventional-based and sharia-based pawnshops, but are still under the operation of the pawnshop itself.

No	Klaster	Jumlah
1	Aggregator	37
2	Innovative Credit Scoring	17
3	Transaction Authentication	8
4	Financing Agent	7
5	E-KYC	6
6	Regtech – Esign	5
7	Financial Planner	4
8	Funding Agent	3
9	Insurtech	3
10	Tax & Accounting	2
11	Wealth Tech	2
12	Online Distress Solution	1
13	Regtech PEP	1
14	Insurance Hub	1
TOTAL		97



Source: Ojk.go.id 2023

METHODS

³ Muh. Ishak Agus, Syahrudin Yasen, and Syahrudin Yasen, "Studi Komparasi Operasional Produk Pegadaian Syariah Dan Gadai Konvensional," *Jurnal Hukum Ekonomi Syariah* 2, no. 1 (2018): 69–79, <https://doi.org/10.26618/j-hes.v2i1.1387>.

⁴ M I A Haq and S Suwandi, "Konsep Akad Gadai Emas Di Pegadaian Syariah (Studi Komparatif Antara Indonesia Dan Malaysia)," *Journal of Islamic Business Law* 3, no. 3 (2019), <http://urj.uin-malang.ac.id/index.php/jibl/article/view/2210>.

⁵ Muhammad Fikri Asnawir, "Studi Komparatif Terhadap Tabungan Emas Pegadaian Syariah Dengan Pegadaian Konvensional (Studi Kasus Kecamatan Tuminting Kota Manado)," *Nusantara: Jurnal Ilmu Pengetahuan Sosial* 7, no. 2 (2020): 408–20.

⁶ Sainul Febri Gunawan, Raha Bahari, "Studi Komparatif Antara Gadai Konvensional Dan Gadai Syariah," *Mu'amalah Jurnal Hukum Ekonomi Syariah* 2, no. 1 (2022): 53–80.

⁷ Rizki Umar Ali, Imam Abdul Aziz, and Adi Rahmannur Ibnu, "Studi Komparasi Minat Masyarakat Menggadai Emas Di Bank Syariah Indonesia Dan Pegadaian Syariah," *NISBAH: Jurnal Perbankan Syariah* 9, no. 1 (2023): 21–31, <https://doi.org/10.30997/jn.v9i1.8448>.

This type of research is library research, which is a research that collects data and information with a variety of materials contained in libraries such as books, newspapers, magazines, articles, journals, and other documents. This research is descriptive. Descriptive research is a research method aimed at describing existing phenomena, which take place today or in the past .

Analysis in research is part of a very important research process because by analyzing existing data, its benefits will appear, especially in solving research problems and achieving the ultimate goal of research. Qualitative data analysis techniques are carried out by working with data, organizing data, sorting data, searching and finding what is important and what is learned and deciding what can be told to others.

RESULTS AND DISCUSSION

Table 1. Differences between Islamic banking and Islamic pawnshops

No	Activities	Islamic Banks	Sharia Pawnshop
1	Loan type	Islamic Bank loans are loans of funds with a time-limited repayment system in accordance with sharia principles. this product or type of loan is made to avoid usury in lending. Islamic banks make loans generally without collateral. Islamic banks are not fixated on business development when lending capital.	Islamic Pawn Loan is a type of loan with the detention of an item owned by the debtor by the borrower by giving the bank the right to take repayment of the bank's receivables to the debtor. Sharia pawn has collateral goods to lend an item, Islamic pawnshops see the potential of businesses to lend capital.
2	Product	<ol style="list-style-type: none"> 1. BSI Griya Hasanah 2. BSI Giryra Maburur 3. BSI Griya Simuda 4. BSI Mitra Beragun Emas 5. BSI Mitraguna Berkah 6. BSI Multiguna Hasanah 7. BSI Oto 8. BSI Pensiun Berkah 9. Mitraguna Online 	<p>Amanah is a sharia pawn product intended for loans for the purchase of motorized vehicles. Rahn is a loan with collateral Arrum BPKB is a loan for the development of Micro, Small and Medium Enterprises (MSMEs).</p> <p>Arrum Emas is a cash loan product with special collateral for jewelry (gold and diamonds) Arrum Haji is a financing product for the Hajj pilgrimage in a sharia manner with an easy, fast and safe process.</p> <p>Rahn Hasan is a product with a maintenance mu'nah rate of 0%, with a tenor of 60 (sixty) days.</p> <p>Rahn Fleksi is a feature of rahn products in the form of loans.</p> <p>Rahn Fleksi is a feature of rahn products in the form of loans</p>

No	Activities	Islamic Banks	Sharia Pawnshop
			<p>secured by movable goods in accordance with sharia, high loan ceilings and using daily deposit fees sharia with an easy, fast and safe process.</p> <p>Rahn Hasan is a product with a maintenance mu'nah rate of 0%, with a tenor of 60 (sixty) days.</p> <p>Rahn Fleksi is a feature of rahn products in the form of loans.</p> <p>Rahn Fleksi is a feature of rahn products in the form of providing loans with movable goods collateral in accordance with sharia, high loan ceilings and using daily deposit fees.</p> <p>Rahn Tasjily Land Financing is financing provided to people with fixed/regular income, micro/small entrepreneurs and farmers with land certificates and HGB as collateral with a financing ceiling of Rp. 1,000,000 - Rp. 200,000,000.</p>
	Loan Agreement	BSI uses various contracts such as: <ol style="list-style-type: none"> 1. Murabahah 2. Ijarah 3. Musyarakah 4. Kafalah 	Pegadaian Syariah uses various contracts such as: <ol style="list-style-type: none"> 1. Rahn 2. Murabahah 3. Ijarah
	Loan Term	None of the loan products offered by BSI are specialized for daily needs, so the funds received are not immediately given to the customer at the time of the loan application.	For the period of time when granting loans, Pegadaian Syariah in several loan products can immediately provide funds to customers without having to open an account first. So you can also use any bank account.
	Installment Payment Method	BSI uses DP (Down Payment) payments such as BSI Griya Hasanah and BSI Oto. Which is paid at the time of loan application and for the next month's installment only pay the principal installment.	Pegadaian Syariah in more installment payments that use principal installments + administrative costs (Mu'nah).

No	Activities	Islamic Banks	Sharia Pawnshop
	Bad Debt Financing	Customers may be subject to fines in accordance with the Bank's provisions in the event of late payment of customer obligations, or in the event of prolonged non-performing loans the Bank will carry out credit restructuring or also by selling collateral pledged by customers by auctioning it.	Pegadaian Syariah handles bad credit by giving a warning letter to the customer, if there is no way out, the Pawnshop withdraws the collateral with the customer's consent, or pays a late payment penalty.

Pegadaian Syariah products:

1. Rahn

- a) Rahn is the provision of loans in sharia with a pawn system with collateral such as gold, jewelry, electronics, motor vehicles or other goods.
- b) Rahn Hasan is a maximum loan of 500k rupiah, not subject to maintenance mu'riah.
- c) Rahn Bisnis is a capital loan from 100 million - 1 billion rupiah.
- d) Arrum Emas is a loan with a pawn system with collateral in the form of gold jewelry, gold bars or diamonds with a monthly installment payment system.
- e) Arrum Haji is financing to obtain Hajj portions in a sharia manner with gold collateral or gold savings and an easy and safe process.

2. Micro

- a) Amanah is the provision of loans with sharia principles to SME entrepreneurs.
- b) Arrum BPKB is a loan with monthly installments given to SMEs for business development with a fisudia system.
- c) Rahn Tasjily Land is sharia-based financing with land certificate collateral at SHM and HCB levels.

3. Investment

- a) Mulia, is a gold bullion financing service on an installment basis.
- b) Gold Savings, a gold deposit service that allows customers to invest in gold.

4. Other products

- a) Pegadaian Remittance, is a domestic and overseas money sending and receiving service in collaboration with several international remittance companies.
- b) Multi online payment is a bill payment service, online multi-biller purchases and non-cash payment and disbursement of pawnshop product credit.

Islamic Bank Products

1. Mitra Emas BSI Mobile

Gold Pawn services conducted through BSI Mobile for reservations to come to the branch for gold pawn applications, Gold Pawn Top Up and Gold Pawn Renewal.

2. BSI Mitra Access

Medical Device Financing with the aim of investing in new medical devices in accordance with the target market or professional expertise.

a. years period

b. Make it easy to have medical equipment for operational support

3. BSI Special Hajj Travel Advance

- a. Distributing Financing for the payment of special hajj cost repayment to special hajj travelers
 - b. Help provide convenience for PIHK to get Hajj Talangan funds
 - c. Competitive Umrah
4. Bsi Mitra Plasma Sawit
 - a. Palm Oil Partner Financing is financing to Cooperatives engaged in the palm oil sector by partnering with core companies which can take the form of project financing, debt transfer, and replanting of oil palm plantations.
 5. BSI Employee Cooperative
 - a. Financing Facility to Employee Cooperatives is the distribution of financing to or through Cooperatives from an agency or company, to fulfill the needs of its members collectively.
 - b. Financing application is processed faster
 - c. Competitive pricing
 - d. Long Term up to. 10 years
 - e. Financing Limit per cooperative member up to 350 million, Light installments can be adjusted to cashflow Disbursements can be made all at once or gradually according to the intended use
 6. BSI Mitra Edu

Financing facilities provided for the purchase of land, building construction/renovation costs, refinancing of school/campus building assets, purchase of fixed assets including the purchase of equipment, facilities and infrastructure equipment to support teaching and learning activities, and purchase of operational vehicles using murabahah, musyarakah and MM contracts.
 7. BSI Mitra Guna Online

Financing for various needs with various benefits and convenience for BSI payroll employees through BSI Mobile.

 - Easy and Fast Process
 - Financing limit up to 100 million
 - Tenor of 8 years
 - Can be accessed anytime
 8. BSI Mitra Guna Berkah

Financing for various needs with various benefits and conveniences for BSI payroll Employees.

 - Financing limit up to 1.5 billion
 - Research period up to 15 years
 - Fixed installments until paid off
 - Without collateral
 - Easy Process
 - BSI OTO

Financing Facility for New Car, Used Car and New Motorcycle Ownership with murabaha contract that can be submitted through Branch Offices, BSI Mobile and landing page bsioto.muf.co.id

 - Easy and fast process
 - Financing tenor up to 7 years
 - Auto-debit facility from savings
 - Competitive pricing
 - Low installment
 - Extensive service network
 - Can be applied for through
 - Can be submitted through digital channels

CONCLUSION

Based on the research that the researchers have described, Islamic banking performs the same function as conventional banking, namely as an intermediary (distribution) institution, from customers who own funds (shahibul mal) to customers who need funds. However, fund customers in Islamic banks are treated as investors and / or depositors of funds. The funds are channeled by Islamic banks to financing customers for various purposes, both productive (investment and working capital) and consumptive. Sharia Pawn (Ar-Rahn) is an agreement between the lender and the party borrowing money. It aims to provide peace of mind for the owner of the money or guarantee the security of the borrowed money. Therefore, pawn is in principle a pure debt and credit activity and serves a social function, so that in various muamalah fiqh literature this contract is a tabarru' contract (charity contract) that does not require compensation.

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