

# The Empowerment of Economic Community After the Action of 212

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**Abstract**—This research purposes to know the efforts of community economic empowerment after the action of 212 that massively considered as the economic resurgence era. Case study was used as a methodology, which aims to describe the facts about community economic empowerment through 212 marts in the entire area of East Java. The result shows that there are two absolute conditions, which must be fulfilled to build 212 mart. The first condition is the owner of 212 mart must be a Moslem. The second condition is the 212 mart must be built together in a community at least consist of 100 people. The community-based development becomes the difference between the concepts of 212 Mart with the general mart, which is only owned by individuals. 212 Marts are founded from the joint ventures, which are formed by each community in a region or a city (Table I). Profit division from 212 mart is using the concept of portfolio. The calculation of profit division (SHU) is calculated as a whole from all marts, so that when there is one outlet that has better performance than the others do, all investors will enjoy the profit together. Likewise, on the contrary, all investors will lose together if there is cross-subsidy (cross subsidy) between outlets. With a portfolio, investments are diversified so that the risk can be minimized. So that this strength of Ukhuwah Islamiyah, every member feels ownership of 212 mart, they have to invite family or neighbors to buy daily necessities at 212 Mart.

**Keywords**—economic empowerment; 212 Mart; micro small and medium enterprises (UMKM)

## I. INTRODUCTION

212 Mart is one of the products of 212 event held on December 2<sup>nd</sup>, 2016. It was an unusual event where various elements of the community gathered at that moment. They come from various regions, groups and across mass organizations, parties, tribes and cultures without highlighting certain elements. In this action, the participants come from all parts of the city in Indonesia. The action movement allegedly inspired some people to unite the Moslems from all arenas by starting the community economic empowerment.

This goal is motivated by the condition of Indonesia as a country with the largest Moslem population in the world with the portion 12.7% of the total Muslim population in the world. Nevertheless, this potential has not been utilized maximally so that Indonesia still becomes a market share or consumer.

Sariah Cooperation 212 is a National Primary Cooperative founded on January 6<sup>th</sup>, 2017 by Muslim leaders as an implementation of the action spirit 212, which is full of brotherhood and togetherness [1]. This enthusiasm was then realized in an effort to make Koperasi Syariah 212 as a forum for economic struggle to achieve people's economic independence. One of its products is 212 mart, which currently has 205 branches in Indonesia.

This phenomenon is interesting to study because 212 Mart has a collective economic concept that is community development to empower individuals and groups of people by providing the skills they need to create some changes in their own communities. This empowerment is an effort to build the economy of people, especially who are considered as members of the 212 community in each region, with the aim of encouraging, motivating and raising awareness of Muslim entrepreneurs about their potential, and trying to develop it. According to Friedman the basis of economic empowerment can be seen from several aspects such as community-based development, sustainability, community participation, community social development, and the elimination of gender inequality [2].

The delivery of micro-finance to micro enterprises plays a significant role in imparting training to women in marketing and production, which is key to success and for becoming self-reliant [3]. Empowerment of women, a good family, a good society and a good nation. Entrepreneurship needs proper and suitable training for success and sustainability. Micro entrepreneurs need to go a long way to be able to fully achieve economic development, for which training and marketing fields should be developed. Marketing techniques are very important components that need immediate attention from the promoters of micro enterprises.

The difference with this research is the empowerment is not only focused on women but also the large potential of people's purchasing power and the high level of investors in how Muslims work together to empower the economy. Through transactions among fellow Muslims, there are opportunities to improve the people's economy with the opening of jobs, the sale of Muslim products and the opening of halal investment opportunities for Muslims. So that the automatic 212 marts contributed to reducing poverty in Indonesia.

Community development Through 212 mart seeks to empower individuals and groups of people by providing the skills they need to produce change in their own communities. Efforts to empower the community can be seen from creating an atmosphere or climate that enables the potential of the enabling community. Here the starting point is the introduction that every human being, every society, has potential that can be developed. That is, there is no society that is completely powerless, because, if so, it will already be extinct. Empowerment is an effort to build that power, by encouraging motivation and raising awareness of its potential and trying to develop it.

According to Ginandjar Kartasasmita, people's economic empowerment is "an effort of assembling resources to develop people's economic potential to increase their productivity so that the productivity, both human resources and natural resources, can be increased" [4]. From many views on the concept of empowerment, it can be concluded that community economic empowerment is strengthening the ownership of production factors, strengthening the mastery of distribution and marketing, strengthening the community to obtain adequate salary/wages, and strengthening the community to obtain information, knowledge and skills which must be done in many aspects, both from the community aspect and the policy aspects.

Talcott Parsons created functional theories about change like the predecessors, Parsons also analogous to social change in society as the growth of creatures [5]. The main component of Parsons's idea is the process of differentiation. Parsons assumes that every society is composed of a set of subsystems that are different based on their structure and based on their functional meaning for the wider community. When people change, generally these communities will grow with better abilities to overcome their life problems. It can be said that Parsons is in line with the group that views optimism as a process of change.

Parsons conveyed four functions that a system must have in order to be able to survive, those functions are:

- Adaptation, a system must be able to deal with a serious external situation. The system must be able to adjust to the environment.
- Achievement, a system must define and achieve its main goals.
- Integration, a system must regulate the relationship among the parts that become its components. The

system must also be able to manage relationships among the other three important functions.

- Patterns maintenance, a system must complete, maintain and improve individual motivation and cultural patterns that create and sustain motivation.

If it is included in the aspect of community empowerment, then this social system theory leads to one of the strengths that the group must have to make it empowered because it has people or masses. If the group has a large mass and is able to survive and to develop, it means that the group is empowered.

**II. METHOD**

The approach used in this study is qualitative approach. The definition of qualitative research methods according to Yin is an approach using data in the form of sentences or oral, events, understanding or descriptive study projects [6].

The method used in this study is a case study. Case study is a research strategy in which researchers carefully investigate a program, event, activity, process, or group of individuals [7]. Cases are limited by time and activity, and researchers gather complete information using various procedures for collecting data based on a predetermined time.

This study uses a purposive technique. Purposive sampling is a sampling technique of data sources with certain considerations [8]. This particular consideration, for example, the informant is considered to understand information so that it will be easier for researchers to explore the object or social situation under study. The informants studied included the following: Deputy Chairman of *Gerakan Nasional Pengawal Fatwa Majelis Ulama Indonesia*, Muhammad Zaitun Rasmin, Chairmen of the 212 Cooperative Communities in East Java, Chairmen of 212 Marts in East Java, and Consumers and Investors of 212 Marts in East Java.

**III. RESULTS AND DISCUSSION**

Sharia Cooperative 212 is a National Primary Cooperative founded on January 6, 2017 by Muslim leaders as an implementation of the spirit of Action 212, which is full of brotherhood and togetherness. This enthusiasm was then realized by efforts to make the Sharia Cooperative 212 as a forum for economic struggle to achieve the community economic independence.

TABLE I. THE 212 MART IN EAST JAVA

| No  | Mart                 | Collaboration       | Address   | Type |
|-----|----------------------|---------------------|---|------|
| 1.  | 212 Mart Surabaya    | Koperasi As Sakinah | Jl. wonorejo 1 no.46 manukan - tandes Surabaya                  | C    |
| 2.  | 212 Mart Kendangsari | Stand Independently | Jl. Raya Kendangsari No. 77 Surabaya.                           | C+   |
| 3.  | 212 Mart Gresik      | Koperasi As Sakinah | Jl. kalimantan 172, gbk - manyar - Gersik                       | C    |
| 4.  | 212 Mart Probolinggo | Koperasi As Sakinah | Jl. cokroaminoto no.9a. Probolinggo                             | C    |
| 5.  | 212 Mart Kediri      | Koperasi As Sakinah | Jl. veteran no. 25 kota Kediri                                  | C    |
| 6.  | 212 Mart Madiun      | Toko Kita           | Jl. Pandjaitan Madiun   | C    |
| 7.  | 212 Mart Pasuruan    | Kopontren Basmalah  | Jl.layur 37 Pasuruan  | C    |
| 8.  | 212 Mart Lumajang    | Toko Hamdalah       | Jl. wahid hasyim, citrawiangsan, Lumajang                       | C    |
| 9.  | 212 Mart Malang      | Toko Al Ghifari     | perumahan griya shanta blok E 219 Malang                        | C    |
| 10. | 212 Mart Mojokerto   | Koperasi As Sakinah | Pekayon I No.12 A, Mergelo, Kranggan, Prajurit Kulon, Mojokerto | C    |

Source: researchers from secondary data [10]

Like supermarkets in general, 212 Marts provide daily necessities, such as rice, milk, snacks, and medicines. However, the difference is consumers will never find cigarette, alcoholic beverages, and contraceptives in this place. Besides, at the prayer times, the outlet will stop the activity in a moment. 212 Marts strongly support the local economic empowerment program especially the marketing of Muslim Micro Small and Medium Enterprises (UMKM) products at 212 Mart outlets. Here are some types of marts provide.

TABLE II. TYPES OF 212 MARTS

| Type A   | Type B   | Type C  |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Store area: 20-40 m<sup>2</sup></li> <li>• Investment Value: 170 Million (non Building)</li> <li>• Turnover every day: 3 million</li> </ul> | <ul style="list-style-type: none"> <li>• Store area: 40-60 m<sup>2</sup></li> <li>• Investment Value: 170 Million (non Building)</li> <li>• Omset every day : 5 Million</li> </ul> | <ul style="list-style-type: none"> <li>• Store area: 60 m<sup>2</sup></li> <li>• Investment Value: 170 Million (non Building)</li> <li>• Omset every day : 7,5 Million</li> </ul> |

Source: researchers from secondary data [9]

#### A. Establishing the 212 Sharia Cooperative Community

All parties can build the stages for community economic empowerment in the form of a minimarket. To be able to establish 212 marts, those who are interested in becoming investors have to register into 212 mart community. This community is located in every area of at least 100 people. In general, the sharia cooperative community 212 in East Java consists of 100-450 members who also have 212 Marts in their respective region. Furthermore, to establish a new 212 mart, each member can invest from IDR500,000 - 2,000,000. Several types of partnerships include:

1) *Full Brand*: is a partnership system using name '212 Mart' based on collective ownership. The most common model, starting from zero, can be a startup for the Sariah Cooperative 212 community and other Muslim communities.

2) *Co-Branding*: is a minimarket partnership system using the name of its own shop, for example "Amanah Mart" but still included as a partner of Sariah Cooperative 212. The "Amanah Mart" logo is set in line with the logo of 212 Mart and mentioned as a partner. The ownership emphasizes on congregation. In addition, for the legal corporation can be in the form of institutes, cooperation or companies.

3) *Convert*: is a partnership system for minimarkets that are already working but they want to be the partner of Sariah Cooperation 212 by changing their minimarket's brand to 212 Mart. For example, an 'Indomaret' outlet changed its concept totally into 212 Mart.

4) *Re Branding*: is a partnership system with Sariah Cooperation 212 that is carried out by refreshing consumer perceptions by using the 212 Mart brand from its old brand. It is suitable for minimarkets, which, for example, want to do a turnover from unfavorable business conditions.

Most of 212 marts in East Java are using Co-Branding model where the community will build 212 mart by cooperating with the cooperation of boarding school named

'As Sakinah' (table I). It will be easier for the community to share the management roles, from the management of employees, suppliers of goods, and product innovation. Nonetheless, 212 mart will not forget to its major purpose that is to give full support to Muslim Micro, Small and Medium Enterprises (MSME).

Most of the investors who are included in community have the same mission, namely da'wah, in gathering all Muslims to participate and struggle in building Indonesia with the Economic Community. For example: one of the 212 mart investors in Surabaya, Zainuri, said that by shopping in shops run by Muslims means helping orphans and poor people because the 212 marts have a concept to give back the benefits through zakat and charity in order to help Muslims in Indonesia. Nonetheless, it is important to strive in the way of Allah SWT and build Ukhuwah Islamiyah.

As what Friedman has explained that strengthening the potential or power possessed by the community (empowering) is very important [11]. This requires more positive steps, aside from only creating a climate and atmosphere. This strengthening includes concrete steps, involves the provision of various inputs (inputs), and opens up the accesses to various opportunities (opportunities) that will make the community more empowered.

The community-based development becomes the difference between the concepts of 212 Mart with the general mart, which is only owned by individuals. 212 Marts are founded from the joint ventures, which are formed by each community in a region or a city. So that this strength strengthens the Ukhuwah Islamiyah, that every member feels the ownership. In addition, as members of the community, they must invite their family or neighbors to buy their daily needs at 212 Mart. However, the findings of the field conducted by researchers, who shop at 212 mart, are not only members, but many are outside members. Of course, this is because of not only the fellow Muslims, but also the prices of products among Muslim's shops, which are very competitive.

#### B. Selling Products from Muslim Empowerment

According to the data from Bank Indonesia in 2015, Micro, Small and Medium Enterprises (MSMEs) have an important role in the economy in Indonesia. MSMEs have a proportion of 99.99% of the total businessperson in Indonesia or it can be said as 56.54 million units. Micro, Small and Medium Enterprises have been able to prove their existence in the economy in Indonesia [12].

One of the constraints faced by MSMEs is that the quality is not standardized yet because most of MSMEs do not have adequate technologies. Therefore, the products that are produced are in different standards of quality. MSMEs find it difficult to find a place in modern retail stores through a partnership system. The 212 mart concept that is applied is to provide space and place especially for members who want to market their products through 212 marts.

Through a display specifically provided by 212 mart, it will be convenience for Muslim MSMEs in each region to develop sales potential through modern retail. It will be different from

the current modern retailers that turning out the market share of traditional groceries or shops around. Based on the concept, 212 mart should be located far away from the traditional shop. Even if it is close to the traditional shops, 212 mart will cooperate each other and will not be a competitor.

The results of research showed that community development through 212 mart try to empower individuals and groups of people by developing the skills they need to create changes. The Efforts to empower people can be seen from the way they create a good opportunities for people to develop. This empowerment can be seen from the community of Sariah cooperation 212 in Gresik (Table. I). They have a product of the empowerment in form of prime needs such as rice, fried oil, and ketchup. These products will be distributed in 212 mart Gresik.

The Muslim's MSME form of empowerment carried out by 212 mart is providing 40 percent space for Muslim products. Community development is an effort to develop a condition of society in a sustainable and active manner based on the principles of social justice and mutual respect [11]. In addition, community development is also interpreted as a commitment to empower lower-level communities so that people have a various choices regarding their future.

### *C. Profit Results Devision*

Establishing a new branch of 212 mart, the community needs an investment around IDR700-900 million rupiahs (Table II), the cost is allocated for renting the land for 5 years, infrastructure of mart, and other accommodation costs. From the results of observations on the investment managed by 212 Mart based on portfolio concepts (accumulation of profits from all branches of the marts). For example, there are two branches of 212 mart in Surabaya. It means the profit division is taken from the accumulation of 2 branches in Surabaya. In East Java, the results division are handed over to members at the end of the year because 212 mart was incorporated as a cooperation.

Profit division from economy results is using the concept of portfolio. The calculation of profit division (SHU) is calculated as a whole from all marts, so that when there is one outlet that has better performance than the others do, all investors will enjoy the profit together. Likewise, on the contrary, all investors will lose together if there is cross-subsidy (cross subsidy) between outlets. With a portfolio, investments are diversified so that the risk can be minimized.

While the profit division for members at 212 mart Gresik, Kediri, Probolinggo, Pasuruan and Lumajang are based on the result of selling for one year and managed by As Sakinah cooperation (table I). However, there are still a report from the sale profit each month. Each outlet must deposit 2.5% from profit every month to the central sharia cooperation 212.

Sariah cooperation 212 Mart offers great benefits for the member cooperation that is for about 10-15 percent of the total paid-up capital per year. The requirement is simple, members only need to deposit a minimum capital or IDR500 thousand, and compulsory contributions of IDR120 thousand per year. Minimum capital of IDR500 thousand per member is divided from IDR100 thousand as a basic contribution per year and

IDR120 thousand as mandatory contributions per year. The remaining IDR280,000 is categorized as voluntary contributions. This condition also applies to members who deposit capital of more than IDR500 thousand. For example, IDR10 million, IDR9,8 million is considered as voluntary contributions.

The members who actively shop at 212 Mart will get bigger profits. It because the 80 percent of the profits are given to members and divided two. But this advantage is only another benefit that can be obtained by members, because the 212 Mart vision and mission is established to drive the economy of Muslims, so that they will not only work together, but also become professionals.

## IV. CONCLUSION

212 Mart has a concept of collective economy that is community development to empower individuals and groups of people by providing the skills they need. This empowerment is an effort to build the economy of the people who are members of 212 communities in each region that will encourage and motivate the Muslims entrepreneur of the potential they have. Currently, there are ten branches of 212 marts in East Java (Table I). There are several Stages of Community Economic Empowerment produced after the action of 212.

First, creating a community of Sharia Cooperation 212 must involve at least 100-450 Muslim members to build 212 marts. It means that the mart is not owned individually. Second, the concept of the establishment of 212 mart was proven by providing convenience for Muslim MSMEs in each region in developing sales potential through modern retail. It is different from the current modern retailers, which are turning off the market share of traditional grocery and stores around.

However, many people do not know about the concept of empowering this mart so that the development in East Java is still minimal. In fact, based on BPS data in East Java, in 2016 the number of Muslims reached 40.72 million. This increase is possible to create massive movement in establishing 212 mart through a network of worshipers in mosques and to increase Muslim retail networks owned together rapidly.

As the idea of Imam Ash-Syathibi in his book *al muwafaqot*, to achieve the benefit, the values of God must be the main foundation [12]. Without maintaining the property, the four other elements *Maqashid al-Shari'ah* will not be carried out properly. Therefore, the spirit of 212 was used as a tool to rise up and unite a societal economy and good deeds for the nation.

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