

COMMUNITY ECONOMIC EMPOWERMENT STRATEGY MODEL THROUGH FINANCING IN THE SLUM ENVIRONMENT IN THE CITY OF BANJARMASIN

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Community Economic Empowerment Strategy Model through Financing in the Slum Environment in the City of Banjarmasin

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Abstract

This study examines the economic empowerment efforts community through a financing model for slums in the City Banjarmasin. The main objectives of this study are to: 1) Identify the condition community in the slum environment of Banjarmasin City. 2) Analyzing patterns of community financing in the slum environment of Banjarmasin City. 3) Assess the level of community economic empowerment in the slums of Banjarmasin. 4) Develop a strategy for community economic empowerment through a model financing in the slum environment of Banjarmasin City. The study was conducted in the slums of Banjarmasin City, Province South Borneo. The research sample was taken by cluster random sampling in 256 slum communities, and 19 specified stakeholders purposive sampling includes: experts from banks, non-banks, figures community, and policymakers, which are then analyzed using a quantitative approach. The results of the study concluded as follows: (1) livelihood conditions slum communities in each typology pointed out differences in community livelihoods in the slums of Banjarmasin City " with a value of 0.000 (asympt.sig. (2-tailed) or <0.05 or <0.01, though shows a dominant figure of 86% with the status of household financial status deficit and 14% with a surplus condition, (2) people's living conditions with financing patterns showing a "sufficient" relationship with the value of 0.370 which proves that between variables is relatively not mutually strong Influence. The dominant financing pattern is consumptive (45.31%), (3) there are factors in accessing community economic financing at Banjarmasin City slum environment, with the Principal Component Method Analysis (PCA), obtained types of factors : credit channeling information, services administration, employee services, security, service satisfaction, interest rates, and brand, and "service satisfaction" as the dominant factor choosing the type of community economic financing, (4) there are different strategies community economic empowerment in Banjarmasin City slums " tested using Analytical Hierarchy Process (AHP) Method with consistency 0.01 or 10% of each expert's opinion. Data processing results show that the non-ursury aspect (73.62%) is more dominantly considered compared Ursury aspects (26.28%) This research come up with two priorities financing model: the first is commercial financing with partnership model as RLAFM1 (33,46%) and the second is financing based on charity model as RLAFM2 (25,15%), by experts as an empowerment strategy community in the slum environment of Banjarmasin City. Furthermore, the two priorities of the financing model are examined by a SWOT analysis to be able to produce the best strategy in applying it to the community. This research is useful for stakeholders who concerned to make the SDGs realising, especially in eradicating poverty - no one left behind and practitioners of financial institutions.

KEYWORDS: The Strategy Of Economic Community's Empowerment, Financial Model, Slum's Area

PRELIMINARY

Background

The Regional Government of South Kalimantan has a commitment to realize the agenda of sustainable development goals (TPB) which aligned to United Nation resolution or since 2015 it is known as the Sustainable Development Goals (SDGs) program which focused on SDGs goal number one of seventeen objectives namely ending poverty (no one left behind). Various programs have been implemented for this purpose including PNPM (National Program for Community Empowerment) for poverty alleviation. Specifically in South Kalimantan Province, the number of poor people in South

Kalimantan Province is presented in the following table:

Table 1.1. Number of poor population in South Kalimantan in 2013-2019

No	Districts	Poor (Soul)						
		2013	2014	2015	2016	2017	2018	2019
1	Tanah laut	13,654	14,039	14,790	15,240	15,308	14,870	15,920
2	Kotabaru	14,656	15,050	14,720	14,780	14,440	15,167	15,290
3	Banjar	15,287	15,719	18,050	17,360	16,849	15,615	15,900
4	Barito Kuala	14,909	15,318	15,960	15,710	15,647	14,085	14,490
5	Tapin	6,045	6,518	7,010	6,810	7,011	6,979	6,510
6	Hulu Sungai Selatan	14,836	15,233	14,590	14,420	13,447	12,224	13,030
7	Hulu Sungai Tengah	14,181	14,557	15,080	16,220	16,169	16,140	16,090
8	Hulu Sungai Utara	15,228	15,623	15,940	15,380	15,352	14,919	15,930
9	Tabalong	14,305	14,709	15,710	15,400	15,003	14,874	15,240
10	Tanah Bumbu	16,039	16,563	17,910	17,480	16,997	17,063	17,370
11	Balangan	7,383	7,664	7,280	7,090	7,213	7,214	7,270
12	Kota Banjarmasin	27,777	28,537	29,950	28,750	28,935	29,240	28,220
13	Kota Banjarbaru	9,997	9,965	11,460	11,060	11,539	10,643	11,220
Total		184,297	189,495	198,450	195,700	193,910	189,033	192,480

Sumber: BPS Provinsi Kalimantan Selatan, 2019

Table 1.1 above shows that the number of poor population in South Kalimantan Province was the highest in Banjarmasin City and the least in Tapin District. The number of poor people in Banjarmasin is based on observations because most of the people who move to Banjarmasin are young people in their productive age with problems of difficulty finding work and low wage rates are the main reasons they move to Banjarmasin. The lack of land in the city of Banjarmasin for housing causes migrants to occupy the suburbs so that slums appear in the suburbs.

The condition of the people of the city of Banjarmasin is inversely proportional to the growth of credit financing in the city of Banjarmasin, which dominates banking credit in the province of South Kalimantan. Furthermore, banking credit growth is presented in the following table

Table 1.2. Banking Credit Growth in South Kalimantan

No	Districts	Credit TW III 2019 Rp. (Billion)	Percentage (%)
1	Banjar	6,688.73	9,84
2	Tanah Laut	3,472.10	5.11

3	Tapin	4,767.25	7.01
4	Hulu Sungai Selatan	1,037.84	1.53
5	Hulu Sungai Tengah	1,431.96	2.11
6	Hulu Sungai Utara	1,330.73	1.96
7	Barito Kuala	3,328.10	4.89
8	Kotabaru	4,297.77	6.32
9	Tabalong	4,434.96	6.52
10	Tanah Bumbu	6,510.50	9.58
11	Balangan	1,590.21	2.34
12	Kota Banjarmasin	23,771.51	34.96
13	Kota Banjar Baru	5,328.85	7.84
	Kalimantan Selatan	67,990.51	100

Source: South Kalimantan Regional Economic Study, 2019

Table 1.2 above can be concluded that bank credit in South Kalimantan is dominated by Banjarmasin City, which is 34.96% of the total credit in South Kalimantan Province. Access to the city of Banjarmasin is quite high, but it also has the highest number of poor people in South Kalimantan is a complex problem. The city of Banjarmasin as a trade city certainly experienced the most dominant economic financing development in South Kalimantan. Funding / credit distribution is the main source of bank income in the form of interest income so that the level of smooth lending becomes a special reference in accessing credit which will certainly benefit the old debtor (Pradnya, 2018). This will have an impact on the access of the city of Banjarmasin to bank lending related to high business risks and the problem of lending lies in the demand side, supply side or both. The position of bank credit / financing in South Kalimantan channeled to micro, small and medium enterprises can be seen in Table 1.3 below:

Table 1.3 Credit Position in Banjarmasin

No	Indicator	Credit Position October 2019 (Million in Rupiah)	% Credit in South Kalimantan	Credit Position in Banjarmasin October 2019	% Credit in Banjarmasin
1	Credit for Non MSME	65,473,079	81.57%	9,810,229	66.66%
2	Credit for MSME	14,792,280	18.42%	4,905,114	33.33%
2.1	- Micro	4,047,375	27.36%	692,750	14.12%
2.2	- Small	5,026,402	33.98%	1,298,673	26.48%
2.3	- Medium	5,718,503	38.66%	2,913,692	59.40%
Total		80,265,359		14,715,343	

Source: South Kalimantan Regional Economic Study, 2019

Table 1.3 above shows that the banks in South Kalimantan distributed Non-MSME loans by 81.57% while those for the MSME sector only accounted for 18.43% of the total distribution of bank financing in South Kalimantan Province. Whereas for banks in the city of Banjarmasin the distribution of Non-MSME loans was 66.66% while for the MSME sector it was 33.33%.

Research purposes

Based on the above problem formulation, the following research objectives can be described:

Identifying the conditions of community livelihood in the slums of Banjarmasin City.

Analyzing the pattern of community financing in the slums of Banjarmasin.

Assessing the level of community economic empowerment in the slums of Banjarmasin.

Strategizing of community economic empowerment through a financing model in the slums of Banjarmasin.

LITERATURE REVIEW

Community Economic Empowerment Strategy

Empirical experience and historical experience from this dichotomous socioeconomic format have given birth to various views on empowerment. At first sight, empowerment is the destruction of power or power to nobody. This view is based on the belief that power has alienated and destroyed humans from their existence. Therefore to restore human existence and save people from alienation and oppression, power must be abolished. The second view, empowerment is the distribution of power to everyone (power to everybody). This view is based on the belief that centralized power will lead to abuse and tend to alienate the normative rights of people who are not in power or who are ruled. Therefore, power must be distributed to all people, so that all people can actualize themselves. The third view, empowerment is strengthening the weak without destroying the strong. This view is the most moderate of the two other views. This view is the antithesis of the power to nobody view and the power to everybody view. According to this view, Power to nobody is impossible and Power to everybody is chaos and anarchy. Therefore according to the third view, the most realistic is power to powerless, (Pranarka & Moeljarto, 1996).

The three views mentioned above, if examined carefully, apparently have a significant influence on the concepts and practices of empowerment. In the field, there are at least 3 concepts of empowerment. The first concept, empowerment is only dwelling on 'leaves' and 'branches' or empowering conformists. Because social structure, economic structure, and economic structure are already considered given, empowerment is an effort of how the local community must adjust to what has been given. The form of action of this concept changes the mental attitude of the homeless people and the provision of compensation, such as the provision of capital assistance, construction of educational infrastructure, and the like. This concept is often referred to as magical paradigm. The second concept, empowerment is only dwelling on the 'stem' or reformist empowerment. That is, in general social, economic, political and cultural arrangements, there are no problems. The problem is with the operational policy. Therefore, empowering this style is changing from top down to bottom up, while developing its human resources, strengthening its institutions, and the like. This concept is often referred to as the naïve paradigm. The third concept, empowerment is only struggling at the 'root' or structural empowerment. Because the helplessness of society is caused by political, economic and socio-cultural structures, which do not provide space for weak communities to share power in the economic, political, and social cultural fields, the structure must be reviewed. That is, empowerment is only understood as a reversal of the existing order. All orders are considered wrong and must therefore be destroyed, such as facilitating the people to fight the government, provoking the poor to fight against people rich and or businessman, and the like. In short, the concept of community empowerment that only struggling at the root is the powerful overthrow. This third concept is often referred to as critical paradigm. By Pranarka and Moeljarto (1996), because of this misunderstanding regarding empowerment, it gives rise to wrong views, such as that empowerment is the process of destroying power, the process of destroying the state, and the process of destroying the government.

Public Livelihood

Livelihood is an effort made by everyone in obtaining income to meet their daily needs (DFIF, 2001). Community livelihood (livelihood) is an approach in empowering the local economy in an effort to improve the welfare and quality of community livelihoods in slums. Livelihood is a unity of ability, assets including material and social assets and activities or 3 A (Assets, Accessibility and Activities) that are carried out to support life (Nasruddin, 2017).

The starting point is that many families in slums can survive by relying on micro-scale business activities and low-level workers / laborers with a diverse portfolio of livelihood activities and income sources that support their level of welfare (DFID, 2001; Nasruddin, 2017).

Poverty Concept

Poverty is a condition where a person or group of men and women, who are unable to fulfill their basic rights to maintain and develop a dignified life. These basic human rights include: the fulfillment of food, clothing, health, education, employment, fulfillment of clean water, land, natural resources and the environment, security from the treatment or threat of violence and the right to participate in social and political life (Bappenas, 2004).

Characteristics of Poverty

Soemardjan in (Sumodiningrat, 1999), described various ways of measuring poverty with different standards, while still paying attention to two categories of poverty levels, as follows: First, absolute poverty is a condition where a person's income level is not enough to meet his basic needs such as food , clothing, housing, health and education; Second, relative poverty is a poverty calculation based on the proportion of income distribution in an area. This type of poverty is said to be relatively because it is related to the distribution of income between social strata.

Slum Settlement Concept

Slums are defined as settlement complexes that are physically marked by the form of small houses with poor environmental conditions, irregular settlement patterns, and low environmental quality, as well as the lack of public facilities (Drakakakis-Smith, 1980) in (Rindarjono MG, 2012).

Causes of Slum Development

Slum settlements are formed as a result of high urbanization and migration, especially for groups of people who have low incomes as a result of the characteristics of households, namely low levels of education. Characteristics Other households as factors that influence settlement conditions are land tenure status (Khomarudinm, 1997).

Typology of Slums

The assessment of slum typology can be seen from two general perspectives, namely the formation process and its spatial type. (UN-Habitat, 2012). In general, the difference between slum areas caused by the degradation of the area in the old zone in the center of the city and the new area as a result of the development of squatter settlements that occupy urban land illegally.

Financial institutions

According to Presidential Decree No. 61 of 1988. A financial institution is a business entity that carries out financing activities in the form of providing funds or capital goods by not attracting funds directly from the public. The system of financial institutions is divided into three, namely: 1) Bank financial institutions in accordance with Law no. 14 of 1967 is a business entity that carries out activities in the financial sector and distributes it to the public in the form of credit or other forms in order to improve the lives of many people. 2) Non-bank financial institutions are business entities that carry out activities in the financial sector which directly or indirectly collect funds by issuing Securities and channeling them into the community to finance company investment. Business fields included in non-bank financial institutions include insurance, pawnshops, pension funds, mutual funds, financial institutions. Financial institutions are included in Non-Bank Financial Institutions (LKBB). 3) Financing Company is a business entity outside of a Bank and Non-Bank Financial Institution specifically established to carry out activities which are included in the business field of the Financing Institution.

Government Credit Program Skim

Micro credit is based on the agreement of the Coordinating Minister for People's Welfare and the Governor of BI concerning Poverty Reduction through Empowerment and Development of Micro, Small and Medium Enterprises No. 11 / KEP / MENKO / KESRA / IV / 2002 and No. 4/2 / KEP / GBI / 2002 April 22, 2002, namely loans given to micro business customers both directly and indirectly owned and run by the poor with the criteria of the poor according to BPS, namely based on the concept of ability to meet basic needs, with maximum credit limit of 25 million rupiah.

Group Based Partnership

Group-based credit or known as group lending is the provision of credit to individuals who are members of a group so that they can have access to capital in a program. The program implemented is usually aimed at the poor who do not have collateral to obtain credit. This group-based credit is made for individuals but all group members are responsible for the payment of the credit (joint liability lending). The measure of success of group loan programs can be seen from the rate of return (Zeller, 2006).

Financing to Communities in Slums

The pattern of credit services for the low (poor) community is very diverse and in its pattern. Even though the service target is a small community, still from the existing service patterns, there is a market segment among the existing patterns. Low-income and landless people are generally served by informal commercial loans that have high interest rates and easy procedures. Meanwhile, credit patterns with low interest rates cannot be reached by poor communities because of the limited requirements possessed by this group (Mat Syukur, 1990).

Financing to Communities in Slums

Interest in several perspectives is explained as follows: 1) Determination of interest is made at the time of the agreement with the assumption always profitable; 2) The percentage is based on the amount of capital lent; 3) Fixed interest payments as promised without consideration of profit or loss conditions; 4) The amount of interest payments does not increase even if the amount of profit multiplies; 5) The existence of interest is doubted by some circles (Yudiana, 2013).

Concepts of Time Value of Money and Economic Value of Time

Conventionally, there is the term concept of time value of money which is used as the basis for investment decisions. This concept can be simply interpreted that money has a time value. Value of money with the same amount will be different in amount from the value of money in the future. In addition this concept is broadly a compounded flowering process. The compounding process itself separates money and or the monetary system from the real sector (Yudiana, 2013).

Maqashid Al-syari'ah – Rahmatan Lil 'Alamin

Maqashid al-shari'ah or the purpose of Islamic law is an important discussion in Islamic law that does not escape the attention of scholars and experts in Islamic law. Some scholars put it in the discussion of *usul fiqh*, and other scholars discussed it as a separate material and expanded in the philosophy of Islamic law. When examined all the commands and prohibitions of Allah in the Qur'an, as well as the instructions and prohibitions of the Prophet Muhammad in the sunnah formulated in *fiqh*, it will be seen that all have a specific purpose and nothing is in vain. All have deep wisdom, namely as a mercy for mankind, as confirmed in several verses of the Qur'an, including in the letter Al-Anbiya ': 107, about the purpose of the Prophet Muhammad was sent.

Decision Model

Decision making is one of the problems faced every day. Many considerations must be considered to get the best decision and sometimes the many choices available can also make it more difficult for us to make that decision. Along with the development of technology, the use of information technology can be used to facilitate humans in making a decision, (Harpad & Salmon). AHP method is one of the methods in the decision making process, which is built based on three principles, namely the principle of hierarchical preparation, the principle of setting priorities, and the principle of consistency.

Framework

Sustainable development covers three policy spheres: economic development, social development and environmental protection (hereinafter referred to as the 3 Pillars of Sustainable Development). Thus the notion of sustainable development is development to meet the needs of the present without reducing the ability of future generations to meet their needs. Community empowerment through economic financing to improve environmental quality has represented 3 pillars of sustainable development, namely as economic, social and environmental sustainability (Warlina). Indicators of social aspects, namely the poor, economic aspects, namely financing or banking credit, and environmental aspects, namely the environment around the homes and businesses of the poor.

Authenticity Research

Tambunan (2011) in his research on Development of Micro, Small and Medium Enterprises and Their Constraints: A Story from Indonesia, gathered two interesting facts, namely: 1) related to the performance of MSMEs in Indonesia, MSMEs are very important in Indonesia because they continue to grow as something that is positive from the ongoing entrepreneurship development in this country. 2) about their main obstacles, the main obstacles faced are financial limitations and marketing difficulties. Financial limitations are caused by limited access to formal sources of credit. In addition, this research shows that most business owners have low formal education which can hamper their innovation ability.

Based on some of the research above, the research in this dissertation focuses on finding the right model for economic empowerment in the Banjarmasin City slum environment. It is hoped that this model will give birth to several strategies that can be applied to alleviate poverty.

Research Hypothesis

There are differences in community livelihood conditions in the slums of Banjarmasin.

There is a relationship between living conditions and the pattern of community financing in the slums of Banjarmasin.

There are factors that do not access community economic financing in the slums of Banjarmasin.

There are differences in community economic empowerment strategies in the slums of Banjarmasin.

RESEARCH METHODS

The study was conducted for 6 months which ended in May 2020 in Banjarmasin City, South Kalimantan Province. The selection of research sites, based on several reasons as follows:

- 1) Banjarmasin City is the city with the most poor population in South Kalimantan Province with 28,220 people in 2019.
- 2) Banjarmasin City is the city with the largest total credit in South Kalimantan Province in the amount of 23,771.51 billion Rupiah or 34.96% in Quarter III of 2019 of the total loans in South Kalimantan Province.
- 3) Pockets of poverty in general are in the slums of Banjarmasin City.

The research method used in this research is to use quantitative descriptive methods and supported by qualitative descriptive methods. The study population is the community in the slums around the city of Banjarmasin which includes 5 districts, with research samples include:

- 1) Community units are drawn by Cluster Random Sampling based on household units with 256 households in 2 (two) typologies of slum areas, namely riverbanks and downtown slum areas with 256 households.
- 2) Stakeholder units taken by purposive sampling in order to formulate a formulation of economic financing strategy decision models to empower the community.

Data analysis

Analysis of the 1st objective (Identifying the condition of the community in the slums of Banjarmasin) was analyzed descriptively quantitatively using SPSS software with crosstab analysis and scoring techniques.

Analysis of the 2nd objective (Analyzing the pattern of community financing in the slums of Banjarmasin City) was analyzed in a Descriptive Quantitative manner using SPSS software to determine the level of Community Empowerment with scoring techniques.

Analysis of the 3rd objective (Assessing the level of community economic empowerment in the slums of Banjarmasin City), Descriptive Quantitative analysis using SPSS software to determine the level of Community Empowerment with scoring techniques (Scoring)

Analysis of the 4th objective (Developing strategies for community economic empowerment through financing models in the slums of Banjarmasin City), Descriptive Quantitative analysis using Expert Choice software using the Process Hierarchy Analysis (AHP) approach to produce priority scales including: commercial financing with partnerships, financing with charity, commercial financing not by partnership.

RESEARCH RESULTS AND DISCUSSION

Description of Research Areas

Area and Area Boundaries

The city of Banjarmasin is astronomically in position 3° 16 '32' 'LS - 3° 22' '43' 'LS and at 114° 32' '02' 'BT - 114° 38' '24' 'BT. Administratively, the Banjarmasin City area has the following boundaries:

North: Barito Kuala Regency

South: Banjar Regency

East: Banjar Regency

West: Barito River (Barito Kuala Regency)

The city of Banjarmasin has an area of ± 98.46 hectares or 0.26% of the total area of the Province of South Kalimantan and is divided into five districts, namely: North Banjarmasin, South Banjarmasin, Central Banjarmasin, East Banjarmasin and West Banjarmasin. The largest area is in South Banjarmasin Subdistrict, which is 38.27 Hectares or 38.87%, while Central Banjarmasin Subdistrict has the smallest area of 6.66 hectares or 6.76%.

Hydrology

1) River. The city of Banjarmasin is filled with large rivers and branches that flow from the north and northeast to the southwest and south, so it is known as the City of the Thousand Rivers. Almost all of these tributaries end up in the Barito River and Martapura River, whose flow conditions are affected by tides.

2) Tides. In general, the type of tides in South Kalimantan, especially in the city of Banjarmasin, is the type of diurnal (diurnal tide), which is that in 24 hours a tidal wave occurs 1 tide and 1 tide. Average tide length is 5-6 hours in one day and

during high tide, water in the Barito River and Martapura River cannot come out because it is blocked by rising sea levels.

Climate

In climatology, the city of Banjarmasin has a tropical climate with climate type A classification with a value of $Q = 14.29\%$ (ratio of the average number of dry months to wet months). The monthly air temperature in this region averages 28°C - 38°C with a slight seasonal variation.

Topography and camouflage slope

The city of Banjarmasin is located about 50 km from the mouth of the Barito River and is divided by the Martapura River, so that in general the physical form of the city of Banjarmasin is dominated by a relatively flat topography and is located in the lowlands. This area is located below sea level with an average of 0.16 m (asl) with a slope of 0% -2%.

Geology and Soil

In general, the dominant soil type in Banjarmasin City is alluvial with the dominance of clay structure and partly in the form of organosol glei humus soil in peat areas in particular. Alluvial soil is classified as humic alluvial because there is humus material in it has an organic material $\pm 12 \text{ kg} / \text{m}^3$ in less than one meter from the ground surface. So the content of organic matter in it is high enough to be classified as fertile.

Land Use and Spatial Pattern Planning

The city of Banjarmasin naturally grows concentrically with traffic patterns in the form of cobwebs. This spatial pattern will reduce the burden on Banjarmasin city center and in turn will have an impact on the general decline in service functions in various sectors.

Slum Region of Banjarmasin City

The dynamic changes in land use in Banjarmasin City have an impact on the narrowing of residential areas. This condition resulted in the emergence of slums in the city of Banjarmasin. UNCED in (UNDESA), 2003 explained that the slums of urban centers are generally located in the old city area, which is characterized by high population density, old residential areas and illegal land.

Conditions of Livelihood of the Slum Environment in Banjarmasin City

Livelihood is a term of development that describes capabilities, the ownership of resources (social and material), and activities needed by a person / community to live their lives (Ramli, 2007). In this study the livelihoods of slums in Banjarmasin City will be described in 4 (four) aspects namely: socio-economic conditions, legality of residence, physical condition of buildings, facilities and infrastructure.

Pattern of Credit / Economic Financing of Slum Environment in Banjarmasin City

The concepts of credit and financing have differences in the meaning and characteristics of both. Credit is generally identical to conventional banks, and financing is commonly used for Islamic banking, finance / leasing companies, cooperatives and other non-bank financial institutions. Law of the Republic of Indonesia Number 10 of 1998 concerning Amendment to Law Number 7 of 1992 concerning Banking Article 1 explains that "credit is the provision of money or bills that can be equated with it, based on an agreement or agreement between the banks and other parties. which requires the borrower to repay the debt after a certain period of time with the provision of interest ", while" financing based on Sharia Principles is the provision of money or bills equivalent to it based on an agreement or agreement between the bank and another party that requires the financed party to return the money or bill after a certain period of time in return or profit sharing ".

Level of Economic Empowerment in Slum Communities in Banjarmasin City

Conceptual empowerment has a relationship with aspects of power (power). Empowerment refers to the ability of people, especially vulnerable and weak groups so that they have strengths or abilities (Nasruddin, 2007; Bachri and Udiansyah, 2016). The economic empowerment of the general public has been contained in the 1945 Constitution of the Republic of Indonesia "protecting all Indonesians and all Indonesian blood, promoting public welfare, educating the life of the nation, and participating in carrying out world order based on freedom, eternal peace and social justice. ".

Strategies for Community Economic Empowerment in Slums in Banjarmasin City

The results of the calculation of the priority vector matrix obtained priority scale from each aspect. In the first aspect in this case the ursury and non ursury financing shows that the non ursury financing model is more priority in terms of the formulation of community economic empowerment policies than the ursury financing model. The total weighting of the non ursury financing model is 73.62% while the weighting of the ursury financing modelvalue is 26.38%.

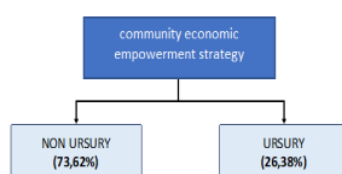


Figure 4. 10. Priority Weight of the Financing Model

Research Meeting

1. Conditions of Community Livelihoods in the Slums of Banjarmasin City

Seen from the socio-economic aspect, especially on the aspect of community income in the slums of Banjarmasin, the majority is low at 35.94% with an income of "Rp. 1 million to 2.5 million / month "and 33.59% with total income" <Rp.600,000 ". The findings indicate that the total income is below the Provincial Minimum Wage (UMP) of South Kalimantan (Rp. 2,877,448, -) and the City Minimum Wage (MSE) of Banjarmasin (Rp. 2,918,226, -). This finding is also in line with the results of previous studies that people living in slums have low incomes (Sutiani, 2006; Levy, 2010; (Hopkins, 2010); Wimardana, 2016). That is, it can be said that socioeconomic conditions are a priority factor affecting the existence of slums in the city of Banjarmasin.

Judging from the aspect of legality of the residence of the majority of the community in the slums of Banjarmasin, the majority do not have SHM and IMB with the percentage of riverbank slum settlements dominating more than the slums of downtown. This is of course in line with UNCED (in UNDESA, 2003) where the classification of slums is along the riverbanks and the ownership status is unclear. This finding is also in line with previous research (Sutiani, 2006; Wimardana, 2016), that most of the riverbank slum areas do not have SHM compared to other slum areas. That is, it can be said that the legality of residence is a priority factor affecting the existence of slums in the city of Banjarmasin.

Pattern of Community Economic Financing in Slum City of Banjarmasin

Meanwhile, Alam S. (2008) states that consumption activities are the expenditure of goods and services used directly to meet the needs of consumers. Buy something as long as it is really intended to meet the basic needs of life or primary needs. While Anggasari in Hotpascaman (2010) consumer behavior is the act of buying goods that are lacking or not taken into account so that they are excessive. The pattern of consumptive behavior in question is the pattern of buying and fulfilling needs that

are more concerned with the desires than the needs and tend to be dominated by worldly desires and pleasures.

The existence of banks or financial institutions should have an important role in the development of a country's economy in order to improve the lives of many people. The bank's position is considered to be very strategic in moving the wheels of the economy.

3. Level of Community Economic Empowerment in the Slums of Banjarmasin City

Food consumption

The dominance of the slum areas of Banjarmasin City in the typology of the city center can be shown from several key consumption indicators, especially the Banjar community masyarakat Kg - ½ Kg, among others :

Type of consumption of grains and accompanying food: rice consumption per day ie 131 respondents (94.92%) for the indicator "1/4 kg-1 kg", glutinous rice consumption / day 41 of 68 respondents, rice flour consumption / day 67 out of 103 respondents, consumption of vermicelli / day 74 of 106 respondents, consumption of corn / day 85 of a total of 131 respondents, consumption of corn flour / day 38 of 59 respondents, consumption of wet noodles / day 84 of 130 respondents, consumption of instant noodles / day 31 from 41 respondents, biscuit consumption / day 18 out of 27 respondents (300-600gr), bread consumption / day 57 out of 90 respondents (37-111gr).

Types of tuber consumption: consumption of cassava 90 out of 150 respondents (1/4 Kg-1 Kg), tapioca consumption / day 54 of 88 respondents, sweet potato consumption / day 79 of 112 respondents, potato consumption / day 92 out of 132 respondents.

Types of meat consumption: beef consumption / day 25 of 28 respondents, consumption of chicken meat / day 109 of 166 respondents, consumption of duck meat / day 23 of 41 respondents, consumption of bird meat / day 140 of 256 respondents.

The dominance of consumption patterns in slum communities in the typology of the city center gives an indication that eating habits are human or human behavior in meeting the need for food which includes attitudes, beliefs and food choices. The diversity of food consumption is strongly influenced by household income. However, measurement and collection of household income data is difficult, so expenditure is often used as an indicator to describe the level of household income.

Slum area consumption in the food sector is higher than the non-food sector. The proportion of slum spending in the food sector is high. Economic crisis conditions tend to affect the consumption of these people in the non-food sector and make them more rational in spending money. In general, from the data analysis, rice has advantages compared to other carbohydrate food sources. Rice has a better taste, is easier to process and has a better nutritional composition compared to other carbohydrate-source foods. The excess rice is supported by various government policies to continue to achieve and maintain rice production through food self-sufficiency, especially rice, construction of road infrastructure and facilities that facilitate transportation and traffic of goods so that rice is easily obtained even in remote areas. Rice consumption for some people also shows their social status. This is supported by government policy to love rice so that a paradigm shift arises that people who switch consumption from rice to non-rice (corn or tubers) are considered food insecurity.

4. Non-food consumption

Consumption of financing the use of communication, especially in the purchase of pulses is more dominant in the urban typology area of 91 respondents for quota purchases above 50,000, while people in the typology of riverbanks / river bodies are more dominant 32 respondents in the purchase of 5000-25,000 quota. With a frequency between 15-30 days. However, overall the dominant frequency in the

average pulse usage of Banjarmasin City residents in both types of settlements is between 15-30 days (118 respondents) out of a total of 256 respondents.

The Community Economic Financing Model in Slums

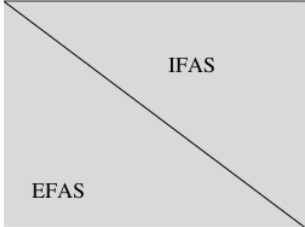
The results of this study indicate that the non usury financing model which shows higher priority than the usury financing model, the total weighting of the non usury financing model is 73.62% while the weight value of the usury financing model is 26.38%.

Based on the presentation and findings of research and theoretical dialogue, a conceptual model of community economic financing strategies in the slum environment in Banjarmasin City can be prepared, which will be described as follow :

RLAFM1 (Rahmatan Lil 'Alamin Financing Model 1) – Akad Tijarah

RLAFM1	=	Peng (Low, High), Access (Non-Bank, Bank), Non-Usury, Financing Patterns (Consumptive, Working Capital, Investment), Commercial, Partnership - Tijarah Agreement
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Non-Ursury financing strategy with Commercial Priority Partnership with Tijarah-based commercial sharia financing products, can be implemented at the level of community livelihood (low-high), through non-bank or bank access to consumer financing, working capital and investment. Internal factors (strengths and weaknesses) as well as external (opportunities and threats) strategy implementation in nonbank institutions, are described in the following Table 4.134:

	Strength (S) Acceleration in making products Broad network Adaptive in reading market desires Not too bound by strict regulations	Weakness (W) 1) Limited financial resources 2) Limited professional HR 3) Weak institutional governance 4) Low Monitoring and evaluation (Monitoring and Evaluation)
	Opportunity (O) New target market Agents of change for empowerment Can minimize Non Performing Loan/Financing (NPL/F) Increasing community perception and positive interests	STRATEGY SO 1) Accelerating the launch of new products and services 2) Optimize the network 3) Providing business assistance in accordance with the target market 4) Educate masyarakat secara masif
Threat (T) Changes in the banking business model that leads to financial inclusion Increased moral hazard practices Negative reporting The threat of changes in community interest	STRATEGY ST Development of digital-based products Transparency of financial statements Carry out social activities Creating products in accordance with community interests	STRATEGI WT Business collaboration with banks Switch to the digital business process Ensuring the running of audit activities both internal and external Conduct ongoing evaluation

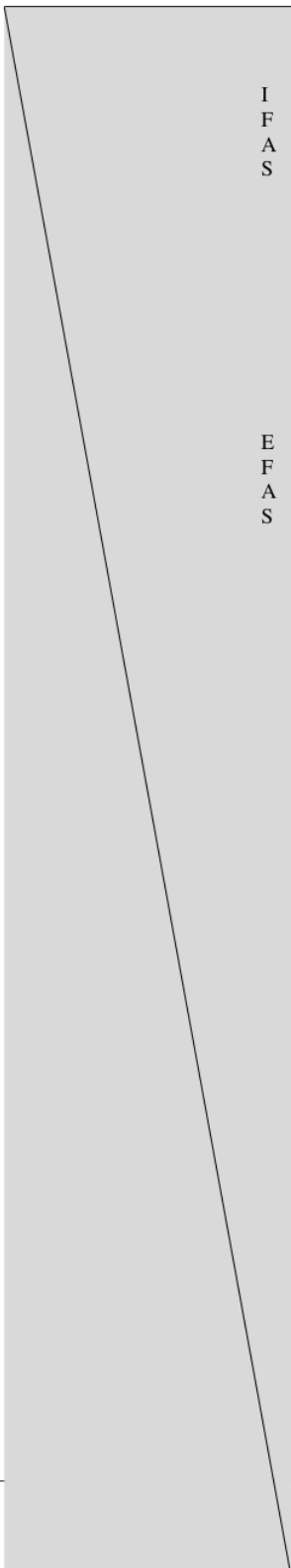
Internal factors (strengths and weaknesses) as well as external (opportunities and threats) strategy implementation in banking institutions, which are described in the following Table 4.135:

	Strength (S)	Weakness (W)
	IFAS The extent of the network Institutional governance Human resources Information technology system support Source of funds	Banking regulations, especially in law No.21 of 2008 concerning sharia banking, which relatively has not accommodated the appropriate requirements for low-income people The lack of creativity of Islamic bankers in creating products that fit the needs and economics strata of the community The lack of bankers understanding of the concept of islamic banking, resulting in differences in implementation Education on the concept of sharia has not been well socialized
Opportunity (O)	STRATEGY SO	STRATEGY WO
New target market Agents of change for empowerment can minimize non performing loans / financial (NPL/F) increased positive public perception and interest	adaptive product and service acceleration network optimization and product marketing effectiveness in managing credit / financing risks Cooperate with potential investors	Adaptive regulatory changes Increasing the ability of human resources in developing products that are adaptive to the market Increasing the ability of bankers in understanding the concept of sharia as a whole Increase the promotion and promotion of joint sharia products
Threat (T)	STRATEGY ST	STRATEGY WT
Non-bank acceleration is more dominant than banks in acquiring targets and product development Unprepared banking infrastructure Public distrust of the concept of sharia	Development of digital-based products Maintaining professional staff Ensuring that every business process complies with applicable regulations Run a promotional program with prizes	Business collaboration with non-banks Consistently doing product updates Continuously socializing products

RLAFM2 (Rahmatan Lil 'Alamin Financing Model 2) – Akad Tabarru

RLAFM2-Tabarru	=	Pengh. (Low), Access (Non-Bank, Bank), Financing Pattern (Consumptive, Working Capital, Investment), Charity-Akad Tabarru funding source
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Internal factors (strengths and weaknesses) as well as external (opportunities and threats) implementation of the above strategy, are described in the following Table 4.136:



I
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S

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Strength
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bility
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MBU /
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Weakness
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bank and
non-bank
financial
institution
s.
Lack of
supervisio
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related
institution
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institution
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Opportunities (O)	STRATEGY SO	STRATEGY WO
Agents of change for empowerment	Optimizing partnership programs and community development (PKBL)	Effectiveness of supervisory institutions
Increased reputation of bank and non-bank institutions	Effectiveness of sustainable financial programs	Optimizing the role of the community
Eliminating the risk of financial loss, because it is recorded off balance sheet	Provide the maximum opportunity for the community to develop their business	Maximizing the distribution of funds to the business community
Expanding the networking of influential people in society	Increase product socialization to community leaders	Ensuring the running of audit activities both internal and external
Threat (T)	STRATEGY ST	STRATEGY WT
Society's dependency on bank and non-bank institutions	Development of the entrepreneurial community	Involvement of community stakeholders
Low productivity and community innovation	Business assistance	Community business innovation
There is no sense of belonging	Educating public awareness to conduct business activities responsibly	Increase the synergy in the distribution of CSR for community empowerment
There is a chance of a moral hazard	Ensure that each process complies with SOPs / regulations	Carry out regular audits

Proof of Research Hypothesis

1st hypothesis

The hypothesis proposed in order to answer the research objectives of the livelihood conditions of the people in the slum environment of Banjarmasin City that is "there are differences in the livelihood conditions of the people in the slum environment of Banjarmasin City" were obtained by passing non-parametric testing using the Wilcoxon signed rank test with typology / slum unit variables with economic conditions of the community.

2nd Hypothesis

Hypothesis testing that is "there is a relationship between living conditions and community financing patterns in the slums of Banjarmasin City" was obtained by passing non-parametric testing using correlation tests with variable typologies / slum units with credit purposes. The test results indicate that the two variables have differences with a significant value of 0.370 or 37%.

3rd Hypothesis

The hypothesis proposed in this study is "there are factors that do not access community economic financing in the slums of Banjarmasin City" which are tested using the Principal Component Analysis (PCA) Method with the type of factors proposed namely credit channeling information, administrative services, employee services, security, service satisfaction, interest rates and brands indicate that the factor "service satisfaction" as the 1st factor as a constraint for the public in accessing financing.

4th Hypothesis

The hypothesis proposed in this study is "there are differences in community economic empowerment strategies in the slums of Banjarmasin City" which were tested using the Analytical Hierarchy Process (AHP) Method with consistency maintained at 0.01 or 10% of each expert opinion. The results of data processing showed that the Non Ursury Aspect (73.62%) was more dominantly considered compared to the Ursury aspect (26.28%) by experts as a community empowerment strategy in the slums of Banjarmasin.

This article analyzes the Community Economic Empowerment Strategy through the Financing Model. This article is in line with previous articles, including: Empowerment Strategy, (Agussalim et al., 2016), (No et al., 2017), Community

Economy, (Riyanto et al., 2017b), (Riyanto et al., 2017a), Financing Models, (Havidz et al., 2017), (Mouna et al., 2017), (Ali, 2019), and (Thanh Nguyen et al., 2019).

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

- 1) Community livelihoods in Banjarmasin City slums in each typology shows the difference with the household financial condition, the deficit status is more dominant than the household financial condition, with a surplus status.
- 2) Community livelihoods in Banjarmasin City slums with consumptive financing patterns are more dominant compared to other types of financing.
- 3) There are factors in accessing community economic financing in the slums of Banjarmasin City, with the Principal Component Analysis (PCA) method, obtained types of factors: credit channeling information, administrative services, employee services, security, service satisfaction, interest rates and brands, and the factor of "service satisfaction" as the dominant factor in choosing the type of community economic financing. This finding becomes important for bank and non-bank financial institutions in improving their service products oriented to customer satisfaction.
- 4) There are differences in community economic empowerment strategies in the slums of Banjarmasin City "tested using the Analytical Hierarchy Process (AHP) Method with a consistency of 0.01 or 10% of each expert's opinion. The results of data processing showed that the Non-Ursury Aspect (73.62%) was more dominantly considered compared to the Ursury aspect (26.28%) by experts as a community empowerment strategy in the slums of Banjarmasin City with 2 (two) strategy models used in the community empowerment strategy in slums, namely: 1) Commercial Non-Ursury Economic Financing Model with the Tijarah Partnership or named Rahmatan Lil Alamin Financing Model 1 (RLAFM1). 2) Non-Ursury Economic Financing Model with Charity or named Rahmatan Lil Alamin Financing Model 2 (RLAFM2).

Implications of Theory

The main things that contribute to and strengthen previous theories in the repertoire of science, especially regarding financing studies, including:

The condition of livelihoods of the slum environment of Banjarmasin City measured by 4 aspects (socioeconomic, legality, physical building, infrastructure) is the development of a livelihood sustainability framework developed by DFID 1999, (Sustainable Livelihoods Guidance Sheets) namely livelihood resources (livelihoods) assets) human resources (social capital), social resources (social capital), natural resources (natural capital), physical resources (physical capital), and financial resources (financial capital), as well as several other researchers Wimardana, 2016; Surtiani, 2006; Levi, 2010; Hopkins, 2010.

The pattern of slum environment financing dominated by 45.31% (consumptive) is in line with the results of Mat Syukur et al. 2010; Suprianto, 2006; Nugroho, 2011; Lailiah, 2014; Sentosa et al, 2015; Nasution, 2017; Balaka, 2017; Nurhayati and Nurjamil, 2019; Bachri and Syabarrudin A (ed), 2019.

Majority empowerment of slum communities in the city of Banjarmasin is in the majority of financial deficits (86%) in line with the research results of Pakpahan and Salim, 1993, Maxwell & Smith, 2000; Suharto, 2009; George Ritzher, 2010; Hamid, 2013; Mattiro, 2016.

The community economic financing strategy which is dominated by Non-Ursury (Non-Riba) (73.62%) is in line with research by Nugraheni, D, B, 2010; Sure, I.A, 2017; Afandi, N and Ernawati, E, 2018.

Practical Implications

Practical implications are the application of research results for the benefit of the community's sustainable economic development. The results of this study provide recommendations, as follows:

Need to educate the public about the financial goals of the household economy, so that expenditures are not greater than income.

The need for intensive education to change the attitude of consumer consumerism to be rational in spending household finances.

The need for education to improve entrepreneurial skills, so that they realize and develop their potential through the role of community / religious leaders.

The need for firmness of policy makers in overcoming the rise of illegal slums.

Financial institutions, must improve service performance to increase the number of customers.

Improvements in regulations to support financial inclusion must be carried out by policy makers.

Strategies for financing household economies in the city of Banjarmasin in order to improve household empowerment, namely Non-Ursury (Non-Riba) with the aspect of equality between capital owners and business owners with a commercial partnership pattern.

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