

Women Traders in Traditional Markets and *Plecit* Bank: Business Continuity Study in Mojolaban

Widhia Kusuma Wardani, Aulia Kusuma Fitrianti

(1. Legal Consulting Service of Wisma Sakinah, Bekonang, Indonesia;

2. Faculty of Economy and Business, University of Gadjah Mada, Yogyakarta, Indonesia)

Abstract: Women as social individuals are often a low priority in social strata. It has become a culture in society, especially in rural society. Women in rural areas have a lower education level than women in urban areas. To increase the standard of living in a household, they usually choose to work as traders in traditional markets. Difficulties in the capital are often experienced, forcing them to borrow money. The breakthrough provided by the social environment is to borrow money at Bank *Plecit* because the mechanism is easy, and there are limitations to women traditional market traders, especially in this study found in Mojolaban, Sukoharjo. This study aims to determine the urgency of the *Plecit* Bank existence in helping the business continuity of traditional market women traders. This research is conducted using the empirical-normative method so that it emphasizes the acquisition and processing of primary and secondary data. This research illustrates that the level of women in rural areas who work as traders in traditional markets is higher than in urban areas. The job is a solution to increase the level of welfare with limited levels of education. In running their businesses, women traders in traditional markets experience difficulties in the capital. The existence of *Plecit* Bank is essential for women traditional market traders as a more uncomplicated service provider compared to other credit institutions. This study illustrates that the level of women in rural areas who work as traders in traditional markets is higher than in urban areas. The job is a solution to increase the level of welfare with limited levels of education. In running their businesses, women traders in traditional markets experience difficulties in the capital. The existence of *Plecit* Bank is essential for women traditional market traders as a more uncomplicated service provider compared to other credit institutions. This research illustrates the level of women in rural areas who work as traders in traditional markets are higher than in urban areas. The job is a solution to increase the level of welfare with limited levels of education. In running their businesses, women traders in traditional markets experience difficulties in the capital. The existence of *Plecit* Bank is essential for women traditional market traders as a more uncomplicated service provider compared to other credit institutions.

Key words: women, traditional market traders, borrowing money, *Plecit* Bank

1. Introduction

Women are naturally different from men; this often creates a problem that results in deviant behavior, for

Widhia Kusuma Wardani, Activist in Legal Consulting Service of Wisma Sakinah Regional Leadership of Aisyiah Sukoharjo and Branch Leadership of Muhammadiyah Bekonang; research areas: ethnicity, class, gender and diversity in education. E-mail: widhiakusumawardani@gmail.com.

example, the public's view of men's position in the public sphere and women in the domestic sphere. This view arises because of the institutionalized cultural factors in society, so it is difficult to eliminate it frontally; it must be evolutionary. This culture can be eroded through the education sector so that it will have a significant chance of success. In terms of economic life, there are no restrictions on women from equal standing with men to advance the economy, both family, household, and community economies. Islam also does not prohibit women from taking part in the economic field, this is evidenced in and others as a success entrepreneur, and others as success entrepreneur (Wati, 2016).

Based on existing data, the current level of women education is not inferior to the men, it can even be said to be almost equal, especially for urban areas. Urban women with high school education status and above have a percentage of 42.92%, while men 48.83%. In contrast, women who graduated from high school and above have a percentage of 19.55% and a low percentage of men, which is only 23.93%. The available data also shows that women's gross enrollment rate in higher education is 26.70% higher than that of men. In fact, the net enrollment rate of highly educated women is 19.89% higher than that of men. Even so, the percentage of women as family workers is 22.57% higher than that of men 6.67% (Central Bureau of Statistics, 2019). It is because women have to choose between a career or taking care of a household. The existing phenomenon is that many women work before their household, but after they are married, they resign and choose to work as family workers.

Edsel L. Beja Jr (2014), in his research on "Who is happier: The housewife or working wife?", The results say that the happiness between mothers who work as family workers (housewife) and mothers who work as paid workers depends on the socio-cultural context, or more specifically is the result of the uniqueness produced by cultural and social norms. It can be understood and accepted because working for a reward or working for a family is the choice of women, provided that when making choices, there is still freedom. However, in the view of society, women as family workers will still be considered not working. Barnara R. Bergmann stated that being a housewife is an odd job, not like an ordinary job (such as salary, supervision, control, or other); therefore, they are often considered not working. Besides that, in culture and law, that housewives do not work for employers, so they will not get a salary as workers, which is regulated by law so that housewives as workers are disadvantaged, but families with housewives have an extra advantage (Bergmann, 2005).

Regarding the existence of this dilemma, women often make choices to work in the informal sector as much as 61.80% (Central Statistics Agency, 2019). This sector is considered by women to be more flexible in both time and education, especially for rural women who are educated in primary or secondary education. One of the informal sectors that they (rural women) are interested in is trading in traditional markets. It can be seen from the fact that almost all rural traditional market traders are women. This fact differs from traditional market traders in urban areas that there are already many men as traders, although the percentage is not as large as women. Some traditional markets in Solo, such as Pasar Gedhe and Pasar Kadipolo, there were some men who took part in working as traders. Another advantage of being a traditional market trader is flexibility in the aspect of capital; they argue that money can be obtained after entering the market because, in the market, there are many loan offers for the continuity of their business. Capital loan offers are from banking institutions such as BMT Sakinah Bekonang, BRI, and BKK. (District Credit Agency). There is also a loan offer from individual credit, in traditional markets, who offer *Plecit* Bank or Thithil Bank loans.

Danik Fujiati (2017), ever conducted a study of "Women Traders and Traditional Markets", which study with a sociological approach why traditional markets are synonymous with women. A legal approach to the legal protection of traditional market traders has also conducted by Ni Komang Devayanti Dewi (2018), and the results

show that in the era of liberalization, there has been legal protection for traditional market traders in RI Presidential Regulation No. 112 of 2007, Regulation of RI Trading Minister No. 56/M-DAG/PER/9/2014, and regulation of RI Home Affairs Minister No. 20 of 2012. This paper tries to study the relationship between women traders in traditional markets and Bank *Plecit*, which is studied from the aspects of law and gender. Therefore, this study's problem formulation is how women traditional market traders maintain business continuity by capitalizing on *Plecit* Bank.

2. Research Method

This research is an empirical-normative study, so it requires primary and secondary data to answer the problem formulation (Wignjosoebroto, 2013). Primary data were obtained through interviews with informants who had been previously determined as key informants who were then forwarded to other informants (snowball sampling). The informants came from women traders of traditional markets in Mojolaban, Bekonang, Sukoharjo. Samples were taken from seven informants and one key informant. Informant education shows that two people graduated from elementary school, four people graduated from junior high school, and two people (including crucial informants) graduated from high school. Interviews were conducted based on a list of questions that had been compiled before. The interviews conducted are related to the use of *Plecit* Bank in maintaining business continuity. Besides, secondary data is obtained from legal documents or other literature relevant to the problem under study. Legal documents are needed to answer studies from their legal aspects. Secondary data were obtained through literature searches, including legal documents through identification, inventory, and categorization. The data collected will be described in terms of legal principles related to borrowing and gender principles. The research data is in the form of qualitative data. After the data has been collected, the data is processed using the analytical description method described in a paragraph.

3. Result and Discussion

3.1 *Plecit* Bank in a Positive Legal Perspective of Indonesia

Banking problems in Indonesia are regulated in-laws Number 7 of 1992 about Banking, and then this law has been amended by Laws Number 10 of 1998 concerning Amendment to Law Number 7 of 1992 concerning Banking (afterward referred to as the Banking Law). This change includes realizing a fair and prosperous society because the banking sector has a strategic position as an intermediary and supporting institution, which is a decisive factor in the adjustment process. In this regard, it is necessary to improve the national banking system, which includes not only individual bank restructuring but also the banking system as a whole. Another reason, it needs improving the banking function in distributing the funds for the society to the cost of the national economy with the utmost cooperation, small, micro and medium enterprises also other society without discrimination

The Banking Law provides concepts of banking and banks. The definition of banking is broader than the definition of a bank because banking includes institutions, business activities, methods, and processes in carrying out business activities. Unlike the definition of a bank as a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and other forms to improve the standard of living of the public.

Plecit Bank is a name given by society to refer an individual who provides credit or loan services to other people. So *Plecit Bank* is not a bank, so it is not an institution. In practice, *Plecit Bank* runs a business by

distributing funds to the society, namely traditional market traders in Mojolaban. Their sources of funds are private funds, not funds collected from society. Therefore, *Plecit* Bank is not a bank or banking as regulated by the Banking Law. According to the book of the civil code (next referred to as the Civil Code), the services provided by *Plecit* Bank can be categorized as a borrow-to-use agreement. It is regulated in Article 1754 of the Civil Code, especially in Article 1756 of the Civil Code, which mentions that debt is a result of borrowing money. Due to the Civil Code 1756 is included in Chapter XIII regarding a loan for use, so that debt is included in the qualification of loan for use. The borrower borrows through an agreement mechanism. Therefore it must be based on the legal terms of the agreement set out in Article 1320 of the Civil Code. Engagements in this debt involve *Plecit* Bank as creditors and women traditional market traders as a debtor.

The Civil Code also regulates the issue of lending and borrowing money; in the following articles, even the Civil Code allows us to collect interest on the loan based on an agreement, not because it is regulated by law. This provision is regulated in Articles 1765 and 1767 of the Civil Code.

The articles in the Civil Code indicate that *Plecit* Bank, as a service provider in the form of lending and borrowing money by giving interest, is a permitted activity. However, the application of interest, which is applied in this article, is not regulated in any statutory regulation. The legal vacuum regarding this situation caused a gap for *Plecit* Bank in determining the high-interest rate. From the research results, it is found in practice that the parties (creditors and debtors) determine the interest rate according to the agreement. It should be understood that in another article in the Civil Code regulates the limitation of the principle of freedom of contract in Article 1321 of the Civil Code that “No agreement has any power if it was given by mistake or obtained by force or fraud”. Furthermore, in Article 1449, it reads, “An engagement made by coercion, misdirection or deception creates a demand to cancel it.” It means that in agreeing, there must be no defects in the will in the form of error, coercion, or fraud. If a defect of the will occurs, the legal consequence is that the agreement can be canceled.

There are also additional types of consent defect: civil law experts called situation abuse circumstances (*misbruikomstandigheden van*). Fatmah Paparang (2016) states that there are two teachings of situation abuse, namely the abuse of economic superiority and the abuse of psychological dominance which includes two elements, namely (a) there are losses suffered by one party; (b) there is an abuse of opportunity by the parties at the time of the agreement. Furthermore, by citing the views of van Dunne, Fatimah Paparang (2016) explains what is meant by the abuse of economic advantage, that (a) one party should have a financial advantage over the other; (b) the other party is forced to agree; (c) the requirements for the abuse of psychiatric superiority; (d) one of the parties abuses relative dependence, such as a special trust relationship between parents and children, husband and wife, patient-doctor, church pastor. The abuse teaching of this situation used to be the basis for the Supreme Court’s consideration in its decision No.2230K/Pdt/1985. Acceptance of this teaching to protect weak parties from arbitrary actions of parties who are socially or in a powerful and dominating position in forcing weak parties to have no other choice but to sign a contract, in the end, the contract is very detrimental to the vulnerable (Paparang, 2016).

Plecit Bank can be an abuse of economic superiority because, empirically, *Plecit* Bank funds are not funds collected from the public but from private funds lent. Economically, it has an advantage. Besides that, women traders in traditional markets are forced to borrow from *Plecit* Bank due to conditions that require their business continuity. The problem of lending and borrowing, as conducted by *Plecit* Bank, is a personal aspect, which arrangements are multiple, consisting of the Civil Code, Islamic law, or customary law depending on the individual who will submit to which legal regulation. This freedom to choose the rule of law has consequences for

us as Muslims, which should be subject to the provisions stipulated in the Al Quran and hadith as the basis for *muamalahfiqh*. In principle, Islam prohibits collecting interest on loans, as confirmed in Surah Al Baqarah/2:275, which means that "... Allah makes buying and selling legal but forbids usury ...". The usury in question is an excess at the time of loan repayment, not only excess but an excess that contains an element of injustice (Harun, 2015). The meaning of injustice in the Big Indonesian Dictionary (KBBI) is brutality, cruelty, or injustice. It thereby, if associated with the abuse, especially from aspects of economic superiority, that *Plecit* bank in lending money is not justified by faith help others but instead take advantage of using opportunity by exploiting someone who needs a loan but takes an interest as they want.

3.2 The View of Women Traders in Mojolaban Traditional Market on *Plecit* Bank

The views word in KBBI dictionary have several meanings (a) something or someone who is considered (revered, respected, etc.); (b) the result of seeing (paying attention, seeing, etc.); (c) knowledge; (d) opinion. The meaning of this paper's views is the opinion of women, traditional market traders, based on the experience they have.

Before describing the views in terms of their opinion, it is also necessary to describe the informants' characteristics that the informants interviewed by the researcher were seven (7) informants and one key informant. Informant education shows that two (2) people graduated from elementary school, four (4) people have graduated from junior high school, and two people (including crucial informants) have graduated from senior high school. Their status has family and already have children; their husbands mostly work odd jobs. Their reason for working as market traders is the classic reason, which is helping their husbands to get additional income to support their daily life. They all said that their income was extra income, even though their daily income was higher than their husbands. Their husbands sometimes did not work because they did not have a job. It shows that there is still a public opinion that women's work that produces results is always considered additional as if it could be without additional. This assumption is due to cultural factors formulated in Article 31 of Law Number 1 of 1974 in *juncto* with Law Number 16 of 2019 concerning Marriage that, "The husband is the head of the family and the wife of the housewife." Besides that, in the next article, which is Article 34 states that (1) the husband is obliged to protect his wife and provide all the necessities of household life according to his abilities. (2) the wife is obliged to manage household affairs as well as possible. Another reason they choose to work as traders in traditional markets is that they can do this job because they do not have other skills and have low education. Besides that, the time is not all day long, so they think they can still manage the household. Women who live in the periphery, the division of roles between domestic and public/women and men are still very clear. Even though women work, they will work in the non-formal sector and often involve children in completing this work (All, 2016).

The problems they face are also classic problems related to business capital; this was revealed by five of the eight informants interviewed by the researcher. They do not trade with much capital, but with mediocre capital. It is because of the main capital at the same time mixed with household finances that are used to meet essential needs so that if there is a sudden need, which is more than usual, the capital will be used first to meet those needs. One of the efforts to be able to return trading (selling) is by borrowing. In terms of lending, they never think about the interest; what they have in mind is that they can return to selling and can be additional income to meet family needs. Besides, that in their mind is ease to get the loan.

Therefore, their escape to maintain their business continuity is *Plecit* Bank. According to them, *Plecit* Bank is a person who can help them in capital difficulties. They know that there are institutions that can provide capital

loans other than *Plecit* Bank, namely Baitul Mal WaTanwil (BMT) Sakinah in Bekonang, BRI Bekonang, and the District Credit Sector Agency (BKK), but they do not use these institutions to take loans as business capital. Their reason is that borrowing from a bank is a complicated procedure because they have to fill out forms and have to provide collateral such as a *layang pit* (another name for BPKB), whereas they don't have a *layang pit*, which could be in the hands of their husband or child, so they need to ask permission their husband or their child, and they don't want to do this. On the other hand, there are also objections from the traders who want to owe to the bank because their motorcycle could be the only one they which is as transportation to market every day for a living.

In the loan application system to Bank *Plecit*, they do not need a guarantee, because their average loan is only under five million rupiah. Unless they want a loan of more than five million rupiahs, there is a Blank *Plecit* which requires a guarantee. Therefore, formal financial institutions (banks) and non-bank financial institutions often think that providing loans to the informal sector is risky because their loans are too small and cannot offer a guarantee. It is a form of uncertainty and bank distrust in the informal sector (Development Asia, 2020), even though the informal sector can reduce poverty.

Another convenience, according to them, is a payment system with flexible installments, known as *lebon*, it means that they themselves will determine the time of the *lebon*. The time for *Lebon* varies; there are every day, every *pasar* day (Kliwon), every week, some even every month, but the time which is often used is daily *lebon* and *lebonpasar*. Determination of interest by *ngrolasi* (20% of total debt), or *nelulasi* (30% of total debt), or *nyewelasi* (10% of total debt). However, the popular interest used by *Plecit* Bank is the *nyewelasi* or *ngerolasi* interest system. Payment usually can be made in 8 weeks, 12 weeks, or more as agreed¹. From these matters, the money lending agreement between women traders of traditional markets in Mojolaban and Bank *Plecit* is still very viscous with the private element itself. Most traditional market traders, especially women, consider Bank *Plecit* as individuals who try to help traders who have difficulty in trading how to provide loan services and collect interest on repayment.

4. Conclusion

Plecit Bank not including banking or bank because he is an individual who is providing money lending services such as those found in banking or banks. Thus, *Plecit* Bank cannot be subject to regulations regarding the Banking Law. The law that applies to *Plecit* Bank and the money borrower (women traditional market traders) is a pluralistic private law, among others, can refer to the Civil Code, Islamic law, or customary law. The regulation regarding the provision of money lending itself is regulated in Article 1754 of the Civil Code, which is more clearly written in Article 1756 of the Civil Code. Interest charged at money return the time is also permitted by the Civil Code, but interest in money is prohibited in Islamic law, and even it is haram.

The view of women traditional market traders about *Plecit* Bank is beneficial for their business's continuity. Thus *Plecit* Bank has a significant role. It is because of the conveniences provided, among others, there is no guarantee, and no need to fill out forms, an installment payment system based on mutual agreement, and mutually agreed on interest rates. Reflecting on the convenience provided by Bank *Plecit*, the government (local/village) should make more accessible the low-number credit application mechanism. Socialization by the village

¹ Results of interviews with informants, *fussy* it means that every debt of Rp. 1,000, must return Rp. 1,100, *ngrolasi* means that every debt of Rp. 1,000 has to pay Rp. 1,200.

government to the society regarding access to people's credit, which is also needed.

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