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The Phenomenon of Credit in Rural Communities (Case Study: Motorcycle Loans in the Nagari Gunung Padang Alai Community, Padang Pariaman Regency)

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ABSTRACT

The inclusion of transportation to Nagari Gunung Padang Alai, Kecamatan V Koto Timur, Padang Pariaman Regency, has changed the perspective of community members to become more consumptive. Purchasing a motorcycle on credit was carried out. Motorbikes are used by community members as a means of transportation. This research was conducted with the aim to see the community's strategy to pay off motorcycle loan installments. This type of research is qualitative, namely research to produce descriptive data in the form of written or oral words from informants and their observed behavior. This type of research is a case study that is useful to highlight the life behaviors of individual groups. The research subjects were members of the public who bought motorcycles on credit, Wali Nagari, and the motorcycle credit management agency. The techniques used to obtain data are interviews, observation, and documentation
Keywords: fenomena, credit, consumtive

INTRODUCTION

Globalization is an inevitability and its presence is inevitable for each country in the world. Globalization has brought about the development of science and technology and has brought changes to almost all aspects of human life. Not only touching urban areas, but also touching many rural areas, so that the face of the village has shown changes. One form of change can be seen from the number of motorized vehicles, both four-wheeled (cars) and two-wheeled (motorcycles), which currently have reached rural areas. Especially regarding motorcycles, the availability of motorcycle transportation facilities can increase the frequency of contact and economic relations between village communities and urban communities.

In the past, motorcycle ownership has been able to raise the status or social status of a member of the community in the eyes of other members of the community. Today, a person's social status can no longer be determined by ownership of a motorcycle, because motorcycles can now be owned by individuals from the lower middle class of the economy. They are able to buy motorcycles because of the credit system proposed by motorcycle credit service companies to make it easier for community members to own motorcycles.

The people of Nagari Gunung Padang Alai, East V Koto District, Padang Pariaman Regency, basically have a simple and agrarian lifestyle. One of the habits that still exists today is to buy various kinds of goods, such as clothes and household appliances, with a credit system. Based on the results of an interview with the Wali Nagari Gunung Padang Alai, the ownership of goods on credit in this

area has been growing since the 1980s. The tendency of people to buy necessities on credit is getting higher because today's credit system increasingly offers various conveniences to members of the community in making credit. For example, in crediting clothes, community members are even given the freedom by creditors to pay an amount of Rp. 10,000 to Rp. 20,000 per week until the installments are paid off.

Since 2000, the transportation route in Nagari Gunung Padang Alai has begun to be smooth, so that people who want to travel no longer have to walk. The entry of various means of transportation, such as cars and motorcycles into this area is then used by dealers, especially motorcycle *dealers* to market their products. They also make it easy for people to be able to own motorcycles. In attracting debtors, the company that sells motorcycles runs a credit purchase system. In subsequent developments, this system of buying motorcycles on credit then became the main alternative for the community in an effort to meet the need to own a motorcycle. With a fund of Rp. 1,000,000,- someone can already own a motorcycle.

Based on the assessment from the Wali Nagari Gunung Padang Alai, it turns out that from 1980-1990, community members tended to credit clothing materials and agricultural needs, such as fertilizers, pesticides, and agricultural tools. In 1991-2001, members of the community credit more for household needs, such as glassware and household furniture. In 2002 until now, members of the public are more likely to credit motorcycles. This tendency is caused by the process of getting a motorcycle very easily.

A person's courage to make credit is certainly based on the consideration that he will be able to pay off the credit installments (Sitorus, 2018:18). The problem now is that most of the people of Nagari Gunung Padang Alai, East V Koto District, have a standard of living that can be categorized into the lower middle economic class (most of them work as farmers), but they take a lot of credit. Taking credit indicates that the community member has been prepared in an effort to pay his installments. The preparation, of course, is related to the strategy that they have set in advance before taking an item on credit. The determination of the loan installment repayment strategy is of course also adjusted to economic conditions and the type of work of community members who make loans.

Basically, credit can be equated with a loan, where goods purchased by a member of the community are still "loans" until the payment installments are paid off (Damsar, 2012:12). Furthermore, the credit system has an impact (consequence) on the members of the community who do so. The impact of implementing a credit system can occur in various fields, such as the financial sector, where by making credit, a member of the community or family member will reduce the amount of income because half of the income must be used to pay credit installments (Damsar, 2006). In addition, the credit system can also have an impact on household harmony, where credit is often a trigger for quarrels between husband and wife due to problems paying their installments. (Sobirin, in *http:www//internasional.com*).

If associated with the tendency of members of the Nagari Gunung Padang Alai community in making motorcycle loans, based on the results of an interview with the Wali of Nagari Gunung Padang Alai, community members in this nagari have various strategies in an effort to pay off credit installments. It is interesting to know what strategies they do in an effort to pay off credit installments.

METHODS

This research is a qualitative research which is a research to produce descriptive data in the form of written or oral words from the informant and his observed behavior (in Moleong, 2012:73). With this qualitative approach, the author can obtain information about motorcycle loans in the countryside. In addition, the selection of a qualitative approach is due to the fact that this approach is able to find the definition of the situation and social symptoms of the research subject. The definition includes the behavior, subjective motives, feelings and emotions of the person observed by the researcher (in Chadwick, 2011:239).

The type of research used is case studies, namely multiple case studies and *single level analysis*. Multiple case studies and *single level analysis* are case studies that highlight the life behavior of a group of individuals with one important problem. By using this type of case study research, the author can explain about people's behavior in crediting motorcycles.

The informants in this study were selected through a *purposive sampling technique,* namely the informants who were asked for information about motorcycle loans The informants were individuals who bought motorcycles with installments (credit), the Wali Nagari Gunung Padang Alai, employees of each *dealer* who managed the credit service system in Nagari Gunung Padang Alai.

The techniques used to obtain data are:

1. Observation

   The observation made by the author is a limited participation observation, which means that the presence of the researcher at the research site is known by the informant. Observations were made by looking directly at the economic conditions, daily routines, and environmental conditions of people who make motorcycle loans. The author also took the time to join the family of one of the informants when making installment payments to one of the motorcycle dealers. In addition, observations were made to find out about the community's strategy to pay off motorcycle loan installments.
2. Interview

   The interview technique used in this study is a free and in-depth interview *(in-dept interview*) through unstructured questions using interview guidelines.
3. Documentation

   The author's secondary data was obtained from archives and documents at the office of the Gunung Padang Alai Guardian Nagari as well as from the annual report of motorcycle credit service companies and data from the Padang Pariaman Regency Transportation Office.

Data validity (data *triangulation*) is a question asked to different informants to obtain valid data by re-checking existing observation and interview data. The author will interview several members of the community who credit motorcycles at different times and places. In addition, the author also conducted a re-interview with the informant who had been interviewed previously if the author was not sure of the informant's answer related to the purpose of this research. The author also checked the validity of the data by asking several *pointers* to the Wali Nagari Gunung Padang Alai, as well as to the *FIF* and BAF dealers.

Data analysis is carried out as revealed by Miles and Huberman (in Sitorus, 2018) with three analysis paths, namely: *the first path,* data reduction, namely the selection process, simplification, abstraction, and transformation of data in the field. The abstraction in question is to make a summary of the research process on motorcycle debtors. *The second* path, namely data presentation, here the author tries to present data based on information obtained in the field into appropriate sections, while incomplete data will be traced back to the field. The *third* path is drawing conclusions, here the author draws a conclusion about the data that has been presented at the data reduction stage.

RESULT AND DISCUSSION

Debtor's Strategy in Paying Off Motorcycle Loan Installments

Nagari Gunung Padang Alai is part of East V Koto District, Padang Pariaman Regency, West Sumatra province. The area, which was originally 69% of the forest area, makes many of its residents engaged in agriculture. Data shows that of the total population, as many as 7,383 people, as many as 2,787 residents work as farmers. This shows that almost 50% of the population of Nagari Gunung Padang Alai are farmers and the other 25% are farm laborers, which is a total of 731 people. If the outline is drawn, then the economic condition of the residents of Nagari Gunung Padang Alai is in the lower middle class.

The farming community depends on the fields they own. In one year, the Nagari Gunung Padang Alai farming community can harvest three times. Some types of agricultural commodities planted by the people of Nagari Gunung Padang Alai include sugarcane, rice, soybeans, peanuts, long beans, corn, bananas, and vegetables such as; eggplant, spinach, kale, and chili. Before the existence of vehicles, people brought home the crops that were put in a "garobak" pulled by buffaloes or carried by the farmers themselves from the fields to their homes. The work is carried out every day during harvest time. Often carrying a heavy burden makes people complain of gout, tingling, and aches. In such a situation, people decided to buy motorcycles to transport their crops. Not to mention other economic needs such as paying children's school tuition fees every month, giving pocket money for their children, invitations that come at the same time such as *baralek*, *gala batagak* bakata, circumcision, visiting the sick, and other events. In conditions like this, people choose alternative roads to buy motorcycles on credit.

Motorcycles for the people of Nagari Gunung Padang Alai have become a very primary need. In addition to being used as a means of transporting agricultural products, motorcycles also make it easier for farmers to carry out their daily activities. To meet one of these primary needs, people buy motorcycles at local dealers. However, the need for motorcycles that are not accompanied by supportive economic conditions make it impossible to buy in cash, so the people of Nagari Gunung Padang Alai prefer to buy motorcycles on credit. Indeed, when viewed in general, the need to have their own vehicle for a family is increasing. Especially for rural communities who are still minimal or even untouched by public transportation services. With the existence of motorized vehicles, they can make contact with people from the outside, and are even able to relate to urban communities, where previously, they had difficulty in communicating with urban areas. For wealthy families, of course

this is not a problem, but for families who have a lower middle class of living, of course, they have to think twice about buying a motor vehicle in cash. That means it must be purchased in installments or on credit. Most rural people, especially in Nagari Gunung Padang Alai, can only use the income they get every day to meet their daily needs. If there are members of the community who dare to buy a motorcycle with a credit system, of course they already have a certain strategy that will be used in order to pay off motorcycle loan installments. Based on the author's interviews with informants consisting of community members who buy motorcycles on credit, it is a fact that the strategy carried out by the Nagari Gunung Padang Alai community in an effort to pay off the installment of motor vehicle loans is to borrow money, find alternative jobs, pawn property, and pawn the credited motorcycle to other parties.

Below will be a complete description of the four strategies used by community members to pay off the motorcycle loan installments.

1. **Borrowing Money**

   In meeting the needs of human life, they always carry out activities. Once one need is met, a new need arises because the human being is never satisfied. In achieving their goals, humans always do various ways to achieve their desires, including asking for help from other humans around them. Therefore, humans need to relate to others. Without dependence on other humans, humans will not be able to get their desires.

   In Nagari Gunung Padang Alai, one of the strategies used by the community in an effort to pay off the installment of the purchase of a motor vehicle on credit is by borrowing money from others. This was experienced by Ade (25 years old), who has a Supra Fit motorcycle that was purchased on credit. Ade works as a construction worker and admits that the salary he gets is not enough to meet his daily needs. In addition to having to send 2 of his younger siblings to school, Ade also had to spend money to pay his motorcycle loan installments. The insufficient income is what forced Ade to borrow money from others, even though he had to suffer a small loss due to the interest on the return. This method makes Ade feel a little safe in running a motorcycle loan.

   So, here it can be seen that Ade pays motorcycle loan installments by borrowing money from "tukang *julo-julo*", who can borrow money starting from Rp. 1,000,000,- to how much people can afford to pay every day. If you borrow Rp. 1,000,000,- then the money that must be paid in installments every day is Rp. 11,000,- for one hundred days. This convenience is not only felt by Ade but also by other community members who experience difficulties both in doing business and doing other activities. This is where the ease of Ade paying his motorcycle loan lies.

2. **Other Job Alternatives**

   The growth in the number of motorcycles is growing rapidly in line with the level of need for 'affordable' means of transportation for citizens of the lower middle economic class and is also supported by the ease of ownership. Low interest loan facilities and down payments below one million, have become attractive factors that encourage consumers to visit motorcycle *dealerships*, even though later they will have to make various efforts to be able to pay off credit installments every month.

In addition to borrowing money from others, there is another strategy carried out by most of the Nagari Gunung Padang Alai people in an effort to pay off motorcycle loan installments, namely choosing other job alternatives. This is in accordance with the experience of Cun (35 years old), who has a Vega R type motorcycle purchased on credit. With installments for 24 months, the amount of installments each month is Rp. 750,000,- so far Cun has worked as a farmer but after buying a motorbike Cun does not only rely on his farm work because it is not enough for his daily needs, the results of Cun's farming are only enough to eat because the income must be divided in half with the owner of the rice field. This is what makes Cun difficult, which is coupled with expenses for credit installments every month.

At a different time, the researcher also found information from Mrs. Er (32 years old) who stated that she paid the motorcycle installment by selling cakes. Previously, Mrs. Er only worked as a housewife, but after a few months, Mrs. Er was forced to look for another alternative job, namely by selling cakes made by herself, so that the credited motorcycle could be paid off.

Based on the researcher's findings, it can be seen that in paying off motorcycle loan installments, the debtor does various ways and businesses, such as what Mrs. Er, did, namely selling cakes, so that the motorcycle credit is not taken by the dealer. The courage in buying a motorcycle in the community is very high, even by going through various work challenges. These credit installments vary, some have a repayment period of up to 2 years, 3 years, and so on depending on the First Fund (DP) given to the dealer.

3. Pawning Property

The uncertain economic conditions and changes in people's lives that have hit Indonesia in recent years have changed the mindset and views of the people of Nagari Gunung Padang Alai in an effort to pay motorcycle loan installments.

In addition to the strategy of borrowing money from others and other alternative employment strategies, there is one more strategy that can be done by the people of Nagari Gunung Padang Alai, namely pawning their property. This is in accordance with the story of Dt. Angkai (45 years old), who works as a farmer every day. He bought a motorcycle on credit for about 2 years ago with monthly installments of Rp. 780,000,- . Dt. Angkai admitted that he could no longer afford to pay credit installments if he only relied on his agricultural products which often experienced crop failures. Finally, Dt Angkai mortgaged a piece of land so that the credit covered every month could be repaid.

Accordingto the explanation from Dt. Angkai above, he mortgaged because he could no longer find another way, one of which was to acquire a piece of land. Here, Dt. Angkai not only thinks about money for credit installments but also family living expenses. He is afraid that later the motorcycle will be towed by the dealer company even though the motorcycle loan is already halfway through.

Profitsfrom debt are indeed impossible. So, no matter how you do it, members of the community who do motorcycle loans are forced to bear the risk of paying their

motorcycle loan installments. This condition is indeed concerning, but the credit service can also do nothing. The above indicates that what happens in the debtor's household, the motorcycle credit service company does not bear the risk, including if someone mortgages assets in an effort to pay motorcycle loan installments.

4. **Pawning a Motorcycle to Another Party**

   A different strategy in an attempt to pay off the motorcycle loan installment was carried out by At, 29 years old, who works as an agent. He was determined to double his motorcycle to others. This was done by At because he could no longer afford to pay credit installments every month. Even though on the first Sunday when the credit started, At received a warning from the motorcycle credit company. Even though At knew that the act of pawning was very risky, but At still did it.

   Based on the findings above, the researcher also collected information from parties who provide credit services to debtors. When met by the informant researcher, it was revealed that there were indeed some debtors who pawned motorcycles to other parties because they could no longer pay installments. Based on the confession of the informant above, it can be said that if the ability to pay credit no longer exists, then the individual takes an action such as the act of pawning a motorcycle to another person, but this action is often known by the company, which of course the credit must bear the losses experienced.

Thus, it can be said that the phenomenon of credit, especially motorcycle loans, has been carried out for a long time by the village community. Various strategies are carried out to be able to get motorcycles, then motorcycles are usually used as a means of transportation for them.

CONCLUSION

By As a result of the research that has been carried out, it can be concluded that the strategies of individuals to pay off motorcycle loans are: a) borrowing money from other people or to "julo-julo builders", this is forced to be done so that motorcycle loan installments can continue to be paid smoothly, b) looking for other job alternatives, even though job opportunities are narrow, but they still look for and try to do other job alternatives so that they can earn additional income to pay Motorcycle loan installments, c) procuring property, because the ability to do other business cannot be implemented, so individuals are forced to take shortcuts so that their desires can be realized. The shortcut is to pawn the property owned so that it can be used for the cost of paying motorcycle loan installments, and d) pawn the motorcycle to another party. The inability of community members to continue paying credit installments and to avoid the withdrawal of motorcycles by dealers forced them to look for another strategy, namely pawning motorcycles to other parties, with the aim that the money from the pawn could be used as funds to pay credit installments. If the credit installment has been paid off, and the party concerned has enough money, then he can pay a pawn to take back his motorcycle

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