

# Capital Development in the Mawah System (Provit-Sharing) in Arongan Lambalek, West Aceh District

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**Abstract**—The purpose of this research is to analyse the return of investment to the financier and analyse the profit to financier and breeder/beneficiaries. The analysis model used is by analyse the investment return in microeconomics related to the percentage and descriptive statistical analysis that describes the profit rate to the financier or breeder by Mawah System in Arongan Lambalek, West Aceh District. The result of this research shows that the investment return contains several stages. In the first stage, the financier/investors only get 25% while the breeder gets 75% from the first livestock breeds, the mother livestock as the first investment that was given by financier to mawah executant by 100% belong to financier. While the percentage of the second livestock breeds is 50% to financier and 50% to the breeder. The research advice is to get the companion for the village as the research place, and the devotion that gives impact to write the contract agreement so that nothing is ignored.

**Keywords**—*mawah system, beneficiaries, financier, livestock*

## I. INTRODUCTION

This system developed for a long time in West Aceh in the form of future savings, so that the results can be manifold for the investor. *Mawah* is an Acehnese language that has traditionally developed in society which means entrepreneurial livestock can also be in other forms such as providing capital to lowland rice farmers and others who are entrusted to other people with the aim of obtaining profits after the custodian or farmer produces results (*output*) for financiers. Technically, investors buy goods, it can be livestock or other goods and leave it to the farmer. The *Mawah* process occurred in the form of transactions in the form of agreements or contracts between investors and recipients of capital. Transactions that occur are called consent to the investment process, how much profit will the investor get and the person who receives the capital (*investment*). The transaction process is that the investor accepts if there is one buffalo, then the investor receives a profit in the form of 1 calf divided by the recipients of the investment. Furthermore, if there is a second calf, then one calf becomes the profit for the investor and the other one belongs to the recipient of the investment. According to Sugiharto [1], in making these investments every company will generally try to

expand its expansion in accordance with the company's goals, namely, to get the maximum profit for the company's survival. Based on this understanding of investment, *the Mawah system* can be said to be one of the ways of investing for the future with the aim of obtaining the maximum profit. But what distinguishes it from other investments is that this investment uses goods or animals that exist in the people of West Aceh District. This mawah system has become a culture if people who have a bigger capital support will invest money in buying these livestock.

Investment can be defined as expenditure or expenditure for investment or companies to buy capital goods and production equipment to increase the ability to produce goods and services available in the economy. The existence of investment is carried out to replace old capital goods that are thirsty and need to be depreciated. Based on this understanding, the Mawah system is closely related to the investment process carried out by investors with the economic objective of obtaining profits. Based on the explanation of the Mawah system in West Aceh Regency, the author wants to see how the Mawah system benefits both investors and those who receive the capital. The output target (output) for science can link macroeconomic theory with social systems in the community that have been passed down from generation to generation without any process of first analysing whether the mawah system contributes to the people of West Aceh in particular, so that this system is still running until the current condition.

Arongan Lambalek sub-district is one of the sub-districts in West Aceh Regency, which mostly implements the Mawah System. In Arongan Lambalek, there are 27 villages and 3 hamlets, the team of mawah is a tradition in Aceh Province and Pantan Bahagia Village in particular which has become a tradition from generation to generation so that it has become a community culture. Pantan Bahagia Village is one of the villages located in Arongan Lambalek District, the Mawah System continues in a *sustainable* manner. Why is it said to be sustainable because it is waiting for the process of livestock or paddy fields to produce, with the production waiting period resulting in the Mawah system process continuing and continuing. Under the terms of the investigator's this want to test how investors provide capital to farmers in the Mawah

attempt to obtain optimal results for both investors and recipients of such capital (which do Mawah). The expected result is to be able to see the benefits for investors and the benefits for the recipients of the mawah capital.

**II. RESEARCH METHODS**

*A. Scope and Place of Research*

The scope of the research is the percentage of capital gains by investors in the Mawah System and seeing the benefits of financier and beneficiaries of capital in the Mawah system, so that the Mawah system can still be maintained or not in the Village of Panton Bahagia, in particular, and as a whole for the people of West Aceh Regency. Many Mawah investors come from outside the village or Panton Bahagia District Arongan Lambalek district. The research location was determined based on purpose sampling deliberately taking the Panton Bahagia village, Arongan Lambalek District, west Aceh Regency, that the Mawah System has been carried by sustainable.

*B. Research Methods and Samples*

This type of research is a survey research method, research using respondents or a sample of 33 samples. With details of the village apparatus as many as 3 people, 10 investors and 20 recipients of capital. Tools of research that is used in the form of a questionnaire with the purpose to obtain more specific interviews and in-depth so that the research are representative. Research in the village of Panton Bahagia, District of Arongan Lambalek district of Aceh Barat, determined the location of the do how intentionally (purposive sampling), in because of the village longer apply the System Mawah on businesses farmer.

The research sample consisted of key Informants, namely village heads, hamlet heads, the number of investors could provide capital for two or more capital. Hence more recipients than the Mawah System Investors.

Methods of analysis were used in the study is in statistical descriptive. Meanwhile, to see profit by using the formula  $\pi = TR - TC$  where:

- $\Pi$  is the beneficiary's benefit.
- TR is the gross receipt received by the recipient of capital.
- TC is all costs incurred by the recipient of Mawah's capital in cultivating the investment deposited by investors.

**III. RESULTS AND DISCUSSION**

*A. Characteristics of Research Samples*

The sample characteristics, namely the beneficiaries and financiers in the Mawah system, are a reference to a drawing of conclusions on the character of the community or samples in a study. These characteristics are related to education, age,

gender, and experience. The sample in the Mawah system in Panton Bahagia Village can be seen in the following Table I:

TABLE I. FINANCIER AND BENEFICIARIES SAMPLE EDUCATION 2020

No	Sample education	Number of Samples	Percentage (%)	Number of Financiers	Percentage (%)
1	No School	2	9,53	-	-
2	Primary School	9	42,86	-	-
3	Junior High School	3	14,29	1	10
4	High School Diploma	7	33,34	6	60
5	Bachelor Degree	-	-	3	30
<b>Amount</b>		<b>21</b>	<b>100</b>	<b>10</b>	<b>100</b>

Source: Primary data (Processed), 2020

Based on the primary data above is the education of the people of Panton Bahagia Village, Arongan Lambalek District, West Aceh Regency, the percentage of not going to school is (5 percent, while diplomas/degree are not opened for breeders, the level of education has an effect on not wanting to change the people's mindset towards change and innovation. from outside. Meanwhile, financiers have a percentage of 30 percent, which means that if we inform law N 2 of 1960 regarding Profit Sharing, it can change the mindset so that it can provide enlightenment for the written agreement contract. So that there is a guarantee for the Mawah System that occurs in Panton Bahagia Village, Arongan Lambalek District, West Aceh Regency.

*B. Qualitative Descriptive Analysis*

Descriptive Profit Sharing on The Mawah System for Farmers in Arongan Lambalek, West Aceh District. From the results of Observations, interviews, and documents and analysed descriptive, Iqbal Hasan [2] explains that descriptive statistics are part of statistics that study how to collect data and present data so that it is easy to understand. Descriptive statistics are only related to describing or providing information about a data or situation. With the word descriptive statistics function to **explain the condition, symptoms, or problem**. Drawing conclusions on descriptive statistics (if any) is only aimed at existing data sets. then information can be obtained about the Profit-Sharing system in the Mawah system which has been applied from generation to generation in the village of Panton Bahagia.

*C. The Percentage of Profit Sharing from Investors and Beneficiaries in the Mawah System in Arongan Lambalek, West Aceh District*

100 percent (%) of the proceeds from the mawah system are the holding of livestock. Meanwhile, the first child from investors is three legs for the farmer, one leg for the investor. This is an unwritten agreement made by the community by using the language of the agreement without being converted, if seen from the percentage, 25% belongs to the investor while 75% belongs to the farmer for the calves of the livestock. The Mawah System was implemented based on an oral and legal agreement that had been ongoing in the research village specifically, and in general it also happened in Aceh Province. But in terms of distribution or technically it

could be related differently in terms of acceptance for Financier and Beneficiaries.

The results of the interview at the research site, the researcher can draw conclusions through the Table 2 a below.

TABLE II. THE PERCENTAGE FOR PRODUCTION SHARING IN THE MAWAH SYSTEM IN ARONGAN LAMBALEK, WEST ACEH DISTRICT

Sample description	Brood stock of livestock	First tillers	Second tillers	Unit
financier breeder/beneficiaries	100	25	50	(%)
total	0	75	50	(%)
	100	100	100	(%)

Source: Primary data (Processed), 2020

In table 2 above, it is explained that the first process of Mawah in Panton Bahagia Village provides notification that with the treatment of the agreement the investor becomes the pure owner of the parent, while the first child from the parent is the greater the percentage received by Financier (who receives livestock capital), which is equal to 75%, this is from the observations of researchers that breeders or Financier receive a large amount because the costs incurred in the maintenance process of investors do not make a real contribution, until the next stages.

The second offspring of the Mawah process, the distribution is 50% for investors and 50% for farmers or breeders, for the results or profits earned are cashed based on the price of livestock at the time of sale so, the price of the livestock varies based on the time and quality of the livestock. Based on law no. 2 of 1960 to the results set out in Article 1, paragraph (d) explains that the land produce, is the agricultural business result that held by cultivator which contained in e alphabet of this article, after deducting by the cost of seeds, fertilizer, livestock and the cost for plant and harvest, so in the first livestock the mawah executant is got bigger to cover the cost of maintenance livestock. But what concerns the public is not aware of the existence of law no 2 of 1960 regarding profit sharing. The law indicates that records or agreements in writing must be made in order to avoid undesirable things in the community in the research area.

The results of the above research need to be seen that the acquisition and distribution of livestock are both beneficial and have the same potential to develop the Mawah System to the next stage, or continuously. But what concerns researchers are the costs incurred by the breeder or those who receive Mawah or Mawah executors that are not recorded on the books. If we can provide direction and future socialization related to the making of agreements and recording financial books for both parties so that they are mutually beneficial economically and socially, in theory and apply it can be carried out systematically and transparently.

*D. Analysis of Research Results on the Mawah System*

Based on observations and field surveys as well as the results of questionnaires, the estimation results for the research data are obtained. Financier analysis results and the amount of Mawah Capital by Investors, 2020.

TABLE III. ESTIMATION RESULTS OF INVESTMENT AND CAPITAL IN THE MAWAH SYSTEM BY FINANCIER IN THE ARONGAN LAMBALEK, WEST ACEH DISTRICT

Financiers	Education	Number of Livestock	Unit	The Price of Infested Livestock/tail
A	Hight School	4	Tail	IDR 8,000,000
B	Hight School	2	Tail	IDR 12,000,000
C	Diploma	2	Tail	IDR 5,000,000
D	Diploma	2	Tail	IDR 6,500,000
E	Diploma	3	Tail	IDR 8,000,000
F	Hight School	2	Tail	IDR 8,500,000
G	Junioy School	4	Tail	IDR 8,000,000
H	High School	2	Tail	IDR 7,500,000
I	High School	3	Tail	IDR 2,000,000
J	High School	4	Tail	IDR 2,000,000
Total		28		IDR 67,500,000

Source: Primary data (Processed), 2020

In table 3, the investment value shows the amount of Mawah capital made by investors or financier to create cows, buffaloes, goats, or castrate. The capital spent by investors is from the price of livestock, which is invested in the community, while other costs are not incurred. So, we cannot calculate for the value of economic benefits. Costs and income are influenced by two factors, namely internal factors, and external factors as well as management factors [3]. Internal and external factors both influence costs and income. Internal factors include farmer age, experience, education, number of family workers, land area and capital. In the Mawah system, investors only provide investment in the form of livestock, both cattle and buffalo. So that in theory the profit cannot be calculated but based on the percentage distribution which the researcher explains that investors get a profit of 100 percent with a period of approximately three years of livestock productive life if indeed the livestock invested is already productive. But if the invested livestock does not match the production age, the waiting period for years will be longer and longer.

The capital issued by the Investor gets semi-commercial advantages. Just as the financier earns a profit as much as the first parent still belongs to the investor, the first son (I) of the investor obtains 25% of the one livestock which produces the first. For the second Tillers (II), obtaining 50% of the livestock

is 50% the right of the farmer. If in the third year of production, investors can own larger livestock, without operating costs incurred.

*E. The Results of the Analysis of Provit for Beneficiaries of Mawah System Capital in the Arongan Lambalek, West Aceh District*

In theory, profit ( $\pi$ ) is all revenue (TR) that received from the Mawah process, both the initial investment and the sale of the calves obtained from the Mawah and all operational costs (TC) incurred in the process of caring for the cattle from the Mawah. Namely  $\pi = TR - TC$ . The results of calculations using Excel are as follows in the table, below:

TABLE IV. ESTIMATING OF THE MAWAH SYSTEM IN ARONGAN LAMBALEK, WEST ACEH DISTRICT

No	Number of Farmer Sample	Average Reception	Average Cost	Farmer Sample Profit Average
1	21	IDR 9,142,857	IDR 4,081,329	IDR 5,061,528

Source: Primary data (Processed), 2020

In table 4, above average gross revenue or income is Rp. 9,142,857, this figure is the initial calculation for breeders who incur costs for raising livestock provided by the capitalist in the Mawah System, the cost incurred is Rp. 4,081,329; these costs are not recorded in the books because they use what is available for building the coop. Other costs such as the cost of raising livestock injections, medicines are also incurred but they are not recorded in an accounting manner. This is because they think what they are doing is providing benefits in the form of using large livestock such as oxen and cows which function as rice plows, even though in their village there are agricultural tools that are owned by personal both outsiders and people in the form of rent. .

The profit obtained by the capital recipient is Rp. 5,061,528; This benefit is received based on the calculation of the researcher, with the use of the theory as a whole to obtain the expected results so that it can be concluded that the Mawah system for the recipient of capital in the form of livestock provides delayed *profit (Profit Taking)* which means that short-term profits are based on certain needs. This can be seen and read in Ryan Filbert's (2015) book block entitled *Passive Income Strategy and Gold Trading Revolution*.

*F. Break Event Point in The Mawah System in Arongan Lambalek, West Aceh District*

The break-even point or principal return on a business is when the B / C ratio is greater than zero (0). According to Simamora (2012: 170), BEP or break-even point is the volume

of sales where the amount of revenue and the amount of expenses are the same, there is no net profit or loss. The break-even point obtained here is the entire sample of 24 people, so it is obtained that 14 people have a value greater than zero, while 10 people are smaller than zero, so the 14 samples provide business benefits from the Mawah System. For the 10 samples, according to the author, take the conclusion that the Mawah System has not provided any benefits because there is still an early productive year. So that the livestock productive age has an effect on the continuation of or whether or not the Mawah Business carried out in the Village of Panton Bahagia, Arongan Lambalek, West Aceh District.

IV. CONCLUSION

The conclusions in the study of the Analysis of Return on Capital in the Mawah System in Panton Bahagia Village, Arongan Lambalek District, West Aceh:

- Rate of Return on Capital The future value is greater than the present value at Mawah System, that is, the profit earned is Rp. 5,061,528; while the break-even point value of 14 people is greater than 0, while 10 sample people are less than 0. For the percentage of the breakeven point, 58% of Mawah's businesses provide benefits to the recipient of Mawah's capital, while 41% have not received direct benefits. Investors get a profit of 75% from Mawah or the investment made.
- Investors Profit an increase of 75% of the invested capital because 100% of the capital still belongs to Financier.
- The capital recipient or breeder in the Mawah system is a profit of Rp. 5,061,528; or 75% of the capital received from the first investment obtained by the Farmer.

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