

Social and Juridical Aspect Credit Agreement “Emok Bank” in Indonesia

Ida Nurhayati¹, Firda Lestari², Vindaniar Yuristamanda Putri³, Vinita Susanti⁴

^{1,2} Accounting Department, Politeknik Negeri Jakarta, Depok, Indonesia

³ Banking and Finance Administrative, Universitas Indonesia, Depok, Indonesia

⁴ Department of Criminology, Universitas Indonesia, Depok, Indonesia
Nurhayati.ida24@gmail.com

Abstract— The mention of Bank Emok among the community, especially Sundanese tribes in the Bogor area and its surroundings, describes the bank's operations carried out by women traveling from village to village to offer money lending (credit) services in a speedy and easy compared to banks in general. The research aims to represent Emok Bank as a form of banking known to the public, especially among homemakers, but not by following statutory regulations and banking law. This research method is qualitative with a normative juridical and sociological approach. It uses a proportional sample of Emok Bank customers in the Kemang sub-district, Bogor Regency. The result is that there is a controversial condition regarding what is needed. The community feels helped by Emok Bank, but the majority think that it takes work in terms of the services that must be paid for by customers and the method of payment. Likewise, its position is contrary to Contract Law and Banking Law.

Keywords—Social, Juridical, Aspect, Credit Agreement, Emok Bank

I. INTRODUCTION

The existence of banks in modern society is economically a necessity. The main business of banking is to provide credit to the public. Credit provided by banks has a broad influence on people's lives, especially in the economic sector. The emok bank phenomenon was expressed by members of Commission XI of the Indonesian House of Representatives at a meeting with the OJK at the DPR Building [1]. Emok comes from Sundanese, and the woman sits on the floor, kneeling with her legs crossed behind her. The distributor of these funds was named Emok Bank because when the transactions took place, they sat on the floor on basis, and the targets were mothers (wives).

New lifestyles encourage higher demand for loans from loan service providers or non-bank financial institutions to meet unmet needs. This credit provision is called "Mobile Bank" or "Emok Bank" [2]. Borrowing money occurs illegally. The relationship between borrowers and lenders often interacts, primarily relying on relational contracts to strengthen agreements [3]. The factor influencing financing from loan sharks is the urgent need and need for business capital. Other factors include economic, social, information, and ease of process [4].



Fig 1. Bank Emok sebagai Rentenir
Sumber, Sindo, 2023

The higher the economic pressure before getting into debt, the greater the reason for getting into debt, and the higher the financial pressure after getting into debt [5].

Socio-economic conditions and a lack of understanding of credit issues/loans to other parties by loan sharks as an opportunity to attract public interest in borrowing from loan sharks called emok banks. The background description above shows that there are several aspects, both social and juridical, that the public needs to understand in dealing with the existence of emok banks, which, in practice, act as loan sharks. Hence, the question in this research:

1. What social aspects encourage people to be interested in using Emok Bank services to overcome their economic difficulties?
2. How does Emok Bank exist when viewed from the legal aspect of agreements in the Civil Code in Indonesia?

II. LITERATURE REVIEW

The term emok bank comes from Sundanese, which means women giving money who sit cross-legged with their legs folded behind them.

The transaction system carried out by Emok Bank is by sitting relaxed in unique places such as community posts or residents' front yards.

A. Social Aspects of the Existence of Emok Bank

Bank Emok only lends money to groups of mothers and will not provide individual loans. If one group member experiences problems paying the loan, the group will jointly and severally be responsible for paying it. The conditions for borrowing or making transactions are easy: simply submitting a photocopy of your Identity Card (KTP). Afterward, Emok Bank will disburse the money according to the loan amount and within a particular time. However, even though it makes getting money more accessible, they must be careful because the money withdrawal system seems coercive and intimidating at the wrong time. Emok Bank only lends money to groups of mothers. Somebody must pay an accumulation of interest, and the group will bear it together. If one group member experiences financial problems paying interest, the group will pay jointly and severally [6]. The public feels the phenomenon of Emok Bank's existence given the ease of procedures it offers, but on the other hand, its existence has a negative side, such as loan sharks. Many people still finance money from loan sharks, and this behavior causes many problems in the order of social life [7]. The practice of loan sharking will develop under challenging times; conditions require money, but there are no goods to guarantee loans at the bank, so the choice is to use the services of loan sharks [8]. The implementation of an aggressive strategy to overcome loan sharking practices among traders in the Ulul Albab Sharia market with the SO strategy, namely using the power of the Sharia market to seize existing opportunities and using the implementation of the Sharia system in the Sharia market to support the end of the practice of loan sharking [9]. Avoiding loan shark practices includes using productive zakat funds from the National Zakat Charity Agency (BAZNAS) as business funds [10]. Bank Emok's presence can attract customers in almost every corner of the village. The easy requirement of only using an ID photo sent via WhatsApp makes it easier for Emok Bank to have many customers [11].

B. Credit agreement

A credit agreement is an agreement regarding the rights and obligations of the parties, which directly becomes law for the parties agreeing. This principle forms a contractual relationship that determines the rights and obligations of the parties as mutually agreed upon. Credit agreements are also not explicitly regulated in the Civil Code or the Indonesian Banking Law. Credit agreements generally do not have a form but are made in writing in the form of a standard contract, which has been made by the bank [12]. Credit agreements in standard form made unilaterally by the bank are still a particular legal problem in civil law agreements because the clauses in the credit agreement are determined unilaterally by the bank. Likewise, from the perspective of the agreement, it is also contrary to the Consumer Protection Law [13].

B. Juridical Aspects of the "Emok Bank" Credit Agreement

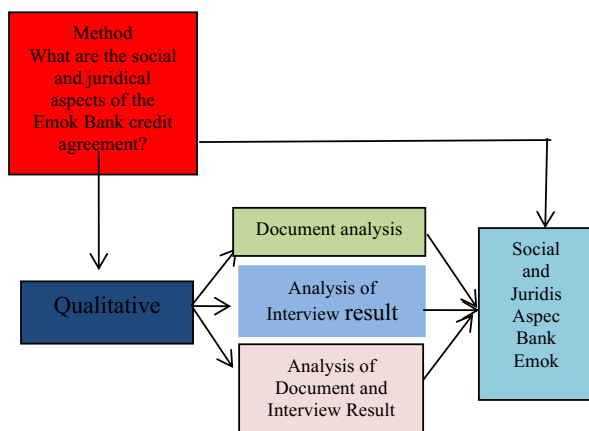
Contract Law applies in Indonesia, following Article 1313 of the Civil Code (KUHPdata), that an agreement is an act carried out by one or more people and binding itself to another or more people. An agreement made by a party has legal matters and consequences binding on the party agreeing [14]. Civil Code Article 1320 regulates the conditions for the validity of an agreement, which include an agreement between the parties, the parties are legally capable of agreeing, there is an object of the contract, and it does not violate applicable laws and regulations. The presence of the state is needed to provide legal certainty in realizing order and justice in society [15]. Emok Bank, in its implementation in the community, causes many problems. Legal counseling regarding credit agreements with banks or other parties so that they do not generate new problems that could harm poor people. The public needs to be informed that a deal made must comply with the provisions of Article 1320 of the Civil Code [16]. Banking Law Article 16, every party collecting public funds for deposits must first obtain a business license as a Commercial Bank or Rural Credit Bank from the Leadership of Bank Indonesia and the Financial Services Authority unless there are activities to collect funds from the public-separate law.

III. RESEARCH METHOD

This research uses qualitative methods using sociological, normative, and formal juridical approaches. Data was obtained from representatives of Emok Bank and Emok Bank customers as representatives of informants. Data was obtained by distributing questionnaires and free interviews. This was done so that the data obtained was broader, with questions that were flexible, but still adhered to the research objectives. Data was from legislation, literature studies, and interviews. The results were analyzed using juridical, normative, and sociological analysis related to social aspects of society and juridical elements that apply in Indonesia. The results of interviews with several parties, namely Emok Bank and Emok Bank customers and academics, aim to obtain an overview of the substance of Emok Bank; when viewed from social and juridical aspects, it will have a socio-economic impact. FGD with the same source as the informant, but in this FGD, the results conveyed through interviews were confirmed and compared with those during the FGD.

The data results are the basis for analysis of the social and juridical aspects of credit agreements between Emok Bank and its customers.

For more details, it can be described in the following flow chart:



Data also comes from several sources, namely informants, statutory documents, scientific journals, opinions of experts, and academics related to the topic of Emok Bank in making credit agreements.

IV. RESULT AND DISCUSSION

The results of this research went through several data collection processes, both secondary and primary. Primary data comes from direct interviews with informants, consisting of Emok Bank management and Emok Bank customers, especially in Parakan Jaya village, Bogor Regency, West Java, Indonesia.

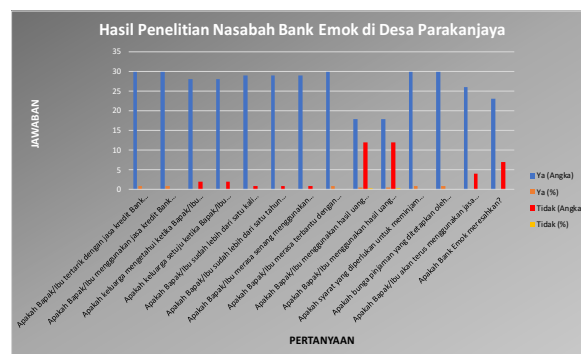


Fig 2. Summary Interview Result Emok Bank
Source : Processed, 2023

Graph 4.1 above shows that Emok Bank is unlike a Limited Liability Company or Limited Liability Company. Most of them are individual companies and do not have permits (illegal). Employee recruitment because the community still needs the existence of Bank Emok

There is no special training to become an Emok Bank employee. Salary is received every month.

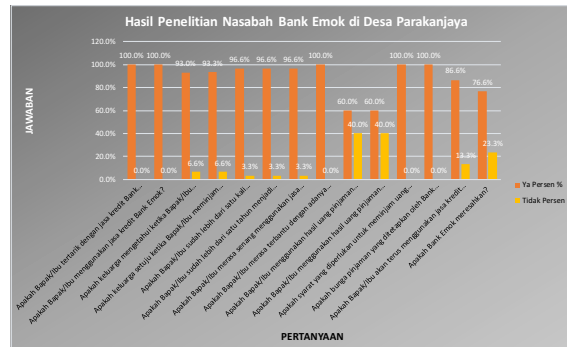


Fig 3. Summary Questioner of Customer Bank Emok Result
Source, Processed, 2023

Graphic 4.2 above shows that 100% of Emok Bank customers are interested in using loan/credit services at Emok Bank. The families of Emok Bank customers also know and agree to credit through Emok Bank by 93.3%. This shows that its existence is needed. Some customers have made credited to Emok Bank several times amounting to 96.6%. There are 96.6% who have been Emok Bank customers for more than 1 (one) year; they feel happy and feel helped by the presence of Emok Bank. 60% of the loan/credit proceeds at Emok Bank are used for daily needs and business capital.

100% of Emok Bank customers feel that the interest rate is too high, but 86.6% of customers feel that the existence of Emok Bank needs to be maintained, even though 76.6% of customers feel that its reality is disturbing.

v. CONCLUSION

Emok Bank is a form of bank that is quite well known, especially among the Sundanese people in West Java in Indonesia. Its existence is quite well-known sociologically, especially for homemakers. When looking at the credit applied from a formal legal perspective, several things need to be under the Banking Law, especially in determining interest, which is relatively higher than the interest set by Bank Indonesia (Central Bank).

Even though Emok Bank customers generally feel objections, its existence is needed to contradict the conditions experienced by people who use Emok Bank services. There needs to be regulations that protect the public, especially users of Emok Bank services, primarily through a credit agreement that can save customers socially and legally.

ACKNOWLEDGEMENT

We would like to thank the Ministry of Education and Culture of the Republic of Indonesia, the Director General and the Director of Vocational Education who have provided funding for the implementation of this research. Relikewise, the Director of the Jakarta State Polytechnic, the Head of the Research and Community Service Unit, the Head of the Accounting Department, resource persons in the FGD, informants so that we can carry out this research well. Likewise to all those who have helped in our research.

REFERENCES

1. Sugianto, D. 2019. Mengenal Bank Emok, Rentenirnya Emak-emak, di Jawa Barat, Rentenirnya Emak-emak, di Jawa Barat <https://finance.detik.com/moneter/>
2. [2] Gustiani, H. 2022. Dampak Maraknya Bank Keliling (Bank Emok) Di Kalangan Masyarakat Bungursari Kota Tasukmalaya. *ORGANIZE Journal of Economics, Management and Finance*. Vol 2. No.1 (2023) ISSN: 2963-0576 <https://organize.pdfaii.org>
3. [3] Surahmi, m. et al. 2020. Legal Protection For Victims in Agreement on Online Loan Sharks Practice in Indonesia. *International Proceeding of Law and Economic*. ISBN: 978-623-6763-07-0. <https://jurnal.pancabudi.ac.id/index.php/iple/issue/view/8>
4. [4] Pratiwi, R.H. et al. 2021. Loan Sharks and Friendly Associations. *Jurnal Samudra Ekonomi Dan Bisnis*. Volume 12, Nomor 1, Januari 2021. P- ISSN 2089-1989 E-ISSN 2614-1523
5. [5] Government of Canada. 2022. Typology of Profit-Driven Crimes. https://www.justice.gc.ca/eng/rp-pr/csj-sjc/crime/r002_3/p34.html
6. [6] Merdeka.com. 2022. Mengenal Bank Emok Rentenirnya Emak Emak
7. Yang Meresahkan Masyarakat Desa Di Jawa Barat. <https://www.merdeka.com/jabar/bank-emok-renterir-emak-emak-yang-meresahkan-masyarakat-desa-di-jabar.html>

8. [7] Rizal, D. et al. 2023. Model of Prevention of Loan Sharking Practises Through Pentahelix Based-Sharia Financing Regulation Literacy in Tanah Datar Regency Community. *Ekonomi Syariah. Journal of Economic Studies*. Vol 7 No 1 Edition June 2023. <https://ejournal.uinbukittinggi.ac.id/index.php/febi/article/view/6264>
9. [8] Winarsasi, A.P. 2022. Juridical Analysis Credit Agreement Made Under the Hand. *International Journal of Multicultural and Multireligious Understanding*. Vol. 9 No. 3. <https://ijmmu.com/index.php/ijmmu/article/view/3550>
10. [9] Aquino, A. et al. 2019. Strategi Penanggulangan Praktik Rentenir. *Jurnal Daya Saing*. Vol. 8 No.2. <https://ejournal.kompetif.com/index.php/dayasaing/issue/view/23>.
11. [10] Cupian, et al. 2023. Peran Baznas Kota Padang Panjang Terhadap Pengurangan Peminjaman Pedagang Kepada Rentenir. *Jurnal Ilmiah Ekonomi Islam*. Vol. 9 No. 2. <https://jurnal.stie-aas.ac.id/index.php/jei/article/view/8189>.
12. [11] Mulyadi, S, I, et al. 2022. Realitas Bank Emok Bagi Masyarakat (Studi Fenomenologi Tentang Realitas Bank Emok Bagi Masyarakat Di Desa Karang Mukti Kecamatan Cipeundeuy Subang). *Nusantara Jurnal Ilmu Pengetahuan Sosial*. Vol. 9 No. 10. <http://jurnal.um-tapsel.ac.id/index.php/nusantara/article/view/8924>
13. Mulyati, E. 2016. *Kredit Perbankan*. PT Refika Aditama, Bandung. Halm. 102.
15. Suryaningsih, D,Y,K, and Gorda, R,T,N. 2021. New Clause in Bank Credit Agreement in Relation to Consumer Protection Act (Study on PT Bank Negara Indonesia, Tbk. Denpasar Banch). *Public Inspiration: Jurnal Administrasi Publik*, 6 (1) (2021), 1-7.
16. Surahmi, m. et al. 2020. Legal Protection For Victims in Agreement on Online Loan Sharks Practice in Indonesia. *International Proceeding of Law and Economic*. ISBN: 978-623-6763-07-0. <https://jurnal.pancabudi.ac.id/index.php/iple/issue/view/8>
17. Winarsasi, A, P. 2022. Juridical Analysis Credit Agreement Made Under the Hand. *International Journal of Multicultural and Multireligious Understanding*. Vol. 9 No. 3 <https://ijmmu.com/index.php/ijmmu/article/view/3550>
18. Budiman, H, et al. 2021. Sosialisasi Undang-Undang Nomor 10 Tahun 1998 Tentang Perbankan Untuk Mencegah Meluasnya Bank Emok Pada Masyarakat Tidak Mampu. *Empowerment. Jurnal Pengabdian Masyarakat*. Vo. 4. No 2.
19. Pratiwi, R,N. 2021. Loan Sharks and Friendly Association. *Jurnal Samudra Ekonomi Dan Bisnis*. Vol. 12 No. 1
20. Civil Code
21. Banking Law

[

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

