

Identity and rationality in Sharia economic practice: A study at Arrahmah Sharia Consumer Cooperative, South Kalimantan Province

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ABSTRACT

Introduction

The Sharia consumer cooperative is one of the many legal forms of Islamic economic activity in Indonesia, including South Kalimantan Province. However, studies on the identity and rationality of this practice are still limited.

Objectives

This research aims to understand how Islamic identity influences economic decisions and how Sharia economic rationality is reflected in the practices of consumer cooperatives. The selection of Arrahmah Sharia Consumer Cooperative (*Koperasi Konsumen Syariah Arrahmah*) as the subject of the study is based on the institution's claim to be "more Sharia" compared to other cooperatives or Sharia financial institutions.

Method

A qualitative research method was employed using in-depth interviews and observations as data collection tools. Qualitative research was chosen for its relevance to case studies that required in-depth data exploration.

Results

The findings indicate that Islamic identity plays a key role in shaping the economic preferences of cooperative members, whereas Sharia economic rationality is reflected in the principles of justice and sustainability. In the context of Arrahmah Sharia Consumer Cooperative, the institution's assertion of being "more Sharia" is driven by knowledge of *fiqh muamalah*, particularly the section on usury and its dangers conveyed by Salafi scholars in study forums, websites, and other mass media. This knowledge serves as the main foundation and source of community identity, which distinguishes them from other cooperatives or financial institutions.

JEL Classification:

D24, D31, L10, Z12

KAUJIE Classification:

H34, M42, I7

ARTICLE HISTORY:

Submitted: January 26, 2024

Revised: February 23, 2024

Accepted: February 25, 2024

Published: February 26, 2024

KEYWORDS:

identity, rationality, Sharia economic practice, Sharia consumer cooperative

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PUBLISHER'S NOTE: Universitas Islam Indonesia stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.



ABSTRACT

Implications

The success of Sharia economics lies not only in economic rationality, but also in the understanding and application of religious identity in every aspect of economic activities. Both are complementary and mutually supportive in achieving sustainable economic development goals, in line with religious values.

Originality/Novelty

This study provides insights into the dynamics of identity and rationality in the context of Sharia economics, focusing on the practices of consumer cooperatives in South Kalimantan.

CITATION: Hafizah, Y., Nilasari, E., Syarqawie, F., Jahra, P. M., & Noorwahidah. (2024). Identity and rationality in Sharia economic practice: A study at Arrahmah Sharia Consumer Cooperative, South Kalimantan Province. *Journal of Islamic Economics Lariba*, 10(1), 131-148. <https://doi.org/10.20885/jielariba.vol10.iss1.art8>

INTRODUCTION

Identity and rationality play a central role in Shariah economics in Indonesia, forming the foundation for the values and economic decisions made by individuals, groups, or institutions (Lisa, 2021). Identity is commonly associated with ideological-emotional considerations, whereas rationality is related to profit and loss calculations that are applicable to general economic practice. A fundamental issue in Shariah economics or Islamic economics in Indonesia is that despite its apparent rise with the establishment of the first Shariah bank, Bank Muamalat Indonesia (BMI), in 1991, its market share in this predominantly Muslim country remains quite low, accounting for only approximately 7.09 percent of national banking assets (Respati & Pratama, 2023). As explained in several studies, the limited market share of Shariah economics is attributed to the fact that rational considerations continue to influence Indonesian Muslims to choose Shariah banking products or services. Pepinsky (2013), for example, indicates the absence of a symmetric relationship between observed piety in Indonesian Muslim society and the inclination to use Shariah banking products. The Financial Services Authority (*Otoritas Jasa Keuangan* abbreviated OJK in Bahasa Indonesia) suggests a similar trend, with profit-oriented rationality still being a consideration for people using Shariah banking services (Idris 2016). Another criticism is the lack of trust in Islamic banks' Shariah compliance (Saidi, 2019). There is a common expression in the community that Shariah banks are just the same as conventional banks, and in fact, Shariah banks are more expensive in terms of fees compared to borrowing from conventional banks (Suretno & Yusuf, 2021).

Although the market share of Islamic banking in the banking sector is relatively low, there remains a high enthusiasm for the development of Shariah economics within the community. Sakai (2014) indicates that among certain Muslim groups, there is a strong effort to develop and promote Islamic finance through deeds with the establishment of BMT (Baitul Maal wat Tamwil), which serves the finances of small to medium-sized enterprises based on Islamic principles (Sakai, 2014). Furthermore, the development of BMT, later known as Shariah cooperatives, is often motivated by the

desire to base all financial activities on Islamic teachings. In this respect, identity seems to remain a consideration for the community in the use of Shariah economic services (Amalia, 2009; Nugraha, 2018).

In connection with this, there is a Shariah financial institution in the form of a cooperative called Arrahmah Sharia Consumer Cooperative (*Koperasi Konsumen Syariah Arrahmah* in Bahasa Indonesia), with four branches spread across several districts in South Kalimantan Province. It envisions a professional cooperative that adheres to the guidance of the Qur'an and Sunnah and the understanding of the Companions. This vision is articulated in a statement on their website declaring that their institution is "more Shariah, God willing, compared to other Shariah or conventional cooperatives or financial institutions in general." This statement serves as both a tagline and an identity for the Shariah economic movement that distinguishes it from other financial institutions (Sutjipto, personal communication, October 2021).

What is unique about Arrahmah Sharia Consumer Cooperative is that in addition to ideological and emotional claims that they are more Shariah than other similar cooperatives or Shariah institutions, they promote the advantages of joining their cooperatives, emphasizing easy services and substantial assistance to members. This rational consideration is key for potential members. Arrahmah Sharia Consumer Cooperative has members who are generally affiliated with the Salafi-Wahabi community. This group is popular among middle-class Muslims who, while wanting to practice Islam comprehensively, also seriously consider rationality due to their relatively high level of education (Abidin & Hafizah, 2019). In business, rationalists generally focus on profits and losses.

While rationality is often a significant consideration for some Shariah economic activists, others may prioritize identity without giving due consideration to rational aspects, leading to biased views on Shariah economic practices. This perspective is not entirely incorrect, considering that the literature suggests that identity is crucial for building and developing social movements or communities. Social identity plays a vital role in how individuals and groups participate in social and economic transformations (Castells, 2011; Wicklund, 1999). Social identity can be utilized to build ideology and foster solidarity (Osa, 1997), resilience, and a strong sense of unity (Frundt, 2005; Hund & Brenford, 2004).

While it cannot be denied that identity is the initial capital for the development of Shariah economics, focusing solely on this aspect makes it difficult to achieve significant growth in its market share of Shariah economics. This article examines identity and rationality in the practice of Shariah economics, as exemplified by Arrahmah Sharia Consumer Cooperative.

LITERATURE REVIEW

There are three main keywords in this study: identity, rationality, and cooperatives. First, concerning identity theory, Barker (2003) defined identity as something inherent and intrinsic to an individual that distinguishes them from others. Identity is the

internal meaning attached to an individual as a unique actor and/or member of a group (Davis et al., 2019). Breakwell (1987), as cited by Vignoles et al. (2000), explains four identity principles guiding the intra-individual process to shape identity: uniqueness, continuity, efficacy, and self-esteem. 339). Uniqueness represents the desire to maintain differences from others, to preserve one's distinctiveness, and make recognition easier. Continuity involves adaptability to the situational and temporal contexts. Efficacy refers to an individual's belief in their ability to successfully resolve issues. Self-esteem is an individual's self-perception of value and love (Ernawati, 2011).

In a broader context, collective identity can be understood as an individual's awareness of belonging to a specific social group, collectively managing emotions and values from various social identities, and considering themselves as part of a group with the same social category. Hogg (2001) explains that social identity is self-awareness in intergroup relations or interpersonal relations among members of small groups. Social identity is shaped by internal and external factors and is often built on assumptions within the group, typically with a positive bias. Social identity formation involves categorizing oneself and others, leading to group contestation to compare positive aspects with other groups, which is known as the internal group prototype (Hogg, 2001; Hogg et al., 2004).

Blumer (1969) emphasizes that the development of collective identity must foster esprit de corps among members, formal interactions between group members and individuals outside the group, and formal organizational rituals or ceremonies (Hund & Benford, 2004). In this context, the question that arises most frequently is how the process of integrity formation, solidarity building, and commitment strengthening occurs among group members involved in collective action (Sukmana, 2013).

In Islamic-based economic movements, identity is brought forth and becomes a distinctive feature embedded in every operational aspect of financial institutions. Grounded in Islamic teachings, a financial institution must adhere to the following principles: (1) avoid usury practices in all transactions; (2) conduct business activities with principles of equity, fairness, and transparency; (3) form mutually beneficial partnerships; (4) earn business profits through halal means; and (5) fulfill its social function by accepting and disbursing zakat funds from the community (Zahrawani & Sholikhah, 2021).

Second, rationality is understood to be derived from logical thoughts and considerations. Linguistically, it can be defined as the quality, state, and level of logical thinking and reasoning (Boettcher, 2004). In the study of social movements, resource mobilization theory explains the growth of a movement based on rationality. Individual interests and involvement are often influenced by the calculation of benefits and losses when deciding to be part of a movement. Various costs such as time, money, and personal safety are considered. Therefore, rewards such as prestige, salary, and leadership are realized when joining the community (Sukmana, 2013). Rational considerations from this theory also highlight the importance of organizational structure factors, such as the availability of organizational resources, competent

leaders, member skills, and established networks (Klandermans, 1984; Klaridermans, 1986). Therefore, effective management strategies are essential.

Effective management can be observed in how an organization coordinates and controls the working relationships among its units and external parties. The mechanisms of the system can be accomplished when management functions effectively, emphasizing accountability and transparency. Therefore, a leader is required to have the ability to design plans, organize and mobilize subunits, and control and evaluate organizational performance to achieve organizational goals (Abdullah 2014).

Third, cooperatives, integral elements of the economic system, are intended to contribute to the welfare of members and the wider community. Hatta, as quoted by Efendi, states that cooperatives are collectively built business entities based on the principles of kinship. The main principle is cooperation that fosters a family like atmosphere among individuals, free from oppression and coercion (Efendi & Bakhri, 2018). Cooperatives are believed to be a form of grassroots economic movement that is expected to enhance the well-being of its members and compete with private and state-owned enterprises (Amaliah et al., 2024).

Viewed from the principles and values underlying them, there are two types of cooperatives: conventional and Shariah. Shariah cooperatives have different supervisory mechanisms than conventional cooperatives (Fidiana, 2017). For example, conventional cooperatives are supervised mainly by cooperative managers, while Shariah cooperatives must have a Shariah Supervisory Board (*Dewan Pengawas Syariah* abbreviated DPS in Bahasa Indonesia), as mandated by the Minister of Cooperatives and Small and Medium Enterprises Regulation No. 11 of 2017. The DPS is responsible for overseeing the consistency of the institution in applying the Shariah principles in its operations, products, and contracts. Based on their functions, both conventional and Shariah cooperatives are divided into several types: production, consumption, service, savings and loans, and business cooperatives.

METHOD

This study was a qualitative field research study. Qualitative research is an approach aimed at in-depth understanding and explaining phenomena through the interpretation and analysis of their context, meaning, and complexity. In qualitative research, researchers collect non-numerical data such as interviews, observations, or written materials to develop a deep understanding of a topic or issue. The qualitative method emphasizes subjectivity, context, and human complexity, and is often used to explore perspectives, experiences, and the underlying meanings of the phenomena under investigation. Qualitative research can provide deep insights, depict diverse perspectives, and offer a rich context to address research questions.

In the context of this study, the researcher aims to undertake the actions described above by conducting data exploration in the field related to the practice of Shariah economics carried out by Koperasi Konsumen Syariah Arrahmah in maintaining and upholding their identity as the first Shariah cooperative in South

Kalimantan, which declares itself free from usury practices. This cooperative is located in South Kalimantan with branch offices in Banjarmasin, Martapura, Hulu Sungai Tengah, and Kotabaru.

To obtain and collect data in the field, in addition to direct observation, interviews were conducted with a number of participants and informants directly involved in the cooperative's management, such as the cooperative chairman, board members, and selected cooperative members capable of providing the required information. The interviews were conducted by visiting the locations where the informants were present. The obtained data were selected, grouped, and systematically organized into descriptions. Reflective (deductive-inductive) and divergent thinking (creative-innovative) methods were used to draw conclusions. The conceptual framework consists of an identity-oriented theory and resource mobilization theory. To ensure the validity of the acquired data, the researcher also engaged in triangulation with several different informants, especially members and former board members, to ensure the accountability of the resulting data.

RESULTS AND DISCUSSION

Based on data from the Cooperative, Small and Medium Enterprises Agency of South Kalimantan Province in 2021, there are approximately 2000 cooperatives throughout South Kalimantan. One is the Arrahmah Sharia Consumer Cooperative. The presence of the Arrahmah Sharia Consumer Cooperative seems inseparable from the influence of the study of *fiqh muamalah* with the theme of usury presented by Dr. H. Muhammad Arifin Badri, MA in May 2011 (Sutjipto, personal communication, October 2021). Finally, on January 1, 2012, this cooperative was officially opened with 20 members, member savings of IDR 5,825,000, and voluntary savings of IDR 40,000,000. At the 11th Annual Members Meeting (RAT) on March 18, 2023, it was revealed that the number of members had reached 2481, with savings amounting to IDR 1,626,951,000 and voluntary savings of IDR 4,268,500,000 (11th Annual Members Meeting of Arrahmah Sharia Consumer Cooperative - YouTube, 2023). In February 2022, it received an award from the Governor of South Kalimantan Province as a Cooperative of Very High Quality, with an AAA value (1246.75) (Arrahmah Sharia Cooperative on Instagram, 2022).

From the data obtained in the field, it is known that identity as a representation process of selfhood, then evolving into a group, polarizing subjects into "us and them," seems inseparable from the influence of the *fiqh muamalah* study on usury. The study was conducted in May 2011 by the study group from Al Umm Foundation Banjarmasin, with its speaker Ustadz Muhammad Arifin Badri, who left a profound impression on the participants (Sutjipto, personal communication, October 2021). This impression then materialized into an idea that gained strength among members of the Salafi community, leading to the desire to establish a Sharia financial institution that could genuinely provide solutions to the increasingly prevalent usury practices in all aspects of *muamalah* life. Precisely on January 1, 2012, the Arrahmah Sharia Consumer

Cooperative officially began operating with 20 members, member savings of IDR 5,825,000, and voluntary savings of IDR 40,000,000.

As an initial step, it was stipulated that the operational foundation must be based on Islamic Sharia guided by the scholars (*asâtidz*) based on the sources of the Qur'an and authentic hadith understood by the righteous predecessors (*salafus salih*). This foundation is then articulated in the statement "more Sharia, God willing, than conventional Sharia or conventional financial institutions in general," and is conveyed on the website www.kopsyaharrahmah.co.id. The choice of this wording is intended to ensure that all forms of operations and transaction processes in the institution always align with Sharia principles guided by teachers who have an understanding like their righteous predecessors. In line with identity theory, this "identity" statement has the ability to cultivate a sense of belonging to the group closely related to an individual's conception or self-description in terms of characteristics that then define the group's identity. This social group will then strive to build a positive social identity, which is done to categorize who I am and who they are. Hogg writes that the positive identity sought to be presented will lead to intergroup contestation, demonstrating one's identity and then comparing the positive aspects of their group with other groups (Hogg, 2001). On the other hand, the positive aspect, or, in Breakwell's terms (1987), as distinctiveness (Ernawati, 2011), makes this cooperative more easily recognizable by the people of South Kalimantan. In this aspect, identity can be considered an effective strategy for attracting the attention of others to join their social group. In other words, identity can be used as a promising marketing tool for social groups.

The development then revealed that the identity of the Sharia economic movement carried out by the Arrahmah Sharia Consumer Cooperative continues to be maintained through *fiqh muamalah* study methods aimed at the general public, held in Salafi mosques in the Banjarmasin, Martapura, and Barabai regions. This study is filled by Ustadz Hasbi and Aiman, occasionally featuring Ustadz Erwandi Tarmizi, Ustadz Muhammad Arifin Baderi, Ustadz Ami Nur Baits, figures affiliated with the Salafi group. The study presented includes *fiq muamalah*, especially discussing the concept of usury and its practices prevalent in their lives.

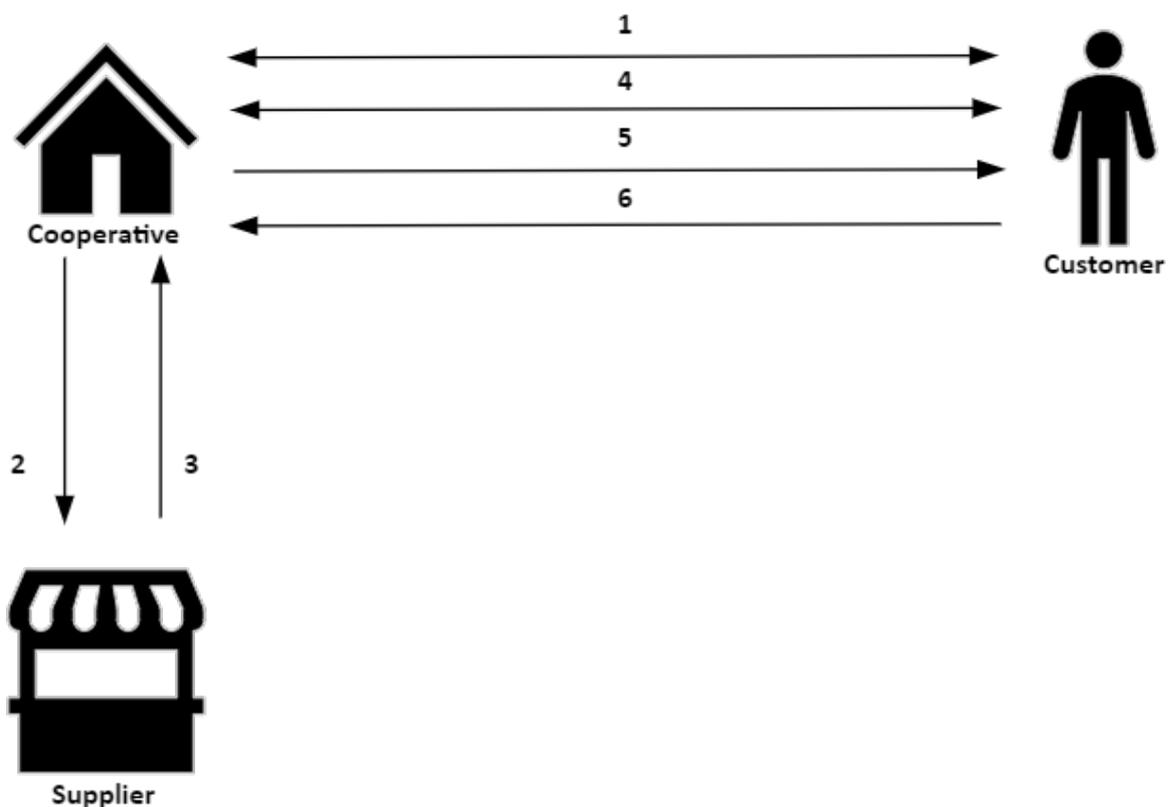
Second, for the board of the Arrahmah Sharia Consumer Cooperative, since June 2018, every Friday from 13:30 to 14:00, they routinely hold studies on understanding *muamalah* and use books such as *Pengantar Fikih Jual Beli* (Introduction to Buying and Selling Fiqh) by Ammi Nur Baits, *Tanya Jawab Permasalahan Jual Beli* (Questions and Answers about Buying and Selling Issues) by Abdurrahman As-Sa'dy, Abdul Shalih Al-Utsaimin, Shalih Fauzan Al-Fauzan, and Abdul Aziz bin Baz. Also, books such as *Harta Haram Muamalat Kontemporer* (Haram Wealth of Contemporary Muamalah) by Erwandi Tarmizi, and *Kiat-kiat Islam Mengatasi Kemiskinan* (Islamic Ways to Overcome Poverty) by Yazid bin Abdul Qadir Jawas (Arrahmah Sharia Cooperative on Instagram, 2022; Sutjipto, personal communication, October 2021). Considering the Salafi community's methodology, which is based on the first three generations of Islam, the era of the Prophet, the Companions, and the Tabi'in has implications for the

knowledge and economic practices carried out. Practices resemble those in the early period.

Third, there was a change in the names of the financing agreements. From studies and interactions with several figures, the *murabahah* financing agreement that had been carried out underwent changes due to corrections or admonitions from one of the scholars when the board of the Arrahmah Sharia Consumer Cooperative held a meeting attended by cooperatives from all over Indonesia in Pekalongan, Central Java. Initially, the Arrahmah Sharia Consumer Cooperative in its efforts had implemented the practice of financing the purchase of goods for its members, using the *murabahah* financing scheme commonly practiced in Sharia financial institutions in Indonesia. This *murabahah* practice was carried out in the following steps: (a) prospective customers must fill out a goods request form and all administrative documents required by the cooperative when applying for goods; (b) after that, the cooperative will purchase the requested goods. The signing of the agreement and payment of instalments or down payments are made after the goods are fully owned and under the control of the cooperative. The cooperative's ownership of the goods is marked by the release of goods from the supplier/manufacturer's warehouse, which has signed the handover of the goods at the promised location and ensured that the goods are in good condition before being sent and received by the customer.

Figure 1

Financing Scheme at the Arrahmah Sharia Consumer Cooperative



Source: Primary data.

Notes: 1. Terms & negotiations have been agreed; 2. The cooperative buys the goods; 3. The goods are already under the control of the cooperative; 4. The contract took place; 5. Goods are handed over to customer; 6. The customer pays in full or in instalment according to the agreed time.

The practice carried out by the Arrahmah Sharia Consumer Cooperative, according to the *asatidz* of Arrahmah Sharia Consumer Cooperative, is more accurately termed as the Taqsith contract or credit financing, not a murabahah contract. Since then, the name of the financing contract has changed. The change in the name of the contract is also based on the knowledge and understanding of the board of the Arrahmah Sharia Consumer Cooperative that the practice of the murabahah contract should adhere to the following rules: (1) The seller specifies the cost price of the goods (including informing if there are discounts, gifts, bonuses, and so on provided by the supplier). According to the statement made by the Chairman of the Arrahmah Sharia Consumer Cooperative, suppliers in the field often state that such discounts are only given to this cooperative, while other buyers are not eligible for these discounts. Instances such as these impose a psychological burden on the cooperative's management. (2) The goods involved in the transaction have been purchased, and the ownership status is already in the possession of the cooperative. In this regard, cooperative management purchases the desired goods on behalf of the customer by visiting the supplier's store and not delegating the purchase of the goods to the customer, as is commonly done by financial institutions and other Sharia financial institutions (R. Khalik, personal communication, November 2021).

The understanding above is based on the hadith text stating that a sales contract must demonstrate that the ownership status of goods is genuinely in the possession of the cooperative (*milk at tām*). As in the hadith of the Prophet from the chain of Ibn Abbas: "Whoever buys food, let him not sell it again until he has received it in full". The Prophet *shallaluh'alaihi wa sallam* forbade a person from reselling goods (that he bought) at the place where the goods were bought until the goods were moved to their respective places." This hadith shows the conditions that must be fulfilled for a complete transfer of ownership of the goods to the cooperative, namely, the relocation of goods from the original place to a new place. This understanding is further guided by Tarmizi (2019), who states that the legal status of this transaction depends on the agreed-upon contract text as explained in Table 1.

Table 1

Statement in Contract Used for Transaction and Its Legal Standing

Statement in Contract	Legal Standing	Source
Buy me an item with the following details for 10 dinars, later I will buy it from you for 12 dinars on credit.	Haram, because the words buy me means lending money. And every borrowing with an additional amount upon return, this is the same as usury	Ibnu Rushd in <i>Muqaddimat Muwahhidat</i> , II p. 57

Statement in Contract	Legal Standing	Source
Buy goods with these specifications for you at a price of 10 dinars, later I promise to buy them from you for 12 dinars on credit.	Allowed, because the goods are already fully owned (in this case, for example a cooperative)	Majma' Al Fiqh Al Islamy (Islamic Conference Organization Fiqh Division) Decree No. 40-41 of 1988.

Source: Tarmizi (2019).

Fourth is the application of two contracts in one transaction, specifically the *syafaqah fi syafaqatain* and tiered (*murakkab*) contracts. The *syafaqah fi syafaqatain* transaction is commonly carried out by leasing financing institutions. They perceive leasing financing as involving both lease and purchase contracts, executed simultaneously or in a single transaction. This type of financing is believed to contain *gharar*, resulting in the unclear ownership status of the transaction object, whether it remains with the seller or has transferred to the buyer.

This group also rejected the use of tiered (*murakkab*) contracts, as is commonly practiced in Sharia financial institutions. For instance, in *murabahah* financing, Sharia financial institutions typically use a tiered contract that combines *murabahah* and *wakalah* (*murabahah bil wakalah*) contracts. This involves the bank stating the cost price plus the desired profit margin, then requesting the consumer/customer to represent themselves in purchasing goods from the supplier or manufacturer. They consider the practice of tiered contracts to be comparable to *syafaqah fi syafaqatain*.

Fifth, the type of financed goods. Financing will be rejected if it is related to musical instruments, gaming equipment, and various items prohibited by Sharia. The prohibition of financing for these items is based on the assumption that they may lead Muslims to neglect Allah's remembrance. In addition to emphasizing its Sharia identity, which is stricter compared to similar cooperatives or Sharia institutions, making its members feel comfortable and secure in transactions, the Arrahmah Sharia Consumer Cooperative also has a rational basis for developing its cooperative. This rational consideration correlates with the theory of new social movements, suggesting that factors driving individual interest and involvement in a movement are also influenced by the calculation of benefits and losses when deciding to be part of a movement (Sukmana, 2013).

The logic built is that when a Sharia financial institution, like a cooperative, is based on precise religious identity principles, followed by rational principles that should operate side by side without neglecting either, the Sharia financial institution will provide benefits not only on the ideological-emotional-religious aspects, but also materially advantageous. This concept has been implemented by the Arrahmah Sharia Consumer Cooperative in its development, reflected in the benefits provided, such as waiving fines for late payment of financing instalments. This practice is based on the decision of the Majma' Al Fiqh Al Islamy (Fiqh Division OIC) No. 51 (2/6) in 1990, stating: "If the buyer (of goods on credit) is late in paying installments at the specified deadline, sanctions in the form of additional payments should not be imposed; whether this is stipulated before the contract or not, as this constitutes prohibited usury" (Tarmizi, 2019).

Therefore, in the case of unavoidable misfortunes causing a delay in payment, the cooperative will provide flexibility or an extension of time for instalment payments (restructuring and rescheduling). If a member is unable to continue paying or settling their instalments due to a disaster, the cooperative will seize the pledged goods. The confiscation of goods is willingly done by the member. This means that the member delivers and hands over the goods to the office, not by force, as is commonly done by debt collectors (R. Khalik, personal communication, November 2021).

The pledged goods were sold by the cooperative. If the sales proceeds from the pledged goods are greater than the remaining instalment amount, the cooperative will refund the excess for the member. Conversely, if the sales result is less than the remaining instalment owed by the member to the cooperative, the member is still required to pay the remaining instalments in full with the understanding that the member still has the ability to pay the remaining instalments. What the cooperative does is based on Islamic teachings that strongly uphold the principles of justice by closing avenues for fraud and injustice towards its servants' rights (R. Khalik, personal communication, November 2021).

Table 2

Development Stages of the Sharia Economic Movement Arrahmah Sharia Consumer Cooperative

Stage	Forms of Change and Member Targets
At the beginning of the cooperative	<p>Identity building occurs through regular recitation, <i>taqsith</i> contracts, refusing to use <i>murakkab</i> contracts, providing financing for household goods, vehicles, land, houses, etc., except for musical instruments, games and other goods that are contrary to the Sharia.</p> <p>The target is the Salafi jamaah (limited group)</p>
After the establishment of the cooperative	<p>Highlighting the rationality side of the movement by prioritizing organizational management. Material benefits in the form of eliminating late fines, large surplus (<i>sisahasil usaha</i> abbreviated SHU in Bahasa Indonesia) distribution. Non-material benefits in the form of <i>infaq</i> for the continuity of education (as charity)</p> <p>The target is relations between the Salafi Congregation and the general public</p>

The absence of fines for late payments and provision of payment flexibility offers advantages to members. This condition is considered capable of helping members reduce their financial stress levels, providing them with the opportunity to better understand and manage their financial situations. The hope is that they can think clearly and then resume their business activities. Consequently, delayed instalment payments can be addressed effectively. The identification of utility factors in this treatment strengthens Olson's rationality theory when developing resource

mobilization theory with its utilitarian model (Sukmana, 2013). Consideration is given to the calculation of the benefits obtained when individuals decide to actively engage in a movement.

Another benefit is the distribution of cooperative business results. Based on the statement that, specifically for members, God willing, their net income (SHU) can reach up to four layers: (1) the profit obtained as an investor and member; (2) the profit as a cooperative marketer when they agree to act as a guarantor; (3) the profit as an active member who regularly pays monthly mandatory deposit investments; and (4) the profit as a member who also utilizes the services offered by the cooperative, such as participating in financing provided by the cooperative. Furthermore, the profit-sharing margin percentage of the cooperative, which can compete with other financial institutions, according to the statement of the management in 2015, the percentage they provide exceeds the annual deposits of banking institutions and is benchmarked against one of Indonesia's state-owned banks. Such substantial profits are also acknowledged by one of the members, who stated that the distribution of SHU in the Arrahmah Sharia Consumer Cooperative is larger than other cooperatives in this region.

In addition to material gains, this study also finds that when becoming a member of the Arrahmah Sharia Consumer Cooperative, members will gain indirect benefits by contributing to the development of da'wah (Islamic outreach) and educational institutions such as early childhood education centers and elementary schools focused on producing Quranic memorizers under the auspices of the Al Umm Foundation. In other words, the benefits they receive are not only material, as suggested by Olson's theory, but also non-material in the form of progress in da'wah and education, which can become a continuous charity for Muslim cooperative members, even after they pass.

The development of the Arrahmah Sharia Consumer Cooperative cannot be separated from its management role. The focus on developing the Sharia economic movement undertaken by the Arrahmah Sharia Consumer Cooperative is reflected in the activities of the cooperative's chairman. He is determined to continue striving to develop this Sharia economic movement through literacy and education approaches to various specific parties, such as the DSN MUI and DPS BSI South Kalimantan. Through these influential policy-making bodies, what is considered "appropriate" for Islamic banking institutions will be conveyed to avoid creating the impression that Sharia banking is the same as conventional banking.

He explains that there is indeed a fundamental difference between Sharia financial institutions and non-Sharia/conventional institutions, which should be demonstrated to the general public. According to him, employees practicing in Sharia banking institutions have been working according to Standard Operating Procedures (SOP) set by individuals with specific interests, and they may not understand much about the rules of *fiqh muamalah* based on regulations or rules that have been established, such as the Sharia Banking Law, Fatwa of DSN-MUI, AAOIFI (Accounting

and Auditing Organization for Islamic Finance Institutions), and various *Majma Al Fiqh Al Islamy Fiqh Division* OIC regulations.

Sutjipto believes that if these various regulations are properly implemented, the aforementioned impression can hopefully be dispelled from the view of some segments of society. Therefore, to uphold these Sharia principles, in addition to approaching the aforementioned parties, the cooperative chairman also joined a national institution called the Community of Sharia Bank Enthusiasts (KMP-BS). Through this community, they will advocate for Sharia values and *fiqh Muamalah* rules in financial institutions labelled as Sharia in Indonesia.

Reflecting on the case of the Arrahmah Sharia Consumer Cooperative, as presented earlier, identity is the initial gateway in building the institution's existence. Identity can take a collective form, referring to an individual's understanding that they are part of a specific social group. In this context, the Salafi Group, through the cooperative they established, collectively managed emotions and values related to various social identities and identified themselves as members of similar social categories.

This condition aligns with Hogg's statement (Hogg, 2001; Hogg et al., 2004) that social identity involves self-awareness of relationships between groups or individuals who are part of a small group. Social identity is influenced by internal and external factors and is shaped by assumptions within the group. Social groups tend to positively construct their identity as an effort for self and group understanding and categorization. The process of forming a social identity ultimately leads to competition between groups to assert the positive aspects of their group compared to others, often identified as the internal prototype of the group.

In the Arrahmah Sharia Customer Cooperative, the built identity is that their institution is "More Sharia, God Willing, Compared to Other Sharia or Conventional Financial Institutions in General." This belief is due to the encouragement of knowledge about *fiqh muamalah*, especially the section on usury dangers conveyed by Salafi scholars in study forums, websites, and other mass media. This knowledge becomes the main foundation and source of community identity, which distinguishes them from other cooperatives or financial institutions.

Furthermore, this "more Sharia" identity is guarded and preserved by the Arrahmah Sharia Consumer Cooperative through: firstly, the formation of a community with the same intention and purpose, namely to avoid usury practices, starting from Salafi study groups in South Kalimantan. Second, providing guaranteed benefits (utility) both in terms of material, such as surplus or *SHU*, and non-material, such as participating in advancing da'wah and education, which becomes a continuous charity for Muslim cooperative members even after they pass. Third, the cooperative's operations were supervised by the Sharia Supervisory Board of the Arrahmah Sharia Consumer Cooperative, as well as by scholars and the cooperative's management team, who always adhere to the rules stipulated by AAOIFI and *Majma' Al Fiqh Al Islamy Fiqh Division* OIC.

Stopping at the identity aspect alone can lead to stagnation in the institution, as assumed to have happened in Islamic banking, which practically only sells ideological and emotional-religious aspects, resulting in a very small market share. The theory of resource mobilization explains that individual interest and involvement are more due to the calculation of benefits and losses when deciding to be part of a movement. Various forms of expenditure such as time, money, and personal security are always considered. Therefore, prestige, salary, and leadership can be realized when joining a specific community (Sukmana, 2013)). Other rational considerations include organizational structure, resource availability, competent leadership, member skills, and established networks (Klandermans, 1984; Klaridermans, 1986). Therefore, effective management strategies become a necessity in this context.

CONCLUSION

Finally, the relationship between identity and rationality cannot be separated from the socio-economic movement. Initially, it seems that identity must be demonstrated within a movement. However, if it relies solely on this, while management, accountability, and profitability are denied, there is a high likelihood that the movement will not last long. It will slowly be abandoned by its members and will eventually disband. Identity can be a choice when confronted with individuals sharing the same ideology or *manhaj*. Rational resource mobilization appears more promising in a plural and rational society that prioritizes the benefits to be gained from the sacrifices they make.

Rational considerations allow the market share targeted by Sharia economic institutions not only to be limited to specific groups but also to extend to a broader audience. This is because anyone engaged in economic activities by nature hopes to gain profits from their efforts. Identity and rationality play crucial roles in Sharia economics. Identity, encompassing religious values and principles, provides a moral foundation for economic practices in Sharia. Meanwhile, rationality provides a strong basis for economic decision making based on logical considerations and efficiency. Both complement each other by creating a balanced and sustainable Sharia economic ecosystem. Identity ensures that economic decisions are not solely based on profit but also consider ethical aspects. On the contrary, rationality ensures that economic practices remain efficient and adhere to the principles of good economics.

Thus, this article asserts that the success of Sharia economics lies not only in economic rationality, but also in understanding and applying religious identity in every aspect of economic activities. Both are complementary and mutually supportive in achieving sustainable economic development goals, in line with religious values.

Author Contributions

Conceptualization	Y.H., E.N., F.S., P.M.J., & N.	Resources	Y.H., E.N., F.S., P.M.J., & N.
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Formal analysis	Y.H., E.N., F.S., P.M.J., & N.	Supervision	Y.H., E.N., F.S., P.M.J., & N.
Funding acquisition	Y.H., E.N., F.S., P.M.J., & N.	Validation	Y.H., E.N., F.S., P.M.J., & N.
Investigation	Y.H., E.N., F.S., P.M.J., & N.	Visualization	Y.H., E.N., F.S., P.M.J., & N.

Methodology	Y.H., E.N., F.S., P.M.J., & N.	Writing – original draft	Y.H., E.N., F.S., P.M.J., & N.
Project administration	Y.H., E.N., F.S., P.M.J., & N.	Writing – review & editing	Y.H., E.N., F.S., P.M.J., & N.

All authors have read and agreed to the published version of the manuscript.

Funding

This study received no direct funding from any institution.

Institutional Review Board Statement

The study was approved by Prodi Studi Perbankan Syariah (SI), Universitas Islam Negeri Antasari Banjarmasin, Banjarmasin, Indonesia.

Informed Consent Statement

Informed consent was obtained before respondents answered the questions.

Data Availability Statement

The data presented in this study are available on request from the corresponding author.

Acknowledgments

The authors thank Prodi Studi Perbankan Syariah (SI), Universitas Islam Negeri Antasari Banjarmasin, Banjarmasin, Indonesia, for administrative support for the research on which this article was based.

Conflicts of Interest

The authors declare no conflicts of interest.

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