

### THE IMPACT OF ARISAN JULO-JULO ON THE INCOME OF THE LOWER MIDDLE CLASS IN KURANJI, PADANG CITY AND A REVIEW FROM THE PERSPECTIVE OF ISLAMIC ECONOMICS

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#### Abstract

This study aims to determine the effect of arisan julo-julo on the income of lower-middle class people in Kuranji District, Padang City. The population in the study were poor people in Kuranji District collected through the PKH assistance program as many as 3,378 heads of families. By using the slovin formula, 97 people were obtained as samples. Sampling in this study was carried out by purposive sampling. This type of research is quantitative research that aims to determine the degree of relationship and pattern or form of influence between two or more variables, where with this research a theory will be built that functions to explain, predict and control a phenomenon. The data analysis technique used is descriptive and linear regression with hypothesis testing. The results of the study indicate that the Julo-julo variable has a positive and significant effect on community income.

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#### INTRODUCTION

Since the Indonesian economic crisis hit by the increase in fuel prices at the end of September 2022, it has had an impact on increasing the economic burden on the community, including the community in Padang City. The economy has not recovered from Covid-19, coupled with the high prices of basic necessities, complicating household economic difficulties. Seeing this reality, the government has made various efforts to find solutions on how to overcome subsidies for fuel oil (BBM) not being reduced, but the APBN crisis is also inadequate to finance these subsidies, forcing the decision to increase fuel prices. Improving the socio-economic performance of poor households is considered

an important element in achieving sustainable development goals. In particular, household socio-economic performance is more volatile in developing countries due to increasing population and unemployment rates.(Abdullah et al., 2022).

Efforts to overcome the community's economic problems are through micro-credit programs.(Wijaya, 2020). This microcredit program can be easily accessed by economically weak people from informal sources. The forms of these informal sources vary, from money lenders (loan sharks), to developing in the form of savings and loans, cooperatives, women's financial institutions in other forms. There are so many formal institutions such as cooperatives, KJKS, Micro Savings and Loans, and others that are chosen by the community to carry out financing, but not a few of them choose to join the julo-julo arisan members. Arisan is a group of people or organizations that collect their money for a certain period of time, then after the money is collected, a lottery is held so that one of them gets a turn to get money. The money is generally used to meet business capital needs(Yasin, 2021). This julo-julo arisan is usually chosen based on the suitability of the business being run and ease of payment, as well as looking at the procedures and payment system for the capital source chosen.(Navis, 2015).

Julo-julo is no stranger in Indonesia, especially in West Sumatra, which is one of the economic activities of the community that is collected spontaneously. Julo-julo is interpreted as an activity of collecting money or goods of the same value to be drawn among the people who collect it to determine who gets it.(Language Development and Development Agency, 2024). Julo-julo is more dominated by women in a group or small organizations that are created spontaneously in society. Based on the researcher's observations in the field, every group, especially dominated by mothers (women), must have one of their group activities, namely julo-julo activities. They consider julo-julo to be a common thing to be followed by a group of people.

Julo-julo is a financial system formed by a community group that has positive benefits and it is undeniable that it also has negative sides. On the positive side, people can save by depositing money with the dealer or the julo-julo holder or the chairman. Then the julo-julo is drawn by choosing names that are taken spontaneously by the dealer. The names that are chosen are the ones who receive julo-julo money for 1 (one) period. For the first one chosen, then their name will not be chosen again in the draw and they are required to pay installments every time the activity meets. So the first person to receive julo-julo money receives the results first rather than the installments, while the last one to receive julo-julo receives the results after the installments are paid in advance.

The downside is that members of the julo-julo group are charged with fees for the dealer or collector or person responsible for controlling the julo-julo. So with 10 members, each person paying the installments must total 11 people. In addition, the downside of julo-julo can loosen solidarity among its members, especially members who agree are reluctant to pay their installments, so that those who receive julo-julo then do not receive the money in full.

According to research from Yarham(2022)Julo-julo activities are also identified with the name arisan and even combined with the name arisan julo-julo. M. Yurham also defines arisan as an activity of collecting money or goods of equal value by several people and then drawing lots among them to determine who gets it. The draw is held at a meeting periodically until all members get it. The draw is not a foreign word, in the language of the hadith the draw is also called qur'ah. In his research, Yarham(2022)explains that the

law on social gathering activities is conceptually permissible. This is because it is based on a mutual agreement, does not contain elements of usury and everyone's position is equal and has the same rights. The social gathering mechanism is also permissible because the drawing process does not harm any particular party (no one wins or loses). In practice, if someone fulfills his promise according to the agreement, the law is permissible. Arisan or it could also be said julo-julo can also be called debts and receivables, debts or Qard in the linguistic sense it comes from the word qaradha whose synonym qatha'a means cutting. Meanwhile, according to the term, qardh is a contract between two parties, where the first party gives money or goods that must be returned exactly as they received from the first party.

Borrowing and lending in principle is mutual assistance (ta'awun), the person who lends and the borrowed person, a debt agreement arises. In other words, debt is also a mutual assistance agreement, therefore the activity of julo-julo is also in principle mutual assistance but not in the form of between individuals but in the form of a group with cooperative activities of 2 or more people involved in it. Humans form groups and form an organization or something similar to align goals. One of them is arisan which is formed because humans form groups that aim to help each other to meet needs (Syafei, 2018).

In the letter of al-Baqarah 282: "O you who believe, when you transact not in cash for a specified time, write it down." In this verse it is clear that in economic activities that are not in cash or debts are ordered to be written down. Including in this activity of julo-julo, then it is obligatory for one of the group members to be assigned to write it down or control and remind the members to set aside their debts in the next payment. Then what about the member who is appointed as the person who writes, controls the julo-julo given a percentage or part of the wages or administration fees for it.

The idea behind microfinance is to empower low-income individuals by providing financial services that help them improve their income and well-being through entrepreneurship. However, the positive effects of microfinance on empowering the poor and reducing poverty are not conclusive or widely recognized. There is much disagreement among academics over the evidence showing how microfinance affects household socioeconomic outcomes. For example, some researchers argue that microfinance makes the poor more vulnerable to debt rather than helping them. (Mader, 2013).

Based on research from Abdullah et al., (2022), microfinance is generally viewed as an effective development tool to address poverty and improve household socioeconomic well-being. Microfinance helps households establish their micro-enterprises by providing start-up capital, enabling them to generate higher incomes. Some people think that the julo-julo system provides benefits to their economy, but others think it can bring harm. This different view is why researchers intend to conduct research to examine how to prove that julo-julo can have a positive impact on a weak economy or vice versa, even bring harm to a weak economy. The researcher summarizes this research in a research paper entitled "The impact of julo-julo arisan on the income of lower-middle class people in Kuranji Village, Padang City and a review from an Islamic economic perspective.

### RESEARCH METHODS

This type of research is quantitative descriptive research. The population in this



study is the poor in Kuranji District collected through the PKH assistance program as many as 3,378 heads of families. Sampling in this study was carried out by purposive sampling, namely the sample selection method is selected based on considerations, non-random sample selection where information is obtained with certain considerations (G. Sevilla, 1993). The considerations chosen are based on the conditions of the area that is close to the crowd. This is based on the understanding that crowded areas or towards the city center have more openness of understanding, knowledge and experience because all information is obtained faster. Among these sub-districts are Ampang Sub-district, Pasar Ambacang Sub-district and Kuranji Sub-district. The number of samples is taken using the Slovin formula as follows (Prasetyo & Jannah, 2016):

$$n = \frac{N}{1 + N(e)^2}$$

n = sample size

N = population size

The population of the PKH Program community in Kuranji District is 3,378 heads of families. The error rate limit is 10% so that a sample is obtained with the calculation

$$n = \frac{3378}{1 + 3378(10)^2}$$

n = 97.1248 rounded to 97 people

From this formula, the research population was 3378 people or heads of families, while the sample was 97 people or heads of families from Ampang Village, Pasar Ambacang Village, Korong Gadang Village and Kuranji Village.

The data collection method uses primary data and secondary data which are then analyzed to determine how much influence Julo-julo has on the income of lower middle class people in Kuranji District, Padang City. The data collection technique uses structured interviews, using questionnaires, observation and documentation. The data analysis technique used is descriptive statistical analysis and linear regression analysis and hypothesis testing.

Descriptive statistical analysis is conducted to provide an overview of the character of the research. This analysis shows the amount of research data as well as a description that shows the minimum value, maximum value, average value and standard deviation of each variable. Linear regression analysis is a test conducted to test each variable whether the independent variable affects the dependent variable or not. The regression analysis test of this research is to determine whether the independent variable (Arisan Julo-julo) affects the dependent variable (Community Income). Hypothesis testing is part of inferential statistics that aims to draw conclusions about a population based on data obtained from a sample of the population. The tool used to process the research data is SPSS 16 software (Ghozali, 2022).

## RESULTS AND DISCUSSION

### Research result

#### Statistics Description

Based on the number of population and samples that have been determined previously, with a population of 3378 people with a sample of 97 respondents. Of the 97 questionnaires or research instruments distributed to respondents, 97 were returned,

meaning 100% of the questionnaires were filled in properly. The questionnaires or instruments given were some respondents who did not perfectly fill in all the question items. Therefore, this study counted 79 respondents. Based on the calculations carried out using SPSS, the following statistical description was obtained

*Table 1. Descriptive Statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
JuloJulo	97	14	40	27.66	3.989
Income	97	14	40	26.34	4,772
Valid N (listwise)	97				

Source: Data Analysis, Processed 2023

Based on the table above, it can be seen that the number of research subjects is 97 respondents. On the julo-julo scale with the lowest score at 14 and the highest score of 40 and has an average value of 27.56 and a standard deviation of 3.989. Then the scale of community income with the lowest score at 14 and the highest score of 40 and has an average value of 26.34 and a standard deviation of 4.772.

### Hypothesis Testing

#### Validity Test

Validity test in this study was conducted by factor analysis using SPSS 16.0. Validity test was conducted on 97 respondents. If decision making uses probability, then the conclusion that can be drawn is the large probability of r-table df two-way test with a significant level of 5%.

*Table 2. Item-Total Statistics*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
JuloJulo	26.34	22,768	.529	.280	.a
Income	27.66	15,914	.529	.280	.a

a. The value is negative due to a negative average covariance among items. This violates reliability model assumptions. You may want to check item codings.

To assess whether the above value is valid or not by comparing the r-count (Corrected Item-Total Correlation) with the r-table df two-way test significant level of 5% or 0.05 of 0.1975. (df = N-2). For the Julo-julo variable, the Corrected Item-Total Correlation value obtained in the item-total statistic table is 0.529, so the r-count > 0.1975 (0.529 > 0.1975). This variable is a valid variable. For the community income variable, the Corrected Item-Total Correlation value obtained in the item-total statistic table is 0.529, so the r-count > r-table (0.529 > 0.1975). This variable is valid

#### Reliability Test

In testing the reliability of this study is by using Cronbach Alpha. Reliability test is conducted on both variables simultaneously, namely the level of understanding of Islam and community productivity with 97 respondents. The statement is stated as Reliability if the r-count is greater than the r-table, r-table is 0.1975 (df = N-2).

**Table 3.**Reliability Measurement of Both Variables

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.685	.692	2

Source: Data Analysis, Processed 2023

By looking at the table above, the reliability value is obtained from the Cronbach Alpha value of 0.685, then the r-count is greater than the r-table (0.685 > 0.1957). Both variables simultaneously have reliable variables.

Regression Test

**Table 4.**Model Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	16,004	1,948		8.216	.000
Income	.443	.073	.529	6,080	.000

a. Dependent Variable: JuloJulo

The regression equation can be interpreted in the following way

$$Y = \alpha + bX$$

Where:

Y = Dependent Variable (Julo-julo)

X = Independent Variable (Income)

$\alpha$  = Constant

b = Slope

From the table above, a regression equation is formed which is processed through SPSS.16.0 data processing as follows:

$$Y = 16,004 + 0.443X$$

From the equation it is interpreted that increasing the value of X (Julo-Julo) by 1% will increase the value of Y by 0.443. If X (Julo-Julo) does not experience an increase then Y has a value of 16,004.

Based on the results of the hypothesis testing as seen in table 4, it can be seen that the significance value is  $0.000 < \alpha 0.05$ , so the decision is  $H_0$  rejected and  $H_a$  accepted. The conclusion obtained states that the Julo-julo variable has a positive and significant impact on people's income.

To measure the closeness and nature of the correlation (relationship between two variables) can be observed from the R square (r) calculated by SPSS. 16.0

**Table 5.**Correlation Closeness of Linear Regression Calculations

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.529a	.280	.273	3.402

- a. Predictors: (Constant), Income
- b. Dependent Variable: JuloJulo

From the table above The R Square formed is as large as 0.280. This means that the ability of the independent variable is julo-julo on the dependent variable, namely community income, is 28% while the remainder is 72% is influenced by variables other than those not included in this study. This relationship has a weak closeness because it is at 0.21 to 0.40.

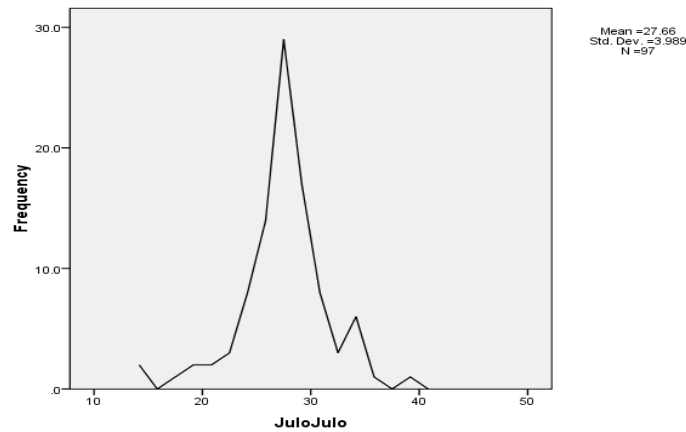
### Discussion

In the statistical analysis through SPSS. 16.0 above, it is clearly illustrated that julo-julo has an effect on community income after participating in this activity. This study was conducted on the Kuranji District community with 97 respondents. This can be seen from the significance value of  $0.000 < \alpha 0.05$ , so the decision is  $H_0$  is rejected and  $H_a$  is accepted. It can be stated that the Julo-julo variable has a positive and significant effect on community income. Based on The R Square formed is as large as 0.280. This means that the ability of the independent variable is julo-julo on the dependent variable, namely community income, is 28%.

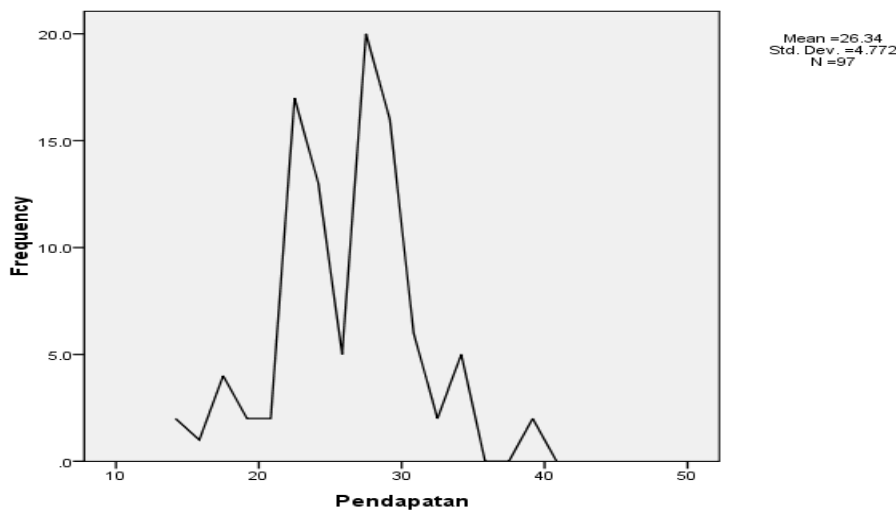
The results of this study are in line with (Abdullah et al., 2022) entitled *The Impact of Microfinance Services on Malaysian B40 Households' Socioeconomic Performance: A Moderated Mediation Analysis*, it was found that the microfinance facility channels influenced the socio-economic performance of households. In addition, research from (Ruwaidah et al., 2021) with the title *Arisan money in increasing family welfare according to the perspective of Islamic economics (case study in Pandan Lagan village, Geragai sub-district)* the results showed that Arisan carried out by the Pandan Lagan village community can increase family welfare and make sufficient contributions.

This medium score value was obtained between a score value of 97.893 to a score value of 116.407 for 97 respondents, while the highest score value was 128. The fluctuation in the comparison between the number of respondents and the score value can be seen in Figure 1 below.





**Figure 1.** Fluctuation in the Number of Respondents with Score Values Julo Julo



**Figure 2.** Fluctuation in the Number of Respondents with Score Values Income

From the graph above we can analyze that the respondents who got the most Julo-julo score of 28 were 20 respondents. The lowest score was 14 with 3 respondents and the highest score was 39 with 3 respondents. Qualitatively based on interviews with several communities that were distributed questionnaires or instruments gave the opinion that they agreed that the julo-julo that was carried out was included in the form of activities that were in accordance with sharia. Because the main thing in this activity was without coercion from all parties involved. Second, in the julo-julo activity, apart from the amount of money collected, there were indeed additional costs that would be charged to participants as a form of replacement for the costs incurred in the activity to the dealer or collector. They agreed that these costs were not burdensome for them and were not included in the prohibited usury. This means that from the 2 statements, julo-julo is not included in activities that are not prohibited according to Islamic law.



### CONCLUSION AND SUGGESTIONS

Based on the validity test, it shows that the statement items in the questionnaire are valid because the  $r_{count} > r_{table}$ , while the results of the reliability test show that all questionnaire statement items are declared reliable. The julo-julo variable has an effect on community income after participating in this activity. This study was conducted on the Kuranji District community with 97 respondents. This can be seen from the significance value of  $0.000 < \alpha 0.05$ , so the decision is  $H_0$  is rejected and  $H_a$  is accepted. It can be stated that the Julo-julo variable has a positive and significant effect on community income. Based on The R Square formed is as large as 0.280. This means that the ability of the independent variable is julo-julo on the dependent variable, namely community income, is 28%.

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