Factors that Influence People to Take Loans from Mobile Banks

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Abstract
Economics is one of the problems experienced by humans in their daily lives, especially in terms of meeting needs. Humans must fulfill all their complex needs to survive. Human needs are very diverse and tend to always change from time to time. This situation is influenced by the nature of humans themselves who tend to never feel satisfied with what they have obtained. This article aims to analyze the behavior of people who borrow from roving banks and the problems that occur due to the existence of these banks for the public. Among the middle and lower economic classes, roving banks are quite popular because they provide easy loan services and fast processing. This convenience makes people idolize mobile banks because they provide emergency money and are welcomed by the public. For this reason, this article contains a discussion of how the behavior of the public, especially for those who borrow money from roving banks, and what factors are behind mothers borrowing from roving banks. This research uses a descriptive qualitative method. This method was chosen because the author intends to describe and explain the factors that influence people to make loans to roving banks. Based on the results of the discussion, many people are ensnared by this roving bank. Many problems arise, ranging from the family economy getting strangled, the destruction of family relationships, to social relationships with neighbors becoming less good. This happens because many people borrow from more than one bank and use the names of other people who have never borrowed from the bank. So that many people are ultimately ensnared by the practice of digging holes to pay these debts

Keywords : *Influence People, Take Loans, mobile banks, Public, Economy.*

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Introduction

The economy is one of the problems faced by society in everyday life, especially in meeting their living needs. Humans must fulfill all their complex needs in order to survive. Human needs are very diverse and tend to change from time to time. This situation is influenced by human nature which tends to never be satisfied with its achievements. (Charysa, 2013).

Reality often doesn't go according to plan. The complexity of human needs causes a mismatch between expenditure and income generated (Gosa, 2016). People's income tends to remain constant, but as needs increase, the costs required and the number of goods needed also increase, giving rise to a gap between income and expenditure. People usually borrow money from individuals and organizations that provide loans, both legal and illegal, to meet their future financial needs. Currently, many people's money needs are met by formal and informal financial institutions that provide loans. Formal financial institutions are government institutions such as Bank Rakyat Indonesia (BRI), Village Unit Cooperatives (KUD), and official pawnshops (Royani, 2022).

Lending and borrowing is a common activity in society, because this activity has been going on since ancient times. A money loan means you lend a certain amount of money and get a profit in the form of a return of the principal plus interest or a capital investment collaboration where you deposit money as business capital (Mubarok et al., 2019). Loans made from someone you know usually do not require special conditions or agreements, but only in the form of verbal statements expressed by the borrower to the person providing the loan. Another thing is that if borrowing and borrowing is done at certain financial institutions, it is certain that there are requirements that must be met before applying for a loan (Siboro, 2015).

Banks are financial institutions whose main function is to provide credit and services in payment traffic and the role of money, therefore banks have a broad scope. Banks can also measure the level of health between different banks (Merentek, 2013). Meanwhile, mobile bank is a figurative word which means "loan shark", namely a person who lends money using interest, some even call it "loan shark" (Fahrudhin et al., 2023) Mobile banks usually only require an identity card, family card and husband's signature to complete the loan process, so the process is quite simple. People view mobile banks as an alternative to traditional financial institutions because of their convenience (Bariroh & Novariyanto, 2023). Judging from its role, this mobile bank can have both positive and negative impacts on society. The positive impact is that mobile banks really make things easier and help people who need funds quickly, because the disbursement process is fast and not complicated. So this loan shark is very suitable for people who need funds quickly and urgently. Meanwhile, the negative impact is that it can strangle and absorb the financial system of the people who borrow from it by setting high interest rates and what's worse, the interest calculations run every day (Novida & Dahlan, 2020). Even though Islam emphasizes on its followers to always be careful in using money, including making debts and receivables. Debts and receivables are actually permitted in Islam as long as they do not violate the established Sharia rules, such as extra or interest being given which can be burdensome to the party in debt, which is contrary to Islamic Sharia. Basically, many Muslims who carry out this practice ignore and consider this practice trivial (Ramadhan, 2017). People who use mobile banking services are usually people with a lower middle economic level and a relatively low level of knowledge. The majority of customers in this mobile bank are housewives who have no income so they depend on their husband's income for their daily needs (Larasati & Setiawan, 2022).

Mobile banks have caused several problems in society, such as many people who are trapped in the situation of digging holes and covering holes because they are in debt, this is because the interest they give is higher than government credit institutions or institutions. Seeing the losses incurred by mobile banks but the public is not aware of them because they are daily or if they are aware of them they do not seem to care about meeting their needs tomorrow (Badri, 2012).

The local government has also taken preventive measures to eradicate these mobile banks by holding joint deliberations and forming community programs such as cooperatives to help economically weak groups. However, it seems they are less enthusiastic because the loan procedure is complicated and quite long. The increasing need for money, which sometimes makes people think quickly about getting money, further triggers this (Gustiani, 2023).

Efforts that can be made to overcome the mobile bank trap are by holding skills training and character training for housewives. This skills training includes training that makes housewives skilled in sewing, knitting, making bridal gifts, making cakes, etc. It is hoped that this training will provide initial capital for housewives to open their own businesses and help improve their economy. Character training is training that equips housewives about identity, self-concept, self-quality, thought patterns, habits and attitudes. Character is an integration of traits, attitudes, behavior, standards, beliefs, morals, ethics, life values in the form of self-quality. Character is seen or expressed from physical appearance, soul, emotions, thoughts, abilities, behavior, attitudes and habits. By participating in this training, it is hoped that housewives will be able to have an identity and character that is in accordance with cultural values, improve quality and awareness to carry out positive ethics and values, be able to develop positive character to create productive habits and lifestyles (Pertiwi, 2018).

For this reason, this study aims to find out the factors that influence people to take loans from mobile banks, the impact that this has on the community, and to find out the efforts that can be made to eradicate Mobile Banks. It is also hoped that this research can provide information and become an illustration for mobile bank customers to be wiser in utilizing financial institutions in their environment, in order to reduce various negative impacts that can arise from this type of mobile bank loan (Hikmawati et al., 2023).

Theoritical review

1. Loan

A loan is an obligation that must be paid by one party to another party and usually requires an oral or written agreement. Loans made by known people do not require special conditions or agreements in the form of verbal statements expressed by the lending party to the person providing the loan regarding the time period for the goods or services to be paid. Another thing is that if borrowing and borrowing is carried out by certain financial institutions, it is certain that there are requirements that must be met before applying for a loan (Larasati & Setiawan, 2022).

Lending and borrowing is a form of muamalah that has been practiced since the time of the Prophet Muhammad, and is still applied today by the general public. Basically, lending and borrowing laws are flexible depending on situations and conditions. Lending and borrowing is sunnah under normal circumstances, but it is also haram if the borrowing is used for something that is prohibited by Sharia, or there is an element of usury in the borrowing. Lending and borrowing using a group system of joint responsibility at Emok Bank according to Sharia Economic Law which is based on the Koran, al-Hadith and the rules of muamalah jurisprudence is included in kafalah bi al-dayn (Wahidah & Ritonga, 2023).

2. Banks

Banks are financial institutions or what are usually called financial intermediaries. This means that a banking institution is an institution whose activities are related to money matters. Therefore, banks will always be associated with financial matters which are the main capital for trading. Bank activities will always be related to commodities, among other things:

1) Moving money
2) Receive and pay back the money in the account
3) Buying and selling securities
4) Buy and sell checks, money orders, commercial paper
5) Provide bank guarantee (Wilardjo, 2005)

In Indonesia, it is regulated by law that what is meant by a bank is a business entity that collects funds from the public in the form of savings and channels these funds back to the community in the form of credit or other forms to improve people's living standards, called the intermediation function. The intermediation function can run well if both parties, namely the depositor and borrower, have trust in the bank (Margaretha & Setiyaningrum, 2004).

According to Law Number 10 of 1998 which was passed on November 10 1998 concerning Banking, what is meant by a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of many people. . From the definition above, it can be explained more broadly that banks are companies that operate in the financial sector, meaning that banking activities are always related to the financial sector. The main function of banks is to provide services related to storing funds and extending credit (Thayib et al., 2017). The evolution of banks started from the beginning of writing, and continues until now where banks are financial institutions that provide financial services. Nowadays banks are institutions that hold banking licenses. Bank licenses are granted by authoritarian financial supervision and give them the right to perform basic banking services, such as accepting savings and making loans (Wiwoho, 2014).

3. Mobile Bank

It turns out that the name mobile bank itself cannot be found in its original term. The name was just given by the local people. Meanwhile, what is meant is the brother who goes around giving and collecting debts so that he becomes a mobile bank in connection with his role which is like a bank, namely channeling funds to be lent to the community (Sakinah, 2016). Mobile banks often call themselves savings and loan cooperatives where people can borrow hundreds of thousands to millions of Rupiah and then pay it back in installments every week or month. Loan distribution by mobile banks is usually very fast compared to formal financial institutions. The existence of this mobile bank is usually known by word of mouth among certain groups of people.

Mobile banking is a banking service that provides easy access to the public. This service offers many benefits, especially for those experiencing financial difficulties. Prospective debtors borrow money from mobile banks for several reasons, including easier access, flexibility of banking services, simpler requirements, and ease of approval when making a loan. Mobile banks tend to have closer relationships with customers and have closer relationships, making the loan approval process easier. For prospective debtors with small businesses, loans from mobile banks can help become the main source of capital which is important for the development of the small business. With sufficient capital, this small business can develop and generate quite large profits (Monica, 2023).

The existence of Mobile Banks can help the community in providing capital at varying interest rates, with their respective systems. The other side that is disturbing is because the system of providing credit to the community does not see whether the person has loans from other banks, because they operate like that. It is possible that many, not just one, mobile banking institutions such as Cooperatives, People's Credit Banks, even Bank BTPN itself, lack of education in financial management of business capital originating from debt ultimately puts people in a position to fill the gap, thus forcing them to commit usury (Asep & Haryanto, 2018).

Research methods

This research uses descriptive qualitative methods. This method was chosen because the author intends to describe and explain the factors that influence people to make loans to mobile banks. Descriptive qualitative research method means research to describe social phenomena that exist in society while explaining or showing and specifying the causes that allow the emergence of these social phenomena. The data used is in the form of references from various data sources such as books, journal articles, and others. Apart from that, this research also aims to explain people's behavior in using mobile bank services and what are the factors behind people borrowing from mobile banks..

Results and Discussion

Behavior of People Using Mobile Bank Services

Mobile bank is the community's term for institutions that provide financial services, because of their role and duties in providing money lending services to the community. This term has been attached to institutions providing financial services among the public. So that both formal and non-formal banks will be called mobile banks by the public.

In lending activities to banks or formal institutions, each group is created in one area. Each group is chaired by one person. The leader is responsible for the group members. If one of the members has the opportunity to withdraw the money, the group leader will help and accompany the process. The process of disbursing funds is carried out by formal institutions by collecting several requirements, including the Identity Card (KTP), Family Card (KK), and signature of the head of the family. After the requirements have been met, the customer will be given a loan at the initial stage of 2,000,000 (Two Million Rupiah) and will continue to increase in the next stage. The money received will not be in full according to the nominal loan, but there will be a deduction of 100,000 (One Hundred Thousand Rupiah) for frozen savings but at the time of payment the nominal remains the same as when borrowing, plus 25% interest of 500,000 (Five hundred Thousand Rupiah).

Formal institutions aim to support people in achieving family prosperity by offering microcredit, or small loans, with the hope that people can use these loans to start businesses. However, the actual situation is not as expected. It is known that there are several embezzlements committed by people who borrow from mobile banks, namely by borrowing money secretly from the head of the family, borrowing from more than one banking institution, and using other people's names. or an unknown person as a sitting porter.

Borrowing Using Another Person's Name

Mothers who are customers borrow money from mobile banks using names other than their own. If the installment period has not ended, they cannot apply for another loan because the mobile bank records their name as the borrower. In the next cycle, customers can borrow once again. For this reason, those who become mobile bank customers usually use someone else's name as a last resort.

This debt will then be paid by the person who borrowed the name. So, in this way, women who lend their names with the aim of getting debts at mobile banks become just sitting porters. When the time to pay the installments arrives, those who will attend the gathering will be the mothers whose names are borrowed, but those who will pay the money will be the mothers whose names are borrowed. It is common for people to borrow money jointly in addition to borrowing in other people's names. In other words, two women borrow money from the bank under one identity and share the funds. When they do it together, the installments are paid by both of them because, usually, they cannot make large payments.

People who take out loans in other people's names have their own impact. Usually, they use the names of their relatives or friends. According to the statement, people using the identities of neighbors or other family members sometimes cause misunderstandings. Many mothers are unable to pay installments because they do not have sufficient funds. Therefore, the person who lent the identity must pay. As a result, problems now arise in the circle of friends, such as friendships that become strained. Similarly, when family members provide the name or identity of the borrower, the borrower becomes a burden on the family member and is unable to pay the debt when the installments are still due, which ultimately leads to arguments.

Borrowing from More Than One Bank

Most of the borrowers from mobile banks are housewives who do not have a job and depend on their husband's salary to meet their basic needs. They use their family's money to shop so they can pay their obligations to mobile banks. Because sometimes it is not sufficient, they will also owe money to other mobile banks in the area.

Mothers borrow from other banks to pay debts at the previous bank because they hide the debt from their husbands, so that when they pay, they feel confused and look for other alternatives, namely by getting into debt again.

Considering that there are two to three mobile banking institutions in one week, it can be said that the presence of mobile banks is quite intense. The mothers took advantage of this to borrow money from other mobile banks to pay off debts from the previous mobile bank. As a result of the emergence of mobile banking as a cycle in itself, society gradually became accustomed to its intensity. The existence of mobile banks is very important for the community to settle bank loans among themselves. Therefore, dependence on mobile banks cannot be avoided..

Factors Behind People Borrowing from Mobile Banks

Factors that become the background for people using mobile bank services to borrow money include:

The first factor, namely actor needs. The need factor is one of the most prominent reasons why people decide to borrow from mobile banks. Borrowing is done to meet daily needs in the form of sufficient basic food and to buy clothes for himself and his children. The money obtained from the loan is also used to repair the house and pay for children's education.

The second factor, namely social factors. Social factors are a group that considers everything together. These social factors can be seen in relationships with family, friends or the surrounding community. According to Lusardi, in providing an overview of information, friends become one of the illustrations when someone makes a decision, when friends are always involved in it. Certain groups or friends always have a big influence on a person's behavior. Therefore, when making a decision to borrow from a mobile phone, you usually get this information from a friend or local community. Based on the results of interviews, it is known that the public knows information from friends, relatives and the local community about mobile banks and how to apply for loans and the installments that must be paid every week (Mukhtaliana, 2022).

Conclusion

Based on the results above, it can be concluded that the existence of mobile banks gives rise to bad behavior towards society, such as borrowing from mobile banks without asking permission from the head of the family, borrowing from more than one bank and borrowing using other people's identities. This causes problems in people's lives. However, in urgent situations, mobile banks are indeed very helpful to people's needs, but if people behave badly in borrowing from mobile banks in a bad way, a feeling of dependency will arise which will result in a feeling of addiction to the existence of mobile banks. Therefore, it is important to be careful when paying off debts and bills to mobile banks and it is necessary to have public wisdom in making loans to mobile banks to avoid unhealthy behavior.

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