

THE LOCAL KNOWLEDGE PERSPECTIVE OF BANKING LAWS

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ABSTRACT

The Purpose of this research is to actualize the local wisdoms (indigenous) of Hindu Community Bali in the context of agreement, which is able to protect private interests and public. Using the normative juridical as a method and primary data and also direct observation, this research found 5 (five) local wisdoms that can be used in banking laws.

Keyword : local wisdoms, Hindu, Banking Laws.

INTRODUCTION

Business just like games said Albert Z Carry as Quoted by Raharjo (1997). Pluralasa game, a business had specific tools of moral principles that had a different meaning from public moral. The game of business needs strategy and comprehension about special ethic that can be accepted through all the games. In this point, the gamers can apply all the strategy in many ways, for example made the wrong issue and hide the fact that related to the problem or reporting the wrong facts only for satisfy the business. The game of business based on assumption that the most important thing in business is profits (Ludigdo, Unti; 2010).

The management of business games that mentioned before has been perceived by many people and they feel it's a disaster. Noted at least 2 business collapse caused by the exclusion of business management concept of balance the world and the hereafter. So far, Business still used financial economic indicators to evaluate success that can compare with values beyond the material, such as happiness or inner life balance. According to in 202 Enron Corp should terminate its prosperity as one of the largest energy companies in the world (Ludigdo, Unti; 2010). The Enron Corp's down fall spread to their other business's colleague, the public accounting firm Arthur Anderson. Subsequently in the year 2008 where some giant corporation had to bankrupt and several others have experienced prolonged high fever. Like tsunami, this disaster made world economy had a long contraction.

There are connections in the management of a balanced business; suggested that the current era of entrepreneurs and businessmen were growing spiritual awareness in the corporate world and his life (Hendrawan. Sanerya; 2009). The entrepreneurs, executives and ordinary employees even start looking for spirituality in life and trying to reveal the work in various forms. The enthusiasm seen in a variety of meditation practices, support the ever increasing need for morality in business, corporate responsibility that exceeds community needs to hear the inner voice in decision-making. Leader who serve wisdom and love in relationship to the human and natural environment, or even the word Corporate Governance God.

Gives a description associated with the world of law and legislation, that the business should be managed with the right way. In a legal perspective, the business must be managed in accordance with the rules and regulations that exist. States that there is a fundamental difference in the business world that is run by "business game" that is common with business games guided by spiritual restlessness (Julian, Larry S; 2002). If the business is run by general gamer, then the purpose which justifies any means. Which means on the contrary, if the business is run by spiritual principles, then that justifies had the own way to purpose. Along the way done properly, it would be lawful business success.

Hindu community in Bali, or better known as Krama Bali (the local people) (Indigenous) already have local knowledge in the governance of economic activity (especially financial institutions) which have been recognized usefulness in improving the standard of living, economic welfare, social, and religious. However, application of this wisdom begins intervention by national, local institutions who want to switch to a financial institution as stipulated in the national banking architecture.

Lembaga Perkreditasi Rakyat (LPD) during this time is still standing on two provisions in operation. In the as one of the financial institutions supervised by the Regional Development Bank (BPD) Bali, LPD in some cases to be subject to the rules set by the BPD as reporting, provision off lowering. As well as indicators of successful management. While on the other hand, LPD owned by local people (Indigenous) known as Desa krama that also regulated by awig-awig operations where the LPD operates.

This research wants to contribute ideas that local people (Indigenous) Peoples in Bali (Pakraman) given enough space to organize the ireconomic life by applying local knowledge in managing financial institutions (LPD) which has been living and growing as well as the perceived benefits for economic viability, social, and spiritual.

Based on the background above: What is the Local knowledge that can be used to form the basis of the agreement, to be able to protect the private interests and the public?

RESEARCH METHODS

The approach used in this study is a normative juridical with the descriptive nature of the research. This study detailed description of the members of the local knowledge that can be used as the basis of agreement in the non-bank financial

institutions, namely the LPD. Data collected through direct observation of the local implementation, as well as in-depth interviewing with regard to extracting information that is not recorded in the observation. Data were also collected through documentation. Quotations related to local wisdom that comes from the Vedas.

RESULT AND DISCUSSION

Hindu religion, as believed by its adherents, sourced from the revelation of God (Brahman) is delivered through the Maharsithous and of years ago. Hinduism has rational values that also contribute and be a basis for the establishment of ethics in the management of financial institutions, particularly the LPD. Values or rules Hinduism contains teach humans to have the right way of life, encompassing all aspects of human right consisting of Sradha and Bhakti, including also the behavior and social affairs,

The values of Hinduism also regulate the various aspects of human life; the system of Hindu law also regulated with the field of civil agreement. In the civil field, the principle is the foundation of Hindu law to protect the private interests of individuals and society. In connection with the agreement in the field of civil, there are some principles that can be used include :

A. *Tat Twam Asi* (you are me)

Tat Twam Asi related to the management of financial institutions including the LPD. It means Menyame Braya (life in harmony and peace, full of love, help each other) The application of Tat Twam Asi in terms of coaching Menyame Braya (prosperous life and peaceful life, full of love, mutual need and help each other) between LPD and the customers into the financial institution policy. Need each other (interdependence) based on the spirit of Tat Twam Asi in achieving their respective goals Swadharma. Actualizing of Tat Twam Asi is to coaching penyame brayan with Krama Desa, used the concept of local wisdoms knowledge, which are: (a) Paras Paros Salulung Sabayantaka means other people are part of the self and the self part of other people, because of it LPD feel for all of various groups associated with continuance of LPD; (b) Asah asih asuh, the connection between the LPD with karma desa and employees. Government in a spirit of mutual affection, love each other, helping each other for the continuance of the LPD and LPD in determining policy direction. Policy direction in question, among others: the type of products offered to the public, promotion, meeting customer intimacy, etc.

Tat Twam Asi is the ability to empathize it's become the focus of study in the Hindu principle agreement would give economic power to be a perfect society. The desire to perform due to default or broken promises is not good ethic; it will lose when the concept is applied properly. Difficult for other people or karma desa in the application of agreement, such as borrowing money would deprive themselves or LPD future. Helping others or village would simplify manners yourself or LPD future. Wheels of karma or luck will be rolling if all had high empathy. Prosperous society will strengthen the LPD as a financial institution. In this condition. Society should not damage the LPD in many ways because it will self destruct alternative means to reduce the sources of financing. Potential economic loss due to capital tied up will be lost; the burden will increase because of the potential for the LPD will be reduced in handling religious social. Strong LPD will help or improve the livelihoods of communities through social religious and economic assistance. This means that the LPD easier to terms and conditions (without reducing the precautionary principles), because the weight requirement would complicate LPD in developing itself due to the inability of society to borrow and repay loans.

B. *Dharma Arjana* (Business based on Dharma)

This local wisdom implies honesty and moral integrity in the asset management LPD sourced from villages manners funds (savings, deposits, and demand deposits), and in analyzing credit and honesty in its accounting system. Being honest and moral integrity in the management of LPD is the key to success in managing the trust fund manners leave the village in the LPD. Dharma Arjana actualization is the realization of the dharma-based LPD management as expressed in sarasamusccaya and regveda following: Sarasamusccaya. 261

“Lawan tekapaning mangarjana, makapagwanang dharmata ya, ikang dana antukning mangarjana, yakita patelun, sadhana ring telu, kayatnakena”

(Fund should based on dharma, all the proceeds of the business also based on dharma)

The word “Arjand” in Sanssekerta means trying. Success earning or dhana based businesses (Arjana) should be based on the entire potential of the banking institutions/LPD Pekraman. The purpose of doing Arjana! Effort to get dhana expressed in sarasamusccaya: "Saaddhana Riksidhaning Dharma", which means as a means to finance the achievement of dharma. Management and use of dhana dharma goal to succeed. Dharma has a very broad sense. Dharma can be interpreted as the truth of the word of God based on the teachings of Vedas. Dharma can also mean life obligations, and dharma can mean virtue. In Santi Parwa there stated: "Dharma Dharanad fthyahurdharmena widerlhah prajah", which comes from the word dharma means Dharana means arranging the society protected and disejahrakan dharma. In this case dharma means anything that aims to protect and welfare the society.

Rgveda 1.4.1.4

Someone who follows the dharma does not encounter a thorn in his way, all things get easier.

From the quote above Sloka, assured that in the management of LPD Pakraman the path outlined in god and based on dharma, LPD will make survive in the stiff competition in the banking world. This belief because it promised to deliver aid and provide the best way to overcome a variety of problems, obstacles, barriers, and challenges of being a success as listed in regveda, 1.4.1.4 above.

The concept of dharma Arjana also gives effect to minimize the leakage in the economy as a whole. Various studies show that economic activity wherever almost attached to the concept of leakage. Budget cut for a percentage of particular interest. More the issues that developed in the community, that for smooth acquisition loan in the banking institution, we are required to provide fee-for decision makers. Discounted fee for granting the loan is categorized Arjana/businesses that are not based on dharma (memirat funds, corruption) is a mark-up for the benefit of some parties is something that can be avoided if we implement this principle in carrying out daily activities especially for institutions such as LPD. Failure LPD Pakraman many dhana caused by improper management or no good faith in managing money manners village. Personal interests, the desire to become rich instantly is that the trigger to perform mi rat management of funds. Viewed from the side of the customer, which is not based on the concept of dharma Arjana also has a very significant impact. Interference of the loans, inability to pay obligations are also greatly influenced by Arjana which is based on bad faith. Appropriation loan switch, be very dominant in the rural communities. Loans are supposed to be used as working capital, but were transferred to the consumer interests and other interests which is contrary to religious values as metajen/Sabungga chicken, gambling, or toggle, and the like. On the other hand, although the designation is not shifted, but the amount invested by the loan allocation the community is also a violation of the concept of dharma Arjana. On this basis, the concept of dharma Arjana determine the existence of LPD as a financial organization Balinese community to maintain the regularity of the financial side.

C. *Pang Pade Payu* (Mutual Benefit and Empower)

This local wisdom implies managing the bank towards the spirit of mutual profit, each member benefits and empowers each other. It's been formed in LPD operations such as running a small business loan program for micro and medium lending/borrowing is very competitive for the middle class and above, and Grhiyad Wrddhi concept can be applied to the weak economy so as not to burden the village manners, otherwise a can help/donate the of village manners that belonging to the weak economy in order to improve the welfare; inside solve problems, credit/non-performing loans can find a solution that is equally beneficial to both parties to implement a "win win" (Pang on breast) along the customers cooperative. Basic concepts breast pang at this as a form of corporate social awareness that can be implemented by LPD is sourced from.

Sarasamuscava. 187

"Lwirning yukti ikang wehana dana wwang cuddhacara, wwang daridra, tan panemu ahara, wwang mara angegong harep kuning, ikang dana ring wwang mangkana agong phalanika"

People who should be given alms or charity, is a man whose good character, poor people, who do not receive food, people really expect relief, charity or giving alms to such, a large reward.

Atharwaveda, 111.24.5

O people, get the property with a hundred hands and giving s the generosity with a thousand hands.

The meaning of the this sloka is the spirit of managing, towards mutual benefit, mutual benefit, and create a social responsibility/funds for Krama Desa Punia, which is a form of thanks fullness to God, others, and the environment.

LPD will derive great benefit from lending activities to the public if the rotation is very effective credit (credit turn over). Grhiyad Wrddhi concept that minimize the imposition of interest will reduce the potential advantages of LPD. However, this potential will be overcome if the turnovers of loans are very effective. In the theory of financial management, the return rate is determined by two factors; profit margin (spread interest in the banking industry) and turnover (turnover). Profit margin (interest in this case may be reduced due to the application of the concept Wrddhi Grhiyad, but the turnover rate of the loan must be maintained to offset it. Wrddhi Grhiyad In the concept of Hindu agreement (exact local wisdoms). The effective lending can be equated with the concept of pang pade payu. Pang pade payu concept is a concept that is always looking for a middle ground so that all can be run in accordance with karma and or Swadharma respectively. LPD loans may well, on the other side of the village manners get loan with a fairly mild conditions can be established if the conditions is same, mutual understand dharma or each Swadharma. Actually LPD business has to understand the concept of margin and turnover. However, because health evaluation LPD is still focused on the rate of profit, as long as it does not touch the margin reduction (lowering the interest rate by apply concept Wrddhi Grhiyad). But more on adjusting interest with the provisions of banks in general. If the imposition of interest can be adjusted with the skills and concepts Wrddhi Grhiyad, then the loan will be easily absorbed, people will feel lighter in installments, and people can move their business. Finally pang pade payu concept will be a force in moving the economy manners village, because all will be run in accordance with the karma and dharma respectively.

D. *Satya Wacana* (Honesty, keeping promises)

Most major business capital is trust. Without trust, it is hard to organize business especially in the banking business that prioritizes confidence. A liar, unfaithfulness can cause a person to lose the confidence of various stakeholders including such banks. Business is a process of mutual beryadnya life. Beryadnya meaning does not mean it should not take any advantages, on the contrary, it must be mutually beneficial if it's not beryadnya meaning mutual harm. The bank generally and in particular LPD Pakraman must maintain the trust of customers or manners village every decision taken by a human being in earthly life, both orally and in writing is to have meaning as a promise, either to himself or to others concerned, individually and organizationally. Promise (satya) is the law must be obeyed (Satya Discourse). When someone expects others loyal to him, then that person must first show loyalty to any decisions taken, both oral and written (discourse). Without such an attitude would be impossible someone so devoted to her self-control related to the decision (discourse) is taken or spoken form of restraint that is to be honest and not greeting or reneges on a promise as contained in sarasamuccaya sloka 75 :

"Nyang tanpa prawrttyaning wak, pat kwehnya, pratyekanya, ujar ahala, ujar aprgas, ujar picuna, ujar mithya, nahan tang pat singgahananing wak, tan ujarakena, tan angena-agenan, kojaranya"

(this is not worth arising from the words, the number four, which is the word of evil. scold vulgarity, libelous words. sayings lie (not credible); those are the four that had to be removed from the word, do not say, do not you think about it would be pronounced).

Various forms of promotion which will be conducted by a banking institution or LPD Pakraman as an attempt to introduce, offer, popularize to convince and provide an explanation of the benefits of deposit products and loans/loans to community/village manners. All of it, given the meaning of the promises that was brought to the community/village manners.

Sarasamuccaya 129 lays out the truth (satya):

"Nihart ta kottamaning kasatyan, nang yajna, nang dana, nang brata, kapwa wenang ika mengentasaken, sor tika dening kasatyan, ring kapwa angentasaken "

The most important of truth is, yadnya (sacrifice), and (charity-almsgiving), and Brata janji diri (inner oath); everything it can set be free: but still defeated by satva (the truth that is equally free themselves of life in this world)

Sarasamuccaya 133 said:

"Nihan laksanakaning satya, hana ya tinanan tatan pawuni, majar ta ya, yatbabhuta, torasi ikang sakawruhnya, prawtinya ikang mangkana, yatika laksanakaning kasatyan",

Characteristics of people who love the truth, if something is asked once in a while he does not hide it, but told him according to the actual events, and honestly all he knew; such, the behavior that is faithful to the truth.

Various forms of promotions offered banking institutions/LPD pakraman to the debtor/village in Manawa Dharmasastra manners should not be anyelement of deceit and forgery.

Manawa Dharmasastra IX.286 said :

"adusitanam dravyanam dusane bhedane tatha, manmamapedhe ca danda prathama sahasah"

(For those who falsifymerchandise that cannot be faked and that solvesgemborsorburrowing through the unfitfined with the lowest penalties).

Manawa Dharmasastra IX.287 said ;

"samair hi visamam yastu caredvai mulyato pi va, sa prapnyaddharmam purva naro madhyamam eva va"

(But people who do not do right to the honest buyer or deceptive subscription price will be fined for the first medium-fine)

The manager of the LPD is very aware that the various communities/villages manners entrust their funds in the LPD does not require and does not talk much about collateral materials other than they believe that the funds deposited will be managed by full honesty and integrity and security guarantees. The essence of business is highly dependent LPD successful life and death of a community trust/rural manners to LPD because trust is the only guarantee capital and public safety/manners gave village on the funds. In public confidence/rural manners falter, then they will be abuzz tilts so it can cause rosh. Trust is the central point of the business relationship between LPD with its customers. Satya discourse (keeping the promise, honesty) is the key to highly effective in building public confidence in the LPD. Business language used in promoting banking products must use honest language, cool, correct, and as much as possible not to cause legal problems later on. Frank language, cool and completely in accordance with that stipulated in kakawin nitisastra V.3 expressed as follows :*"Because the language of happiness, cause the language also people find death, cause the language people get trouble, cause the language also gets friends"*.

Customers in the form of savings deposits, time deposits and current accounts that have been collected is a key indicator to measure the level of public trust/manners village on the bank/LPD. The greater the amount of deposits of public funds that have been collected, the higher the confidence demonstrated community/village on the banks of manners/LPD. Conversely the smaller the amount of public deposits/manners village collected, then it shows the degree of diminishing public confidence in the banks/LPD. Satya discourse in the management of the bank/LPD is a way of planting the belief in the law of cause and effect (karmaphala sraddha) as spiritual values in an effort to control him self so the bank/LPD can provide the best service to customers/village manners.

E. Sadhana (Spiritual Disciplines)

Religion is a moral law with spiritual discipline (sadhana) that leads a simple life and religious life is how to actualize the love and devotion. Attitudes and moral behavior followed by spiritual discipline (sadhana) is the energy of Brahman/LPD God will lead a healthy life activity. That is human in LPD am this manager to grow and develop confidence that the LPD can run its operations properly and carefully so as to manage the LPD healthy, the rest left to the Will of God. Decision on results (Phala) of business management (karma) which implemented by LPD, believed and understood as the best gift from God. Development of spiritual discipline (sadhana) is a thought-provoking and heart LPD managers to have perception, have confidence that putting expectations, hard work, and prayer will deliver LPD to achieve success. This spirit can be seen in the Bhagavad Gita Sloka and Atharwaveda, as follows :

Bhagawad Gita III.4

Without working people will not achieve freedom, so too he would not achieve perfection as to avoid work activities.

Atharwaveda XX. 18.3

God only loves those who work hard and do not like people who are lazy to work. People who are constantly working under the highest happiness consciousness.

Quote the sloka gives energy to manage LPD with spiritual discipline (sadhana) in order to give birth to a healthy LPD. Sadhana concepts applied in the operational LPD pray, work, learn and grateful to be able to provide power to run Swadharm are spectively, so as to increase public confidence.

The form is in accordance with the concept of Sadhana II.5.7 Rig vedawhich states:

"Svah svaya dhayase krnutam rtvig rtvijam, stomam yajnam aram vanema rarima vayam."

(Strengthen your body, self-confidence and discipline. Worship God regularly. I will grant you money to fund. Finally you will gain an appreciation and prosperity).

CONCLUSION

In the context of the agreement, there are 5 local knowledge that can be used as the basis of civil law in order to protect one's personal interests and communities. Fifth wisdom are: (1) Tat Twam Asi, you are me. (2) Dharma Arjana. Businesses based on Dharma, (3) Pang Pade Payu, mutual benefit and mutual empowerment, (4) Satya Discourse, Honesty. Keeping promises, (5) Sadhana. Spiritual discipline

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