



The Role of Pegadaian Syariah in Increasing Community Financial Access : Case Studies in Communities in the District. Medan Area

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Abstract: The purpose of this research is to analyze the opinions and perceptions of the community around the Medan Area District regarding the role of Pegadaian Syariah as a non-usury practice in increasing public financial access. This research is quantitative research. Data analysis was carried out by distributing questionnaires to the community around the Medan Area District both via E-Form and in person. This research was carried out at Sukaramai Market, Medan Area District. The data collection instrument consists of interview observation and documentation. Collecting data, researchers also used several measuring tools to determine the interests of Sukaramai market traders, Medan Area District, namely Knowledge, Information, Interest. To find out what the surrounding community thinks in this research, the researcher used interviews, namely by interviewing 3 people from the community around the Sukaramai market who are customers of the AR Hakim Branch Pegadaian Syariah.

Keywords: information, interest, non-usury practices, perception

1. INTRODUCTION

Financial access is one of the key factors in improving community welfare, especially in areas that still have low levels of financial inclusion. In Indonesia, sharia financial institutions, including Pegadaian Syariah, play an important role in providing financial services. Pegadaian Syariah is an institution that provides financial services in accordance with sharia principles, aimed at meeting the needs of the Muslim community for safe loans that comply with Islamic law. Its objectives include providing easy access to financing and ensuring the security of the collateral provided.

Pegadaian Syariah not only offers financing products, but also provides an alternative for people who need fast access to funds without having to be trapped in the practice of usury.

Medan Area District, as one of the urban areas in North Sumatra, has great economic potential but also faces challenges in terms of financial access. Many people in this area still depend on informal loans which are often burdensome. Therefore, this research aims to explore the role of Pegadaian Syariah in increasing community financial access in the Medan Area District.

This study will focus on the community in Medan Area District, which is one of the areas with great economic potential but still faces challenges in financial access. Through

this study, it is expected to reveal how Pegadaian Syariah contributes to improving community welfare through better financial access. This study will also analyze the factors that influence the use of Pegadaian Syariah services by the local community.

In addition, this study will discuss the social and economic impacts of the use of Pegadaian Syariah services on the community. By understanding the role of Pegadaian Syariah, it is expected to provide recommendations for the development of more effective and efficient sharia financial services. This is important to encourage financial inclusion and improve the standard of living of people in the area.

Finally, this study is expected to contribute to the development of science in the field of sharia economics and become a reference for interested parties in improving community financial access. Thus, Pegadaian Syariah does not only function as a financial institution, but also as an agent of social change that plays a role in improving the quality of life of the community.

2. LITERATURE REVIEW

This literature review aims to provide a theoretical and empirical basis regarding the role of Pegadaian Syariah in increasing community financial access, especially in the Medan Area District. Several aspects that will be discussed include the concept of financial access, the role of syariah financial institutions, as well as relevant studies.

Financial Access

Financial access is defined as the ability of individuals or groups to obtain needed financial services, including savings, loans, and insurance. According to Demirgüç-Kunt et al. (2018), good financial access can improve community welfare and encourage economic growth. In Indonesia, there are still gaps in financial access, especially in less developed rural and urban areas (OJK, 2020).

Syariah Financial Institutions

Sharia financial institutions, including Pegadaian Syariah, operate based on sharia principles which prohibit usury and unethical practices. According to Iqbal and Mirakhor (2019), Islamic financial institutions have the potential to increase financial inclusion by offering products that are more in line with people's needs. Pegadaian Syariah, as a sharia financial institution, provides fast and easily accessible financing services, so that it can be an alternative for people who do not have access to conventional banks (Sari & Rahman, 2021).

The Role of Pegadaian Syariah in Financial Access

Several studies show that Pegadaian Syariah contribute significantly to increasing people's financial access. According to research by Hasan and Ali (2020), Sharia Pegadaian is able to reach segments of society that are not served by conventional banks, especially in areas with high levels of education and low income.

In addition, research by Rahman et al. (2021) shows that the products offered by Syariah Pegadaian, such as gold pawning and micro financing, can help people meet their financial needs without getting trapped in burdensome debt.

Case Study in Medan Area District

Medan Area District is an area that has great economic potential, but also faces challenges in terms of financial access. This research will examine how Sharia Pawnshops play a role in increasing financial access for people in this area. By understanding the existing dynamics, it is hoped that more effective solutions can be found to increase financial inclusion in the Medan Area District.

3. METHODS

This research method was designed to explore the role of Sharia Pawnshops in increasing community financial access in the Medan Area District. This research uses a quantitative approach with a case study method, which allows researchers to gain an in-depth understanding of the phenomenon under study. Data was collected through in-depth questionnaires and observations. The questionnaire was carried out using E-Form as an online medium and distributed directly as an offline medium. The questionnaire guide includes questions regarding the experiences of the people around the Medan Area District as respondents in using Pegadaian Syariah services, the benefits they feel, and the challenges they face. Observations were carried out to understand the social context and community interaction with Sharia Pawnshops.

4. RESULT

The results of this research were prepared based on analysis of data obtained from in-depth interviews and observations in the Medan Area District. This research succeeded in identifying several main themes that describe the role of Pegadaian Syariah in increasing public financial access. The following are the findings obtained:

Increased Financial Access

Most respondents revealed that Sharia Pegadaian has provided better financial access compared to conventional financial institutions. Respondents stated that the loan application process at Pegadaian Syariah was faster and easier, without requiring a lot of complicated documents.

Appropriate Financing Products

Pegadaian Syariah offers various financing products that suit people's needs, such as gold pawning and micro financing. Respondents revealed that gold pawning products really helped them in getting fast funds for urgent needs, such as education and health costs.

Socioeconomic Impact

Overall, the use of Pegadaian Syariah services has had a positive impact on the socio-economic conditions of the community in the Medan Area District. Respondents reported that better financial access had helped them improve their small businesses, finance their children's education, and meet their daily needs.

There is no fixed formula for presenting the findings of a study. Therefore, we will first consider general guidelines and then focus on options for reporting descriptive statistics and the results of hypothesis tests.

Present your findings as concisely as possible while providing enough detail to justify your conclusions and enable the reader to understand exactly what you did in terms of data analysis and why. Figures and tables, detached from the main body of the manuscript, often allow for clear and concise presentation of findings.

5. DISCUSSION

This discussion aims to analyze and interpret research results regarding the role of Sharia Pawnshops in increasing community financial access in the Medan Area District. The findings obtained indicate that Pegadaian Syariah have a significant positive impact, but are also faced with several challenges that need to be overcome to increase their effectiveness.

Increased Financial Access

The research results show that Pegadaian Syariah has succeeded in increasing people's financial access, especially for those who do not have access to formal financial institutions. A simpler and faster process for applying for a loan is one of the main factors that attracts people to use this service.

Financial Education

One of the important findings from this research is the role of Sharia Pawnshops in increasing public financial awareness and education. Respondents reported that they received information regarding financial management from Pegadaian Syariah employees. This shows that Sharia Pegadaian not only functions as a financing institution, but also as a financial education agent.

Socioeconomic Impact

Overall, the use of Sharia Pawnshop services has had a positive impact on the socio-economic conditions of the community in the Medan Area District. Respondents reported that better financial access had helped them improve their small businesses, finance their children's education, and meet their daily needs.

6. CONCLUSION

His research aims to explore the role of Sharia Pawnshops in improving community financial access in the Medan Area District. Based on data analysis obtained from in-depth interviews and observations, several important points can be concluded as follows:

- a. **Increasing Financial Access:** Pegadaian Syariah have succeeded in increasing financial access for the community, especially for those who do not have access to formal financial institutions. A simpler and faster loan application process is one of the main factors that attracts people to use this service.
- b. **Relevant Financing Products:** The products offered by Pegadaian Syariah, such as gold pawning and micro financing, are proven to suit the needs of the community. Respondents stated that this product was very helpful in meeting urgent needs, such as education and health costs.
- c. **Challenges Faced:** Despite the many benefits obtained, Sharia Pawnshops also face challenges, including negative stigma towards pawnshops. This perception can hinder the use of services, so it is important for Pegadaian Syariah to carry out effective marketing campaigns to change people's views.

7. LIMITATION

In this research, there are several limitations that need to be considered to maintain focus and clarity of research objectives. These limitations are as follows:

- a. **Research Location:** This research is limited to people who use Pegadaian Syariah services in Medan Area District, North Sumatra. The research results may not be

generalized to other regions in Indonesia which have different social, economic and cultural characteristics.

- b. Research Subjects: Respondents in this research are individuals who have used Pegadaian Syariah services. Therefore, the views and experiences obtained only reflect the perspective of service users, and do not include the views of other parties such as Pegadaian Syariah employees or the public who do not use the service.
- c. Focus on Pegadaian Syariah: This research specifically examines Sharia Pawnshops and does not compare them with other conventional financial institutions. Therefore, the analysis carried out does not include a comparison between the effectiveness of Pegadaian Syariah and other financial institutions in increasing public financial access

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