Mentoring for Operational Governance and Islamic Financial Literacy at the BaRes Garbage Bank (Barakah Resik)

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Abstract. By improving the operational governance and Islamic financial literacy of the Waste Bank, this study seeks to resolve the unresolved waste problem. The importance of implementing the 3R strategy (reduce, reuse, and recycle) is an important issue for building habits so as not to litter, motivate people to sort waste before disposal, maximize the use of used goods, and reduce the amount of used goods that are wasted. By equating similar waste with valuable items that can be saved, it is hoped that it will be able to realize the development of a clean and green environment. The partner in this award program is the Barakah Resik Waste Bank (BaRes), which faces problems in the form of an non-optimal management system and low financial literacy. The method used to strengthen partner governance includes building cooperation with CV in order to obtain stable prices. In addition, training in income recording, creating alternative forms, and Islamic financial literacy contributes to the strengthening of a structured administrative and financial system.

Keywords: Waste Bank, Business Governance, Islamic Financial Literacy

1. Background

The waste problem has become a global issue where handling must prioritize collaboration and cannot be done only with one party. Indonesia is currently the world's number 2 (two) waste-producing country, with a total of 3.2 million tons of waste per year (Widayat et al., 2022). Urban waste is a problem in several cities in Indonesia, including Yogyakarta Province (Amalia, 2020). Until now, waste management mechanisms in Indonesia were still dominant, using traditional methods. Landfills receive, transport, and dispose of the waste that households produce (Suhardono et al., 2022).

Table 1. Display Data on the condition of waste management in Indonesia

<table>
<thead>
<tr>
<th>Mechanisms</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>disposed to landfill</td>
<td>68%</td>
</tr>
<tr>
<td>Buried and composted</td>
<td>9%</td>
</tr>
<tr>
<td>Recycled</td>
<td>6%</td>
</tr>
<tr>
<td>burned</td>
<td>5%</td>
</tr>
<tr>
<td>Not managed</td>
<td>7%</td>
</tr>
<tr>
<td>others</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: “Ministry of Environment and Forestry Strategic Plan 2020-2024”

In Yogyakarta, the Piyungan Landfill (TPA) has a limited carrying capacity (Haryanti et al., 2020). On the other hand, based on the existing land use map of Yogyakarta, Yogyakarta does not have an area for a landfill (Amalia, 2020). Limited land is a problem for the opening of new landfills, so the condition of existing landfills has experienced excess capacity. According to the Public Works Office of Housing and Mineral Resources Energy in DIY, the waste management system in Yogyakarta City, Sleman Regency, and Bantul...
Regency 2018 jointly used the Piyungan Landfill (TPA) as an Integrated Waste Management Site (TPST) and made the location waste disposal for several of these districts (Santoso, 2020). The lack of socialization and education on waste management in the community around the landfill is also one of the factors that causes the increasing volume of waste (Armandi et al., 2019).

Serious countermeasures are needed to overcome the production of such a large amount of waste. This is because waste is one of the causes of environmental pollution, which will eventually cause environmental damage (Nurjanah Adhianty; Sakir, 2019). Law Number 18 of 2008 concerning Waste Management, along with Government Regulation Number 81 of 2012, mandates the need for a fundamental paradigm shift in waste management, namely the collection-transport-disposal paradigm to management that relies on waste reduction and waste handling (Raharjo et al., 2017).

The Waste Bank Program is a strategy to implement the 3 Rs (reduce, reuse, and recycle) in waste management at the community level by equating the position of waste with money or valuable goods that can be saved. People are educated to appreciate waste according to type and value, so they want to sort waste. The Waste Bank changes the community's perspective that waste contains people's economic potential, namely the existence of job opportunities and additional income from savings in the waste bank. In addition, the development of a clean and green environment will be realized to create a healthy society (Gunartin et al., 2020). The partner in this service program is the Barakah Resik Garbage Bank (BaRes), located in the hamlet of Karen RT 05 Tirtomulyo, Kretek Bantul, Yogyakarta.

The issue of landfills, such as what happened at the Piyungan landfill in Yogyakarta as the final estuary of Bantul, Yogyakarta City, and Sleman, motivated the community to carry out the 3R and Waste Bank programs. One of them is the newly pioneered Barakah Resik Garbage Bank (BaRes), led by Mr. Fajar Mawan. In the early days of pioneering, the Waste Bank was in great demand by residents of Tirtomulyo, Kretek Bantul, so member registrants reached 76 people. Despite this, the management of the Barakah Resik Waste Bank (BaRes) faces challenges in the form of poor governance and management. The waste bank runs without good coordination and operations. In addition, the Barakah Resik Garbage Bank (BaRes) also experienced financial difficulties in operations and savings targets that were not achieved due to low levels of financial literacy, especially Islamic financial literacy and good business financial management.

The Barakah Resik Waste Bank (BaRes) has great potential to create environmental cleanliness while increasing the economic welfare of the surrounding community. The purpose of establishing this waste bank is to solve unresolved waste problems, get people used to not littering, motivate people to sort waste before disposal, maximize the use of used goods, and reduce the number of used goods that are wasted. However, because the Barakah Resik Waste Bank (BaRes) is still the pioneer, the management of the Barakah Resik Waste Bank (BaRes) is not ready for the management of the waste bank, including its financial management model.

Recording and administration are still carried out carelessly without a good administrative concept. In addition, the source of funds for the management of this waste bank is a voluntary gift from members with an uncertain nominal. On the other hand, people still have minimal awareness of how to save funds in waste banks and are more likely to take funds directly from their waste collection than save them as savings. So there is a need for assistance and strengthening of the operational system of the Barakah Resik Waste Bank (BaRes) both in terms of governance and financial literacy, especially Islamic financial literacy.
2. **Methodology**

This research approach uses a qualitative approach with a descriptive type of research. The data used is primary and secondary. Primary data was obtained directly from interviews and observations with the manager of the Barakah Resik Waste Bank (BaRes) in Karen RT 05 Tirtomulyo Hamlet, Kretek Bantul, Yogyakarta. Secondary data is obtained from articles or journals that contain information relevant to the research to be discussed and carry out the official documentation to obtain information.

Then the implementation method for strengthening the Barakah Resik Waste Bank (BaRes) institution is carried out through an empowerment process that aims to enable the community to identify and analyze their problems, then facilitate so that the community can formulate several alternative solutions to its problems and encourage the community to be able to explore its potential while developing it. Empowering the community aims to educate the community to be able to educate themselves or help the community to be able to help themselves (Korten, 2002).

The methods or approaches offered as alternative solutions to problems faced by partners are:

1. **Initial assessment** The initial assessment of problems and identification of problems are carried out through Focus Group Discussion (FGD) activities both with the Barakah Resik Waste Bank Manager (BaRes) as well as the community and village governments. The output of this activity is mapping the problem of household waste management through the existing waste bank.

2. **Increased awareness and Knowledge** Increasing awareness and knowledge about household waste management problems needs to be given both to the Barakah Resik Waste Bank Manager (BaRes) and the community so that awareness and knowledge about household waste management arise. The activities are in the form of socialization for the management and participants of the Barakah Resik Waste Bank (BaRes).

3. **Methods of Strengthening Governance** The methods offered are Training and Assistance in making design and application forms, administration and recording, and also the Waste Bank financial management system.

4. **Methods to increase Islamic Financial literacy** The method offered is to conduct training related to simple Islamic financial literacy, which the community can practice directly by conducting financial transactions at the Barakah Resik Waste Bank (BaRes) from the results of waste collection.
3. Results and Discussion

Strengthening operational governance and Islamic financial literacy begins with an initial assessment of problems. The identification of problems is carried out through Focus Group of Discussion (FGD) activities both with the Barakah Resik Waste Bank Manager (BaRes) as well as the community and village governments. Thus, data related to the needs and problems in the field are obtained. From the results of the FGD, it was found that the waste bank management (BaRes) did not have a good waste bank system and governance, which had an impact on the lack of public awareness of the importance of independent household waste management through the Waste Bank. In addition, financial literacy is still low, especially Islamic financial literacy, so the target of saving habituation has not been achieved.

Increasing awareness and knowledge about household waste management problems needs to be given both to the management of the Barakah Resik Waste Bank (BaRes) and the community so that awareness and knowledge about household waste management arise. The activities are in the form of socialization for the management and participants of the Barakah Resik Waste Bank (BaRes). It is hoped that with this socialization, both managers and participants of the Barakah Resik Waste Bank (BaRes) will be able to solve waste problems that until now have not been resolved properly. In addition, both managers and participants are given guidance to get used to not littering and are motivated to sort waste so that the environment is kept clean. The managers and participants of the Barakah Resik Waste Bank (BaRes) are then also directed to maximize the use of used goods by instilling an understanding that used goods have value so that the community can reduce the number of used goods that are wasted.

The Barakah Resik Waste Bank (BaRes) can improve its governance by following the four main waste bank governance principles outlined in the Minister of Environment and Forestry No. 14 of 2021 on Waste Management. These are institutional structure, service coverage, customers, and standard operating procedures (LHK, 2021). From the institutional structure, the Barakah Resik Garbage Bank (BaRes) is directed to form an institutional structure with a clear chart and flow of orders, even if only in a simple form. The institutional structure is used to determine the division of tasks that are grouped and formally organized. The Barakah Resik Waste Bank (BaRes) then formed an institutional structure that at least contained a composition of trustees and supervisors, a chairman, a secretary, and a treasurer of public relations.

In terms of service coverage, According to Minister of Environment and Forestry No. 14 of 2021, service coverage is the volume of areas that receive waste bank services. At the district/city level with the main waste bank (BSI) service area, at least one sub-district or equivalent to approximately 500 households. While the Waste Bank Unit (BSU) serves one area such as neighboring pillars, community pillars, districts, or villages,. In this case, the Barakah Resik Waste Bank (BaRes) is included in the category of Unit Waste Bank (BSU), and its implementation is by service coverage standards, where the BaRes Waste Bank is open to all residents who want to save their waste and is not only limited to residents of Karen RT 05 Tirtomulyo hamlet, Kretek Bantul.

Then, in terms of customers, BaRes Garbage Bank customers come from the surrounding community and then register as customers. In Minister of Environment and Forestry No. 14 of 2021 concerning Waste Management at Waste Banks, it is stated that customers of Unit Waste Banks (BSU) come from households and MSMEs in one region. Beres Garbage Bank customers themselves come from the residents of Karen RT 05 Tirtomulyo hamlet, Kretek Bantul, including Micro, Small, and Medium Enterprises (MSMEs). The mentoring process also includes the selection of new customers at the BaRes Waste Bank, which is carried out by socializing the existence of the Waste Bank in Karen
RT 05 Tirtomulyo hamlet, Kretek Bantul. In this assistance process, customers are also given education on how to sort waste from home and the saving system to withdraw money at the BaRes Waste Ban.

In addition, strengthening in terms of standard operating procedures (SOPs) is carried out by making operating hours, customer service, waste pick-up, selecting the type of waste, the minimum weight of waste exchanged, waste conditions, pricing, and waste containers part of a profit-sharing system to comply with SOP standards in Minister of Environment and Forestry No. 14 of 2021 concerning Waste Management at Waste Banks. In strengthening governance, the BaRes Waste Bank is then assisted to collaborate with CV so that it has a clear and stable waste price. In addition, BaRes Waste Bank is also directed to create a structured administration system with several alternative forms, such as member forms, waste bank registration forms, and savings forms. As a form of support for the development of the BaRes Waste Bank, this waste bank also received grants in the form of scales and cash assistance to support operations for the development of the BaRes Waste Bank in the future.

Figure 2: Scale Grant and Sorting Classification Waste System

In terms of assistance to financial literacy, especially Islamic financial literacy, BaRes Garbage Bank is also equipped with financial planning strategies. In financial planning, BaRes Waste Bank managers must choose the appropriate recording media using both financial recording books and computerization systems. Making the form of a saving that has been made previously will make it easier for managers to carry out orderly and orderly financial records because of clear documentation of the history of waste exchange transactions into money. The manager is also guided to record immediately after making a transaction so that the velocity of money can be recorded with discipline and can be accounted for.

Both the management and customers participating in the BaRes Garbage Bank are also provided with education to improve financial management starting from the family environment. Not to forget in Islamic financial literacy, money expenditure items, both in households and businesses, are directed to allocate expenses by including alms posts before allocating money into daily expenditure posts, and expenditure items for the future. Considering the benefit of religion is a priority and barometer among the benefit of property, offspring, soul, and intellectual.

In assisting Sharia financial literacy, both managers and participants of the BaRes Garbage Bank are educated to routinely conduct budgeting by implementing the ideal budget allocation by Sharia with a ratio of 10% (social funds), 20% (savings/emergency...
funds/protection or investment), 30% (installments if owed), and 40% for living needs. With a structured and planned money management mindset from the household environment, it is hoped that later participants will be able to apply professional financial planning and management in business and organizational environments. Baik pengeola maupun nasabah peserta Bank Sampah BaRes keduanya juga

![Figure 3: Monitoring in governance and literacy of Sharia finance of BaRes Waste Bank](image)

4. Conclusion

The Waste Bank Program is a strategy to implement the 3Rs (Reduce, Reuse, and Recycle) in waste management at the community level, by equating waste similar to money or valuable goods that can be saved while realizing the development of a clean and green environment. The purpose of establishing a waste bank includes solving unresolved waste problems, getting used to not littering, motivating to sort waste before disposal, maximizing the use of used goods, and reducing the number of used goods that are wasted. The partner in this add-on program is the Barakah Resik Garbage Bank (BaRes) located in Karen RT 05 Tirtomulyo hamlet, Kretek Bantul. The problems faced by partners include not optimal systems and governance as well as low financial literacy, especially Islamic financial literacy.

Forms of assistance to partners include collaborating with a CV so that they have clear and stable waste prices, creating a structured administrative system with several alternative forms, and governance assistance to create a Waste Bank with governance by Minister of Environment and Forestry No. 14 of 2021 concerning Waste Management in Waste Banks, and training on recording Waste Bank income to Islamic financial literacy training as an effort manage the finances of the Waste bank revenue proceeds. BaRes Waste Bank is also equipped with financial planning strategies to improve financial management starting from the family environment. As a form of support for the development of the BaRes Waste Bank, this waste bank also received grants in the form of scales and cash assistance to support operations for the development of the BaRes Waste Bank in the future.

References


