
Analyze Capital Structure In Kamal Sharia Pawnloyers And Wonokromo Pawntown Case Study

Linda Ayu Oktoriza^{1*}, Nur Fitri Rahmawati²

¹ Universitas Dian Nuswantoro

² Institut Ilmu Sosial dan Manajemen STIAMI

Corresponding Author e-mail: lindaayu.okt@dsn.dinus.ac.id

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Abstract: *This study aims to analyze the effect of the capital structure on PT. Pegadaian (Persero) Tbk. It can determine where the capital is obtained by going directly to the field. This study uses qualitative methods with various other literature. The pledge is a right obtained by a creditor for a movable object, which is handed over to him by a debtor or by another person on his behalf, and which gives the debtor the authority to take payment of said item in priority over other creditors, except for the cost of auctioning the item and the costs incurred to salvage it. Based on the research described by the researchers, it can be concluded that the existing capital structure of the two pawnshops is either sharia or conventional. The capital structure owned by these two pawnshops is purely from the State. Because this pawnshop company is a State-Owned Enterprise (BUMN), all the principal capital comes from the State.*

Introduction

In social life, we as humans must help each other and build relationships between people. Among them are socio-economic life, buying and selling activities, renting, etc. As time goes by and the sophistication of the times, the community's economic needs are increasingly complex, so it must be balanced with each individual's or family's financial capabilities. Not many people experience economic difficulties in meeting their economic conditions, so they are looking for solutions from funding sources by using alternative ways in financial service providers. On the other hand, these financial providers need customers to grow bigger.

Pawn is a savings and loan between the community and the institution providing funds. Pawn is a government-owned Non-Bank Financial Institution, PT Pegadaian (Persero) Tbk. This government-owned company already has many unit offices that have spread throughout

Indonesia. In this case, the pawn is one of the products in the provision of financial services that is quite much in demand by the public. Why is it in great demand by the community? The pawn in this pawnshop company is very easy to manage, so the community only provides the requirements needed in future transactions (Djafar et al., 2022).

The reality of the socio-economic life of people who have assets in forms other than cash and at the same time, the community is experiencing liquidity difficulties, so they need funds in cash. So, the transaction often used by the community in dealing with this problem is pawning their valuable goods. Therefore, both Sharia and conventional pawnshops have the task of providing loans to people who need funds. In this loan, there are no restrictions for people from any background. Following the motto of the pawnshop itself, "Solving problems without problems," the hope of the pawnshop for the community is not to hesitate to come to the pawnshop (Hamid, 2021).

In the activities of the financial services sector that have been recorded in Law (UU) Number 21 of 2011 concerning the Financial Services Authority in article 4, it is written that financial services activities are in the fields of banking, capital markets, and Non-Bank Financial Institutions (LKNB). Therefore, this national financial institution has a significant and strategic role in providing capital to develop productive sectors. Non-Bank Financial Institutions (NBFIs) have a significant role in the country's economy. In its position, Non-Bank Financial Institutions (NBFIs) are institutions that collect and distribute public funds effectively and efficiently to improve people's lives (Carunia Mulya Firdaus, 2018).

Pawnshop itself is one of the financial institutions in Indonesia where Pawnshop's mission is to provide optimal benefits and benefits for all stakeholders by developing business, expanding the reach of MSME services through Ultra Micro synergies to increase the value proposition of customers and stakeholders (Pawnshop Vision and Mission, 2023). Islamic pawnshops, in carrying out their operations, adhere to Sharia principles. Sharia principle products have characteristics such as not charging interest in various forms because of usury, establishing money as a medium of exchange and not as a traded commodity, and conducting business to get service fees/profit sharing.

During the Indonesian government, the pawnshop service was a continuation of the Dutch East Indies Government. The status of the pawnshop was changed to a State Company (PN) Pegadian based on Law No. 19 PR 1960. Government Regulation No. 178 of 1960, dated May 3, 1961, concerning establishing a pawnshop company (PN Pawnshop). Then, based on Government Regulation No. 7 of 1969, dated August 1, 1969, concerning the change in the position of PN Pawnshop to Jawatan Pawnshop jo. Law No. 9 of 1969, dated August 1, and its explanation of the forms of State business in the Company Jawatan (Perjan), Perusahaan Umum (Perum), and Perusahaan Perseroan (Persero). Furthermore, to increase its effectiveness and productivity, the Perjan Pawnshop form was then transferred to the Pawnshop Public Company (Perum) based on Government Regulation No. 10 of 1990, dated April 10, 1990 (Latumaerissa, 2013).

In the research this researcher has written, why do we have to compare where the operational capital obtained by the pawnshop company comes from? The two companies have

different principles in managing their capital where the Islamic pawnshop itself adheres to Sharia principles, which in the collection and use of funds must be carried out transparently reasonably and does not harm any party. Because this funding source comes from the state directly and is halal because it is based on profit sharing, whereas in this conventional pawnshop, the source of capital is also from the state, but in the products, it must be paid along with interest on the loan. Because interest in conventional pawnshops is the same as usury, which Islam considers haram.

Capital is wealth owned by a company that is a foundation for building or running a company. Own capital can come from internal and external companies. Capital originating from within the company itself is from the company itself, where the capital comes from retained company profits and depreciation or depreciation. Retained earnings are the profits earned by the company originating from the company's operations that are not distributed to shareholders. Therefore, this retained profit will be reused for the company's operational activities. Depreciation is a reduction in the value of fixed assets such as buildings, vehicles, and other fixed-asset equipment.

The company's external capital is capital obtained from outside the company, such as examples of corporate debt and capital from company shares. Debt has three time periods: long-term, medium-term, and short-term (Suardani, 2019). Every company will need working capital to carry out activities daily. With sufficient working capital, the company may operate. This working capital must also be arranged as well as possible so that no problems occur while carrying out its activities (Ginting, 2018).

Working capital can be interpreted as investment invested in current or short-term assets, such as cash, securities, accounts receivable, inventory, and other current assets (Kasmir, 2011). Capital Structure is financing in a permanent form consisting of long-term debt, preferred stock, and shareholder capital (J. Fred Weston & Thomas E. Copeland, 1997). Own capital structure is the ratio between long-term debt and one's capital. In this case, the company's capital guarantees long-term debt. The higher the value of the capital structure, the higher the risk of the company guaranteeing long-term debt. However, if the capital used in the company is efficient, it can reduce the cost of capital and increase its value. The capital structure can be optimal if the company can reduce the cost of capital and increase the company's value (Prabowo, 2017). This capital structure compares the company's long-term funding using the ratio of long-term debt to equity. There is still a shortage in fulfilling the need for company funding originating from its capital, so it is necessary to consider company funding from outside or what is called debt (Harjito, 2012).

In the capital structure of the company, there must be factors that influence, among others:

a. Asset Structure

This asset structure compares fixed assets and total assets or can be referred to as a source of funding for each component of fixed or current assets. Most businesses or companies that have at least part of their capital embedded in fixed assets will prioritize the fulfillment of permanent capital, or it can be said that owning capital and debt is a compliment. If a company is getting bigger in its assets, it will prioritize the need for funds with debt. Therefore, in this

case, it shows the influence of the asset structure on the company's capital structure.

b. Company Size

Where in a company that is already large will diversify more than a small company. Therefore, the failure in running a business or experiencing bankruptcy is getting smaller. In this company, size is also very often used to indicate the possibility of bankruptcy. Therefore, companies of a larger size will be seen as more capable of dealing with crises in running their business.

c. Profitability

In this case, profitability is a percentage to assess how far the company can generate profits at a certain level that is acceptable to the company. So many companies with high profitability will undoubtedly have more internal funds than companies with low profitability (Prabowo, 2017).

Non-Bank Financial Institutions or Non-Bank Financial Institutions (LKBB) are financial institutions that raise funds by issuing securities and providing various financial services. Non-bank institutions attract funds from the public by deposit or indirectly. Non-Bank Financial Institutions include leasing, insurance, venture capital, pension fund companies, stock exchanges, pawnshops, and mutual funds. Non-bank financial Institutions were established to improve the community's welfare (Soemitra, 2017).

The services that Non-Bank Financial Institutions can provide for the people of Indonesia are Insurance Companies where the company is engaged in the insurance business, where the company manages the pension funds of an employer company, Savings and Loan Cooperatives where the company collects funds from its members and then redistributes these funds to the general public or to cooperative members, Capital Markets where this market is a meeting place and also conducts transactions between fund seekers and investors with the main instruments of stocks and bonds, Pawnshop Companies where this company is a financial institution that prepares loan facilities with certain guarantees, and others (Wiwoho, 2014).

Research Methods

This study uses qualitative research. Qualitative research is research to understand the phenomenon of what exists. In this study, researchers used a descriptive approach. The data obtained is through direct data interviews from the field and various sources of scientific journals, book articles, etc. The object of this research is the capital structure of non-bank financial institutions. This research was conducted at Kamal Sharia Pawnshop.

Result and Discussion

PT Pegadaian (Persero) or also can be called "Company" or " Pawnshop ". PT Pegadaian is grouped into two eras: the colonial and independence eras. So, it can be illustrated that this pawn company has been embedded for a long time in people's daily lives. In 2003, Pawnshop established two parts in terms of conventional or sharia. Sharia Pawnshop emerged along with the demand for Sharia financial services in Indonesia because most of Indonesia's population is Muslim. After Sharia banking emerged, PT Pegadaian (Persero), a state-owned financial

institution, did not want to lose offering Sharia Pawnshop products. Where this pawnshop provides loan money to customers or people in economic shortages, this customer must pay the loan, interest, and rental fees monthly. The interest or rental fee depends on the nominal amount of loan money the customer takes.

PT Pegadaian itself, when granting loans, must follow the basis of pawn law. When a customer or community wants to apply for a loan, the borrower must leave movable goods or assets to be pawned. With this guarantee, the pawnshop will immediately interpret the collateral or goods deposited by the customer to the pawnshop. In this service, PT Pegadaian has interpreting equipment and experienced officers in assessing the value of a pawned item. After the interpretation stage, the customer entrusts the goods to the Pawnshop, which will be stored in the safe. The pawnshop will receive a deposit fee from the customer with this service. So, conventional and sharia pawnshops will be charged a deposit fee. However, in conventional pawnshops, there is a deposit service fee and interest every month in transactions (Yandri & Fatmalia, 2020).

Sharia Pawnshop is a pawn in a debit and credit agreement, where someone who owes will pawn accordingly as collateral for his debt to the debt giver. The collateral that has been submitted will still belong to the pawnbroker, but the debtor will control the collateral. This is in the science of fiqh called Rahn (Surepno, 2018). Islamic pawnshops, in carrying out their operations, adhere to Sharia principles. These products have Sharia characteristics such as no interest in various forms because it is usury, establishing money as a medium of exchange and not as a traded commodity, and conducting business using profit sharing (Lestari, 2017).

Conventional Pawnshop is a state-owned financial institution that provides financing to the public in Indonesia. This institution provides loan capital to customers based on the applicable pawn law rules. The products in this conventional pawnshop benefit from administrative fees and interest and use the characteristics of the principle of help by what has been recorded in civil law. A pawn business is a conventional pawnshop lending goods to obtain money that can be redeemed after a certain period. With the pawn business, people do not need to be afraid of losing their valuables, and the amount of money desired can be adjusted to the price of the pledged goods. Companies that run pawn businesses are called pawnshop companies, and officially, the only pawn business in Indonesia is carried out by the Pawnshop Company (Agus et al., 2018).

The source of working capital is significant for a non-bank financial institution (NBFI) because the amount of capital used in these operational activities needs to be managed so that the amount of working capital used will be balanced with the profits that the non-bank financial institution will obtain in a certain period. Because the more significant the working capital issued, the greater the profit. However, if the working capital used by Non-Bank Financial Institutions (NBFIs) is small, the profits that will be obtained will be small (Fauziyyah & Husaini, 2016).

Pawnshop Non-Bank Financial Institutions (LKNB), whether from sharia or conventional sources of working capital or operations, are from the government. Because this Non-Bank Financial Institution (LKNB) is a State-Owned Enterprise (BUMN), all initial

capital is purely from the State, not personal. So that if Kamal Sharia Pawnshop or Wonokromo Pawnshop have capital needs, they will immediately make a proposal, which will be sent to the Head Office through the Branch Office first.

Based on the interviews conducted with Mr. Farid Budiman, the person in charge of the Kamal Sharia Pawnshop, he said that the Kamal Sharia Pawnshop, when applying for capital needs, proposes first the nominal amount needed. The proposal will be sent to the branch office, and when it gets ACC, the person in charge will take the capital himself, in taking the capital, which can be through Bank Rakyat Indonesia (BRI) or from the branch cash office. The Kamal Islamic Pawnshop itself has a balance limit in service operations set by the branch office every day because there is a daily limit involving security.

The capital system at Kamal Sharia Pawnshop cannot be too much in the office so that every day capital is deposited to the main cash bases or Bank Rakyat Indonesia (BRI) or given to surrounding outlets so that the capital does not just settle but is continuously rotated for services. Submitting the required capital must also attach evidence that is a reinforcement for operational purposes. The allocation of operational capital includes customer transactions such as customers wanting to pawn, disbursement of funds, building renovations, building maintenance, and others. The profit that the pawnshop itself can take is from the storage service of the customer who entrusts the pawn and mu'nah. The products of this Islamic pawnshop are classified as very low mu'nah every month. First, the Arrum Emas product is a gold pawn that will become loan money with an interpretation of 0.95% in each nominal loan money. Second, KUR sharia is a credit loan for business developers or MSMEs with a mu'nah of 0.28% each month in each nominal loan money. Third is Rahn and Arum BPKB Pawnshop, where this rahn is also the same as Arrum BPKB, but this product not only pays mu'nah but also administrative fees or deposit services of 1% each month. Furthermore, mu'nah is the same as 1% each month.

Based on the results of interviews conducted with Ms. Dessy, Customer Service of Wonokromo Pawnshop, she explained that Wonokromo Pawnshop is a corporation because the State purely owns this pawnshop. So that all the capital comes from the State, when the government has a program, the Wonokromo pawnshop will carry out the program to be right on target for the community so that the capital will be helpful. In applying for the capital, Wonokromo Pawnshop submitted a proposal at the area office first and attached documentary evidence of the process of running programs from the government so that the capital can be disbursed. Because the disbursement of these funds must be detailed following the funds issued with the activities must also be balanced. Each year, Wonokromo Pawnshop itself, in its activities, issues capital under 1 billion because Wonokromo Pawnshop is located in a branch office. In taking operational capital, the Wonokromo Pawnshop takes it directly from the area office. Also, the products of Wonokromo Pawnshop have two divisions, the pawn and non-pawn divisions. If the pawn system uses jewelry for non-pawn, that is, using assets that can be pledged. In the pawned product itself, it has an interpretation of 80%. For non-pawn, it has an interpretation of 75%.

The Wonokromo Pawnshop Products with administrative fees and interest are relatively low. First, Kredit Cepat Aman (KCA), where the lowest administration fee starts from Rp. 2000 and also costs a 1% capital rental rate. Second, the KRASIDA product has a long tenure of up

to 36 months with an administration fee of Rp. 10,000 and the lowest capital rental of 1.25%. Third, KREASI, where this product is a pawn of assets with different rental fees for employees or service employees, where for employees it is 1.25% and for service employees it is 1.50%.

Similarities between Sharia Pawnshops and Conventional Pawnshops

There are several differences in the Capital structure of Sharia Pawnshops and Conventional Pawnshops:

- a. Where PT Pegadaian (Persero) shareholders control both institutions, with a majority stake in one and a minority stake in the other.
- b. Basic capital, the amount of authorized capital owned in these two pawnshops is equally significant.
- c. Paid-up capital, namely the amount paid-up capital per day, quarterly, or a year in which both companies paid up half of the authorized capital.
- d. Business Income and other capital sources for the two companies' operations depend on third-party funds such as through business or product income such as administrative financing, profit margins or profit sharing, etc.
- e. In both types of pawnshops, ase is also used as collateral in transactions.
- f. In seeking profit, these two pawnshops have storage service income and an auction of collateral the customer does not take.

The similarities between conventional pawns and Sharia pawns are as follows:

- a. This lien is a right that applies to debt or credit agreements.
- b. With property or collateral that can be used as debt collateral.
- c. It is not allowed to use or utilize the pledged goods without permission by the pledgor or the pledgee.
- d. All costs on pawned goods issued by the pawn-holder become the responsibility of the pawn-giver.
- e. Pawned goods: If the debtor does not pay and is due, then the goods can be sold or auctioned off.
- f. The pawnshop must maintain and store the pawn object.
- g. g in the agreement or goods pledged.
- h. Baranggadai must be economical.
- i. Pawned goods cannot be divided.
- j. The pledge holder has the full right to hold the pledged goods.
- k. The right to obtain compensation costs for the pledgor if the pledged goods are lost or damaged.
- l. The right to get the pledged goods for the pledgor if the debt has been paid off.
- m. The right to obtain the remaining proceeds from the sale or auction for the pawn-giver (Khalid, n.d.).

Not only that, the similarities between Sharia Pawnshops and Conventional Pawnshops according to civil law are as follows:

- a. With the existence of collateral as a debt guarantee.

- b. It is not permissible to take advantage of pawn goods.
- c. If the loan time limit expires, the mortgaged goods may be sold or auctioned (Suryani, 2009).

Sharia Pawnshops and Conventional Pawnshops have similarities, including:

- a. Pawn is a form of transaction categorized as debt and credit.
- b. To get the trust of a person or party who lends money, the person who will owe must pawn his goods or assets as collateral for the debt.
- c. Collateral for the debt can be sold or auctioned to pay the debt of the person in debt if it has passed the due date. Then, the results of the entire auction process will be paid in full, and if the collateral has an excess in the process of selling or auctioning, it will be returned to the asset owner.
- d. This collateral remains the property of the person who pawned but is still controlled by the pledgee
- e. By using a pawn contract, both parties have a shared responsibility. The debt owner is responsible for paying off the debt, and the receivable must guarantee the collateral. When the debt has been repaid, the detention of the goods involved in the pawn contract is released. So, the responsibility of the person who pawned and the one who received the pawn is lost or released from their respective responsibilities.
- f. In implementing this, a pawn is a person who owns the property because objects that do not belong to him cannot be pawned (Shintya et al., 2018).

The similarities between the characteristics of Islamic pawnshops and conventional pawnshops include the following:

- a. Pawn is given on movable or immovable objects.
- b. The pledged item must be removed from the pledgor's authority.
- c. Gives the creditor the right to obtain prior repayment of the creditor's debt.
- d. authorizes the creditor to take it himself to repay the debt (Subekti, 1996).

The similarity between Islamic and conventional pawnshops is in the maturity time, which is four months or 120 days. If the due date has passed, it will be contacted first. If the customer can be contacted and asks for leeway, they will be given the opportunity from both Kamal Sharia Pawnshop and Wonokromo Pawnshop. However, if the customer cannot be contacted for more than 15 days, the collateral will be included in the auction or sale process. If the collateral has entered the auction list, the collateral cannot be redeemed. After completing the auction process of the customer's collateral or *rahin*, the money is used to pay the customer's loan bill in full. However, if the money from the auction has the remaining auction proceeds, it is returned to the customer. This is the system of conventional pawnshops. Suppose the customer does not want to receive the remaining auction proceeds for approximately one year. The money is safely included in the ZIS (Zakat, Infaq, and Shodaqoh) fund in the Islamic pawnshop.

The differences in the capital structure in Islamic pawnshops are as follows:

- a. Shareholders where in this Islamic pawnshop, the shareholders are owned by PT. Pegadaian (Persero) with majority share ownership
- b. Initial capital is purely from the State because this pawnshop is a BUMN, but in Islamic pawnshops, there are limits on transactions per day, and must also take the capital at the branch cash office
- c. Paid-up capital in this sharia pawnshop as a whole
- d. Third Party Funds come from customers by entrusting valuables or assets that can be deposited as collateral for sharia loans.
- e. Mudharabah bonds, in this Islamic pawnshop, do not only depend on DPK but also get its funds through mudharabah bonds to investors to support its business expansion.
- f. Business income from the service results of entrusted customer assets or valuables
- g. Revenue gains are made based on an agreement between the pawnshop and the customer without involvement with the payment or receipt of interest.

There are also differences from conventional pawnshops in their capital structure, including:

- a. Shareholders, not only Islamic pawnshops purely from the state, but conventional pawnshops also have the same principal capital purely from the state. Because before the establishment of Islamic pawnshops, conventional pawnshops were founded by the state.
- b. Its initial capital is greater than the sharia pawnshop
- c. Paid-up capital in conventional pawnshops is usually done in a year
- d. Third Party Funds (DPK) are the primary source of conventional pawnshops and come from customers with deposited valuables, and there is interest in the loan.
- e. Cooperative bonds in conventional pawnshops by issuing corporate bonds to investors to support business expansion.

Not only have similarities but in Sharia pawnshops and conventional pawnshops have differences, including:

- a. Rahn in Islamic law is carried out voluntarily based on helping without seeking profit. However, the pawnshop itself, according to civil law, in addition to this principle, is not only helping but also seeking profit with a system of interest in the rental capital that has been determined.
- b. In civil law, this lien only applies to objects or assets with economic and moving objects. Whereas in Islamic law itself, this Rahn applies to all assets, both movable and immovable assets. In civil law, guarantors with immovable assets such as land, ships, and airplanes are already called collateral rights regulated in Law No.4 of 1996.

Table 1. Differences between Sharia Pawnshops and Conventional Pawnshops

No	Difference	Conventional Pawnshop	Sharia Pawnshop
1	Legal foundation	Using the Civil Code, especially Article 1150 and Article 1160 of the Criminal Code.	Using the Fatwa of the National Sharia Council of the Indonesian Ulema Council Number 25/DSNMUI/III/2002 concerning Rahn and the fatwa of the National Sharia Council of the Indonesian Ulema Council Number 26/DSNMUI/III/2002 concerning Gold Rahn.
2	Parties in pawn	Pawn debtor (pawn giver) and pawn creditor (pawn recipient)	Rahin (giver of collateral) and murtahin (receiver of collateral)
3	Proof of pawn credit agreement	Using Letter of Credit (SBK)	Using Proof of Rahn (SBR)
4	Implementation of pawn	In this implementation, there is only one credit agreement because of the accessor agreement (additional agreement), where the position of the main agreement is higher than the additional agreement.	In this implementation, there are two contracts, namely the Rahn contract (Sharia pawn) and the Ijarah contract (rental services for safekeeping and storage of collateral), where the two contracts are equal and are also important in Sharia pawning.
5	Profit giver	In the form of capital rent or interest that has been determined based on the loan amount requested by the customer.	Does not emphasize the provision of interest from pawned goods. However, Islamic pawnshops still get their profits, namely by saving service fees or mu'nah. In collateral maintenance, pledged goods are also calculated or interpreted from the goods, not the loan.
6	Determination of the period or number of days in the calculation	The capital lease rate is determined per 15 days	Determination of the Ijarah rate determined per 15 days
7	Supervisory Body	Supervised by the Ministry of SOEs	Supervised by the Sharia Supervisory Agency (BPS)

Sharia pawnshops and conventional pawnshops have different implementation principles, whereas this Sharia pawnshop prioritizes principles based on Islamic law. At the same time, the conventional pawnshop itself is based on the civil law system. The difference between Islamic and conventional pawnshops is significant in the operational system, where Conventional Pawnshops charge interest on loans. At the same time, Sharia Pawnshops use a profit-sharing approach (*mudharabah*) or fee-based income and use the *ijarah* system (custody fees or storage of goods). Sharia pawnshop itself is not only adopted by Muslims in general, but this Sharia pawnshop is adopted by all groups, including non-Muslims who do not understand either the differences or similarities that exist between Sharia Pawnshops and Conventional Pawnshops (Soemitra, 2010).

No	Conventional Pawnshop	Sharia Pawnshop
1	Administration fee based on the loan proceeds	Administration fees are based on the product taken because not all products are subject to administration fees.
2	Capital rental and interest based on loan amount	Savings and loan services based on appraisal value
3	Overdue and unable to be notified, the goods will be auctioned to the public.	If the due date exceeds the deadline and no news can be given, the goods will be auctioned to the public.
4	Loan money in products 75%-80%	Loan money in estimated products 80%-90%
5	A maturity period of 4 months and a maximum tenor of 36 months	The maturity period is four months, and a maximum tenor of 36 months

Islamic pawnshops do not emphasize the provision of interest from pawned goods. Even without interest, Islamic pawnshops still profit by charging a maintenance fee for the pawned item. The fee is calculated from the goods' value, not the loan amount. Whereas in conventional pawnshops, the fee must be paid is the amount lent.

The differences between Pawn and Rahn include:

- a. Rahn in Islamic law is carried out voluntarily based on helping without seeking profit, while pawning according to civil law, in addition to the principle of helping, also attracts profit through interest or rent of capital set.
- b. In civil law, liens only apply to movable objects, while in Islamic law, rahn applies to all movable and immovable assets.
- c. In Rahn, according to Islamic law, there is no such thing as money interest.

Islamic pawnshops differ slightly from conventional pawnshops, namely, pawning goods to get a certain amount of security money. Conventional pawnshops themselves often use interest in their product services. Meanwhile, Islamic pawnshops do not charge fixed interest but storage, maintenance, and appraisal fees for pawned goods. The main difference between Islamic and conventional pawnshop interest is that the interest can be accumulated and multiplied, while Islamic pawnshops are one-time and fixed in advance. Gold pawnshop is one of the Islamic products, namely financing with collateral in the form of gold as an alternative to fast financing. Gold pawning is a free loan arrangement with gold collateral in a lump sum or installments within a certain period. The gold collateral offered is stored in a bank or a pawnshop where the customer must pay a rental contribution or deposit rental service. In contrast, Islamic banks must also pay attention to elements of trust. Agreement and period (Surepno, 2018).

As for the difference between Ijarah and interest viewed from Islamic law, it seems that the payment of goods and services is not in line with Islamic economic principles because of the significant difference between goods and services. However, at first glance, both rent and interest seem to be the same because it is said that rent is on land or property, while interest is on capital, which has the potential to be transferred into any property or wealth. Thus, it can be argued that the right "to own land does not imply an unlimited right to rent it out, just as the right to own money does not imply the right to collect usury." Despite the superficial similarities, the two transactions and profits differ in several respects.

Firstly, rent is the result of initiative and efficiency. It is generated after a process of creating a definite value. This is because the owner of the property or wealth remains involved and interested in the entire use of the user. This is not the case with interest because the lender is no longer interested in using the loan once the loan is obtained and the interest is secured. Secondly, productive leasing is indispensable in creating value because the owner makes economic efforts of capital by converting it into property or wealth. Thus, the entrepreneurial element will remain clear and active in producing goods and services. At the same time, interest may slow down the value-creation process. The entrepreneurial element is not completely lost since the lender remains uninterested in using the loan. Thirdly, in the case of rent, the capital owner determines the product's pattern, size, and benefits. It is, therefore, limited to its definite

and purposeful use. Whereas in the case of interest, the actual owner seems to have no interest in the economic use of the capital, hence the possibility that the capital may be misused. Fourthly, since there is an element of loss in the case of rent, the owner's use of capital to earn rent does not create a class of idleness in society. In contrast, loss is not present in the case of interest, which can make the rich richer and the poor poorer (Jamaa, 2011).

In connection with this study, this researcher refers to previous research to facilitate data collection, the analysis methods used and data management carried out by these researchers include: Where in the previous research, namely Haqiqi Rafsanjani's research (Rafsanjani, 2021) entitled "Differences in Conventional Pawn Practices with Sharia: Case Study at Perum Pawnshop Kebomas Gresik Branch." This study uses a qualitative method. This study aims to describe the general calculation of profit and profit in Sharia. The results of this study were obtained, namely knowing how much estimated loan money is obtained by the customer, administrative costs in Islamic pawnshops and conventional pawnshops, and how much the nominal yield of loans from certain groups is.

In previous research, namely research by Firman Menne, Antong, Nur Fadhila Amri, and Anggi Febrianti (Menne et al., 2022) entitled "The Role of Rahn Financing on Sharia Pawnshop Revenue." This study uses quantitative methods with an emphasis on observation and documentation. This study aims to calculate the opinion on whether the company is running normally or not. The results of this study using the SPSS calculation of the distribution level in the company are said to be normal $\geq 5\%$, and the distribution is not normal $\leq 5\%$, so this increase in distribution can be used to determine whether the income of PT. Pegadaian Syariah Makasar Central Branch is experiencing average income or not. So this research was written to find out where the capital of the company PT. This pawnshop comes from both Sharia and conventional pawnshops, and find out what the differences and similarities are between Sharia pawnshops and conventional pawnshops.

Conclusion and Recommendation

Based on the research that the researchers have described, it can be concluded that the capital structure that exists in the two pawnshop companies, both from Islamic pawnshops and conventional pawnshops, in the capital structure owned by the two pawnshops is purely from the state. Because this pawnshop company is a State-Owned Enterprise (BUMN), all the principal capital is from the state. However, in the two pawnshops themselves, the capital structure is different because, in Sharia pawnshops, the capital in the product's operation will be deposited daily and also limited to the nominal limit issued. However, for conventional pawnshops, deposits are not made daily, and no nominal limit is issued daily. In its business income by entrusting goods for loans, administrative funds, and interest in conventional pawnshops.

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