

CHAPTER VI

CONCLUSION AND RECOMMENDATIONS

A. Conclusion

According to the analysis in the previous chapter safely we can conclude several point which can be summarized as following:

1. The unique and special feature of Bay' al Salam which allows the farmer to have advance payment from the buyer it seems that still exist in the concept only and still did not reach into real practice. Other than risk caused by natural disaster farmers are vulnerable to the risk of falling price, the uncertain future who determine the price for farmers sometimes caused farmers suffers a great loss , hopefully by using Bay' al Salam at least can remove the risk of being loss during price falling or even a natural disaster.
2. The understanding of farmers regarding Bay' al Salam are relatively low, most of them neither has proper understanding nor access toward Shariah financing product which represent 93% while other 7 % either understand or have access toward Shariah financing product and the worse thing is that none of the respondent not having proper understanding nor access toward Bay' al Salam since the 7% here represented by Musyarakah and Mudharabah. All of the respondents who has access to Shariah financing all of them are taking Musyarakah contract and none of them are taking the other contract especially

Bay' al Salam contract in this case. Bay' al Salam as the special contract which allows future spot contract in agriculture are not touched by respondent somehow. This fact is irony for respondent, where actually the most proper contract for respondents here are Bay' al Salam due to its compatibility in Shariah contract and most beneficial for respondents when running agriculture. This could be mean that Shariah financial inclusion not wide enough to reach to the agricultural sector. The proper understanding of Shariah contract and access represent the awareness people toward Shariah financial system itself. The understanding of contract is key to access the contract itself if people don't know what the contract is respondents can't choose proper contract to their business and of course this understanding will directly have influence with accessed Shariah product.

3. Bay' al Salam is not really well practiced in Indonesia even base on the report of OJK in January 2016 it stated that the financing of Bay' al Salam represents 0%. It seems that Islamic financial institution never reaches to real agriculture sector except through other contract and never trough Bay' as Salam. This information can be noted that the irony of Islamic financial institutions is not ready to run Bay' al Salam contract. This could be worse when the Islamic financial institution is not far different with conventional one with regard to sharing same idea of profit oriented only.
4. The consideration as Bay' al Salam as a super risky business due to risks it contains make this business tend to avoid by Islamic financial institution, the problems of lack understanding toward Bay' al Salam could be the problem of

accessing too. Or it's simply that the consideration of agricultural sector is very risky business and the needs of capital to begin with is quite big so somehow the comparison between the profit which will be gain will not match with the risk which will bear.

5. The factors that worth to be consider to encourage of practice of Bay' al Salam are that the consideration of the needs of independent Shariah financial institution that can save farmers from the usury chain, also the nature of farmers who commonly still using personal capital rather than to borrow a loan, the market share of agriculture sector are so wide, reflected base on the data absorbing 35,76 million workforces or around 30,2 % is not a fact to be taken lightly. And also, farmers are desperately needs of the secure system to protect them from risks which all of these problems can be solved by using Bay' As Salam. The factors which discouraged Bay' al Salam in real practice are a lack of proper understanding from farmers about Bay' al Salam or even lack of proper socialization of Bay' al Salam from Islamic financial institutions , and also the consideration of Bay' al Salam as a very risky contract.

B. Suggestion

Base on the conclusion above, researcher suggesting several things as follows:

1. Proper Shariah contract must be given for the customers appropriately, as for this case Bay' al Salam supposed to give to the customers since here the respondent is farmers and Bay' al Salam is most suitable for them.
2. Educating farmers are necessary especially in Shariah financing business in order to increase the quality of human resource to give the best available option for them.

3. The stereotyping of a conventional idea which only concern to gain profit must be removed due to the essence of Shariah is not Merely to seeks profit only but also to help community especially for the needy.
4. As the alternative of Bay' al Salam in current agriculture system is to make special Islamic financial institution which only mainly focus or concern in Bay' al Salam contract solely. The fact that regular Shariah financial institutions commonly avoiding Bay' al Salam due to its risk contain so the creation of special Shariah financial which only focus on Bay' al Salam is necessary. The creation of special Islamic financial institution which focuses on Bay' al Salam is necessary since the fact that common Shariah financial institution practically not providing the contract in real practice.
5. As biggest population Muslim country on earth, the government must interfere for the existence of Shariah financial institution especially for providing the real Bay' al Salam for farmers.
6. For the next researcher perhaps adding the scope of research in Islamic financial institution practice toward Bay' al Salam to enrich the latest information from farmers and Islamic financial institutions.