#### **CHAPTER I**

## **INTRODUCTION**

#### A. Background of Study

Production, distribution and consumption actually are the series of economics activities which can not be separated and it does affect each other, however it must be recognized that the production is the starting point of a series of economic activities. There will be no distribution without production activities, as well as consumption activities. Furthermore, one of the indicators of individual and economic progress of a nation can be seen in levels of productivity.<sup>1</sup>

The production is a process which has been around on this earth since humans inhabit this planet. Production is very important for survival of human civilization and the earth. Actual production was born and grew out of the merging of man and nature. Production activities is a starting point of chain on consumption and distribution, because it produce goods and services, and then consumed by consumers. Without production, the economic activity will stop, and vice versa. To produce goods and services, production activities involve a lot of factors of production. The production function describes the relationship between the amount of input to output that can be generated in a given period of time.<sup>2</sup> The theory of production provides an explanation of the behavior of producers to maximize profits and optimize production efficiency. Islam recognizes private property within certain limits, including ownership of the means of production, however the right is not absolute.

<sup>&</sup>lt;sup>1</sup> Mustafa Edwin Nasution,dkk. *Pengenalan Eksklusif Ekonomi Islam*, (Jakarta: Kencana, 2007), p. 101

<sup>&</sup>lt;sup>2</sup> Metwally, *Teori dan Model Ekonomi Islam*, (Jakarta : PT. Bangkit Daya Insana, 1995), p. 4

The Qur'an uses the concept of production of goods in a broader meaning. The Qur'an emphasizes the benefits of goods produced. Producing an item should relate to the needs of human life. Means that the goods must be produced to meet human needs, and not to produce more for the production of luxury goods in excess which is not in accordance with human needs, hence labor expended for producing goods considered unproductive.<sup>3</sup>

This is confirmed in the Qur'an that does not allow production of luxury goods excessively under any circumstances. Nevertheless, this legislation clearly provides a broader freedom for people to try getting more wealth based on demands of economic life.<sup>4</sup> By providing a spiritual foundation for the human being so that human nature which is originally greed and selfishness be controled.

Character of human nature must be the principle of all economic activities described, indeed greedy human nature makes complaints, impatient and nervous, in the struggle for wealth and thus spur people to do a variety of productive activities. Humans will be more enterprising satisfy his will that continues to grow, so consequently humans tend to do damage in the field of production.

Along with the pace of the times that continues to run toward the point of its complexity, the more visible in the eyes of how the demands of life has pushed almost all humanity, especially the perpetrators of economic activity, to continue struggling as more extreme in an effort to meet their needs. From then emerged a social anomie that result in changes in the human perspective in view, understand and live his life orientation.<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> Misbahul Ali, "*Teori Produksi dan Perilaku Produsen dalam Perspektif Islam*", Jurnal Lisan Al-Hal, Vol. 5, No. 1, Juni 2013.

<sup>&</sup>lt;sup>4</sup> Ibid

<sup>&</sup>lt;sup>5</sup> Said Sa'ad Marthon, *Ekonomi Islam di Tengah Krisis Ekonomi Global*, (Jakarta: Zikrul Hakim, 2004), p. 43

For example in the AQUA drinking water company, AQUA currently has 14 factories spread across Java and Sumatra. So far from year to year generate profits for the company. In 2004 the company succeeded to get net profit up to Rp 41 billion and in 2005 despite the declining profits but still large amount of Rp 34.5 billion. Its share price continued to rise dozens of times since the first launch.<sup>6</sup>

Unfortunately the condition of the company which tends to improve is not accompanied by an increase in the quality of the environment and the people around the water source where the company takes water for the production process. In Babakan Pari Village, Cidahu Subdistrict, Sukabumi District, West Java, residents who live around the Aqua water source complain that it is difficult to get clean water. When drought some of the wells belonging to the community experience drought. In the past, according to local residents, having a well with a depth of 5-7 meters was sufficient to meet daily needs, but since 2000, the well must be dug deeper at least up to 17 meters.<sup>7</sup>

Residents in Polanharjo, Klaten District also experienced the same thing, since Aqua operated in the region in 2002, many residents feel the lack of water. actually, water was always sufficient for daily necessities and irrigation, but now, to meet the irrigation needs, farmers have to rent pumps and for the daily needs of many residents who have to buy water from the water tank with high price. This is very ironic considering Klaten Regency is a region rich in water resources, in one district alone there are 150 springs.

The fact seems to be something that multiplies in all dimensions of life, as long as in economic life. Hot surprisingly, then many largescale exploits occur everywhere. Economic agents not only aim to meet needs, but they also dare to ignore the religious ethical behavior

<sup>&</sup>lt;sup>6</sup> Daniel Mangoting dan Indro Surono, Makalah Pemantauan *Dampak Eksploitasi* AMDK "AQUA" terhadap Lingkungan dan Masyarakat Sekitar Pabrik, 2006

<sup>7</sup> Ibid

in their economic activities. In production activities, for example, there is not only an effort to hold back the supply of consumer goods, but sometimes a tendency to profit because many have denied human values and ignored the social impact that will be experienced by the hands of the certain parties.<sup>8</sup>

Gontor Islamic Boarding School since its establishment in 1926 always strives and develops self-sufficient efforts to meet the needs of student in particular and provide the needs of society in general.<sup>9</sup>

Cooperative of Pondok Pesantren (KOPONTREN) La Tansa Pondok Modern Darussalam Gontor, oversees several units of Pondok Modern business, all of which are managed by the teachers of Pondok Modern, as well as they are students of UNIDA Pondok Modern Darussalam Gontor.<sup>10</sup>

By managing the business units of La Tansa Kopontren, it is expected that they will receive valuable education and experience outside of college. Here's how Gontor Islamic Boarding School educates its students. And the authors found a body of business units owned by Darussalam Gontor Islamic Boarding School namely Air Minum Latansa, which Air Minum Latansa was founded in 2004 based on Islamic shari'a.

ARMILA has a water retrieval system from underground springs that have a very deep depth and make a bad impact in some communities around ARMILA in getting water. But ARMILA has provided a channel from the spring to the people who need the water, because people complain that their well water is dry due to ARMILA springs.

<sup>&</sup>lt;sup>8</sup> Said Sa'ad Marthon, op.cit

<sup>&</sup>lt;sup>9</sup> Reporting Book of Cooperative Pondok Pesantren (KOPONTREN) La Tansa Pondok Modern Gontor.

<sup>&</sup>lt;sup>10</sup> Ibid

Motivated by various phenomena and conditions, the author tries to analyze the theory of producer behavior in the Islamic perspective reviewed Latansa Drinking Water business units. To the authors chose the tittle: Analysis of Producer Behavior Theory In Islamic Perspective (Case Study in Air Minum Latansa Gontor on 2017)

# **B.** Problem Formulation

Based on the background, two problems are formed which are:

- 1. How is the producer behavior in Islamic perspective?
- 2. Did the producer behavior of ARMILA Gontor compatible with the Islamic producer behavior?

## C. Purpose of Study

Based on the background, writer has specified the purposes of this research which are:

- 1. To have a knowledge about the producer behavior of ARMILA Gontor.
- 2. To have a knowledge about the application of Islamic producer behavior in ARMILA Gontor.

## **D.** Significances of Study

By conducting this research, the authors hope that this thesis will useful for:

1. Producer

The results of this study can be used as an information and consideration for the Drinking Water Company La Tansa and is expected to make the rest of conduct in all activities of production based on the values of Islam, which is sourced from the Qur'an and Al Hadits.

2. Author

Can apply, compare the theories that have been gained in college to see, to observe, to know the real situation encountered.

- 3. Other parties
  - a. The results of this study can be used as a reference in future studies.
  - b. May be reading material to enhance the knowledge of students and other readers.

### E. Research Method

#### 1. Type of Research

This study is a qualitative descriptive analytic research. This research is more subjective in nature and involves examining and reflecting on perceptions in order to gain an understanding of social and human activities. The researcher tries to describe the phenomenon as it exist, identifying and obtaining information of the characteristics of the subject. Then, the researcher continues the study by analyzing, explaining why it is happening and finding the causal relations to describe the final conclusions.<sup>11</sup>

### 2. Data Sources

In this case, the researcher used two data, primary data and secondary data. Primary data is the one obtained directly from the data source in field, while secondary data is the one obtained indirectly from the source. Secondary data is useful when primary data is difficult to acquire, it can be utilized as explanation, complementary or comparation toward the primary data.<sup>12</sup>

The primary data includes the data from researcher's observation on the Air Minum Latansa and researcher's interviews with the informants of Air Minum Latansa.

The secondary data is the data that is already published by

<sup>&</sup>lt;sup>11</sup> Jill Hussey & Roger Hussey, *Bussiness Research*, (New York: Palgrave, 1997), p. 11-13

<sup>&</sup>lt;sup>12</sup> Burhan Bungin, *Metodologi Penelitian Sosial*, (Airlangga University Press, Surabaya, 1997), p. 129

Pondok Modern Darussalam Gontor, the Air Minum Latansa it self or related individuals. The secondary data includes website, soft files and photographs of Air Minum Latansa of Pondok Modern Darussalam Gontor.

# 3. Population and Sample

a. Population

The population is a generalization area which is made up of an object /a subject that possess the qualities characteristic of certain and that is applied by researcher to be studied and then get a conclusion.<sup>13</sup>

b. Sample

A sample is part of the quantity and charasteristics of the population. If population was large, and researchers may not learn all there in the population, for example because of limited funds, time and energy, then the researcher can use the samples can be taken of that population. What is learned from the sample. The conclusion will be implemented to the population. For that sample taken from the population must be truly representative (represent).<sup>14</sup>

## 4. Data Collection Method

a. Observation Method

In a qualitative research, observations is highly utilized it requires researcher's participation so the author is able to experience or witness the subject first hand and real time. The observation also can be utilized to testify the secondary data obtained before, eliminating any bias in it. It is also effective in inspecting complex behaviours.<sup>15</sup>

<sup>&</sup>lt;sup>13</sup> Soeratno, and Lincoln Arsyad, *Metodologi Penelitian Untuk Ekonomi dan Bisnis,* revision edition, 5<sup>th</sup> Publishing, (Yogyakarta: UPP STIM YKPN, 2008), p. 97

<sup>&</sup>lt;sup>14</sup> Ibid

<sup>&</sup>lt;sup>15</sup> Lexy J. Moleong, *Metodologi Penelitian Kualititatif*, (Remaja Rosdakarya,

### b. Interview Method

Interview is a form of communication between two indviduals, involving a person who needs information from the second person by asking questions for specific purpose. Generally, there are two types of interview, structured and unstructured. The structured one is usually an interview where researcher prepared specific question and provides a selection of answer. And the unstructured one is more flexible, unbound from structured words and adapted for different needs, conditions, occupations and ages.<sup>16</sup>

The researcher use mixed types of interview in this research. The structured interview is applied to key persons (manager of the Air Minum Latansa) of the subject to get more positive primary data. While the unstructured interview is applied to related individuals (employee) to obtain complementary data.

c. Documentation Method

Documentary in qualitative research is a complementary of observation and interview method. Documents collected via this method will be studied intensively so it could be used to support the credibility of the research. But the researcher has to be careful when selecting the documents as they can be easily subjective or manipulative.<sup>17</sup>

#### 5. Data Analysis Method

There are several techniques in analyzing data conducted in this study, which are

a. Deductive method is a form of inference that aims to describe conclusions. This conclusion must be as a result of the reasons

Bandung, 1998), p. 125-126

<sup>&</sup>lt;sup>16</sup> Deddy Mulyana, *Metodologi Penelitian Kualitatif*, (Remaja Rosdakarya, Bandung, 2002), p. 180-181

<sup>&</sup>lt;sup>17</sup> Satori, Djam'an and Aan Komariah, "*Metodologi Penelitian Kualitatif*", (Bandung, Alfabeta, 2013), p 148-149

put forward.18

Researcher use this method to describe conclusions from the theory of producer behavior in Islamic perspective.

b. Inductive method

Data analysis is done inductively based on facts found in the field and then constructed a hypothesis or theory.<sup>19</sup>

Researcher use this method to find out application application of behavior of producers of Islam in Air Minum Latansa Gontor.

<sup>&</sup>lt;sup>18</sup> Donald R. Cooper and C. William Emory, *Metode Penelitian Bisnis*, Erlangga, (Jakarta, 1996), p. 27

<sup>&</sup>lt;sup>19</sup> Sugiyono, *Metode Penelitian Kuantitatif Kualitatif dan R&D*, (Alfabeta, Bandung, 2010), p. 9