

The Role of Home Industry in Improving Family Welfare of Tofu Home Industry Employees According to Islamic Economics in Aek Lancat Village, Lubuk Barumun District

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ABSTRACT

The purpose of this study was to determine the role of the tofu *home industry* in Aek Lancat Village in improving the welfare of employees' families. To find out how the role of *the home industry* in improving the welfare of the families of employees in Aek Lancat Village according to Islamic Economics. *Home industry* is a business activity that is able to expand employment and provide broad economic services to the community, reduce unemployment and improve people's welfare. This type of research is *field research* (field research) which is obtained through a reference center by going directly to the field (research site) to view and retrieve data directly. The data sources for workers in the tofu *home industry* in Aek Lancat Village are Kholijah Hasibuan and Midar Hasibuan, besides that there are several buyers from local residents such as Mrs. Seftiani, as well as small traders around the village of Aek Lancat. An increasingly efficient industrial sector in a national economy requires small companies in the management industry. The growth of home industries in rural areas will improve the village economy with various types of business activities and community skills. Tofu *home industry* in Aek Lancat Village, Kec. Lubuk Barumun in its business activities can help build the local community's economy because this business is related to livelihoods. *Home industry* y This is very helpful in building the community's economy, especially in the family economy.

Keywords: Home Industry, Family Welfare, Tofu, Islamic Economics

INTRODUCTION

The economic crisis is the hardest thing for the people of Indonesia because it has hit a large part of the welfare of the Indonesian people. The life that is coveted by every human being in this world is prosperity. Both people who live in cities and people who live in villages, all yearn for a prosperous life. But in its journey, the life lived by humans is not always in a prosperous condition, one of the problems is poverty. Poverty describes a condition of lack of ownership and low income, or in more detail describes a condition where basic human needs cannot be fulfilled, namely food, shelter, and clothing (Ardito Bhinadi, 2017).

Starting from the economy, social, culture, science and technology and so on, One of the efforts to help improve people's welfare is the presence of *a home industry*. *Home industry* is a household business that processes raw or semi-finished goods into finished goods family and do it at home. *Home industry* is also one of the main components in the development of the local economy. Its existence is very much needed in rural areas (Yanti, 2022).

An industrial sector that is more efficient in a national economy requires small companies in the management industry. The growth of home industries in rural areas will improve the village economy with various types of business activities and community skills. This will provide very important progress for rural economic development activities (Ronald' Lapcham, 1991).

From the explanation above it is very clear that *the home industry* and welfare have a very close relationship where with the existence of *a home industry* it is expected to be able to open jobs so that it can reduce unemployment and with the existence of this *home industry* it also affects the welfare of the families of employees because by working in this *home industry* the employees are able to meet their daily needs.

Home industry is part of UKM (Small and Medium Enterprises). In developing countries in general, especially in Indonesia, SMEs are one of the economic players that are able to absorb a large number of workers and increase the distribution of income evenly. In addition, SMEs also have a strategic role in empowering and developing the community's

economy which is difficult to enter the formal sector.

Likewise with *the home industry* in Aek Lancat Village which produces foodstuffs, namely tofu and tempeh . This tofu *home industry* is located in Aek Lancat Village, Lubuk Barumun District, Padang Lawas Regency. This tofu *home industry* belongs to one of the residents of Aek Lancat Village, Mr. Corip Nasution and his wife, Mrs. Jahrona Sitompul. This tofu *home industry* was started in 2012. The growing *home industry* knows that Mr. Corip has recruited two employees outside the family . Judging from this explanation, can the tofu and tempeh *home industry* in Aek Lancat Village be able to improve the economic welfare of the families of its employees. The purpose of this study was to determine the role of the tofu *home industry* in Aek Lancat Village in improving the welfare of employees' families. To find out how the role of *the home industry* in improving the welfare of the families of employees in Aek Lancat Village according to Islamic Economics.

LITERATURE REVIEWS

A. Home Industry

1. Definition of Home Industry

According to Suparmoko, industry is an economic activity that processes raw materials into finished goods or semi-finished goods (*manufacturing industry*). The term industry comes from the Latin, namely industry which means labor or labor. The conclusion is that industry is an activity that processes raw materials, raw materials, semi-finished goods or finished goods into goods with high value and has added value for their use (Sukirno Sadono, 1995).

So it can be concluded that *the home industry* is a business activity that is able to expand employment and provide broad economic services to the community, reduce unemployment and improve people's welfare. Meanwhile, according to Siahaan, the classification of industries based on the amount of investment is divided as follows:

- a. Heavy industry
- b. Light industry
- c. Folk craft industry

2. Legal Basis for Home Industry

- a. Al-Qur'an

Natural resources were created by Allah to be managed by mankind. The entire contents of the earth, deliberately created by God for the interests and needs of humans. Allah says:

هُوَ الَّذِي خَلَقَ لَكُمْ مَّا فِي الْأَرْضِ جَمِيعًا ثُمَّ اسْتَوٰى
وَهُوَ بِكُلِّ شَيْءٍ عَلِيمٌ

Meaning: *It is He (Allah) who made everything on earth for you and He willed (created) the heavens, then made them seven heavens. And he knows everything.* (Surah Al-Baqarah: 29).

The verse above explains that Allah not only revives creatures in the world, but also prepares the means of life in the world for continuity and comfort that are wide spread and that is proof of His almighty power. Land is a natural resource intended for humans to be managed so that it can become production land.

- b. Hadith

Rasulullah once suggested that Muslims work even if it's just looking for firewood in the forest which can be used as raw material (capital) in the form of variable assets, as in his words:

From Abu Hurairah ra, I heard Rasulullah SAW say, "Let someone among you go out early in the morning looking for firewood, then give alms with it and take care of yourself (not begging) from humans is better than asking someone whether good or not. The upper hand is better than the lower hand. Start giving to the person you are responsible for." (HR. Muslim).

- c. Ijma

In Islam, need is indeed the reason for achieving a minimum income, while adequacy in a good standard of living is the most basic thing in the distribution of retribution after that it is only associated with work and private property. Humans are encouraged to work and try to meet their needs. Working can make a person earn income or wages for the work he does, but it must be in accordance with Islamic law. According to Malikiyah scholars, net income or profit is divided into three, namely:

- 1) *Ar-Rabh At-Tijari* (operating profit), namely the increase in assets that have been devoted to traders as a result of the barter process in business agreements. In this case it includes true profit because the profit arises due to the buying and selling process.
- 2) *Al-Ghallah* , namely the increase in merchandise before sales.

3) *Al-Faidah* , namely the increase in property which is marked by the difference between price, time of purchase and sale, namely something that has just developed from the goods owned.

So from the explanation above managing a small business or *home industry* is highly recommended to the community by complying with Islamic law as also explained in the verse and hadith above.

3. Benefits and Purpose of Home Industry

Here are some of the benefits of *home industry* in the economy:

- a. Creating broad business opportunities but with relatively inexpensive financing.
- b. Take a role in increasing and mobilizing domestic savings.
- c. Has a complementary position to large and medium industries.
- d. Encouraging the emergence of domestic entrepreneurship while saving state resources.
- e. Using labor-intensive technology, it can create more job opportunities than can be provided by large-scale companies.
- f. Encouraging inter-regional and intra-regional decentralization processes, because small home industry businesses can be located in small towns and rural areas .

The goal of *the home industry* to expand employment and provide broad economic services to the community, can play a role in improving the community's economy and family income, reducing unemployment and increasing people's welfare. Some of the goals of *the home industry* are as follows:

- a. Strengthening the national economy through various business linkages, such as the functions of supplying, producing, distributing and marketing the results of large industrial products. Small business functions as a transformer between sectors that have forward and backward links.
- b. Increasing economic efficiency, particularly in absorbing existing resources. Small businesses are very flexible because they can absorb local labor and resources as well as improve human resources so they can become strong entrepreneurs.
- c. As a means of distributing national income, a means of equal distribution of business and income, because the numbers are spread out in both urban and rural areas .

4. Characteristics and Characteristics of Home Industry

In *home industry activities* in the community it has several characteristics, including:

- a. Types of goods/commodities cultivated are generally fixed and not easily changed.
- b. The location/place of business is generally settled and not moved.
- c. In general, financial administration has been carried out even though it is still simple, company finances have begun to be separated from family finances, and a business balance has been prepared.
- d. Already have a business license and other legal requirements including NPWP.
- e. Human resources (entrepreneurs) have experience in entrepreneurship.
- f. Some have access to banking in terms of capital requirements.
- g. Most of them have not been able to make good business management such as *business planning* .

From the description of the characteristics above, several characteristics can be summarized *home industry* , namely as follows:

- a. Managed by the owner
- b. Business is done at home
- c. Production and marketing are carried out at the home of the business owner
- d. Limited capital
- e. The number of workers is limited
- f. Family or household based
- g. Weak in bookkeeping
- h. Much needed owner management

B. Well-being

Welfare is a measuring point for a society that is in a prosperous condition. Welfare can be measured from health, economic conditions, happiness and quality of life of the people. Welfare can be interpreted as a life equation that is at a higher level than life. According to Rambe, welfare is an order of life and social, material and spiritual livelihood which includes a sense of safety, morality and inner and outer peace that allows every citizen to make efforts to fulfill the best possible physical, spiritual and social needs for himself, household and society.

According to Friedlander in Suud, social welfare is an organized system of services and social institutions intended to help individuals and groups achieve satisfactory levels of life and health and personal and social relationships that provide opportunities for them to develop all their capacities and to increase their well-being according to the needs of their families and communities .

Indicators of social welfare according to Islam refer to the Al-Quran Al-Quraish verses 3-4:

﴿ ٣ ﴾ فَلْيَعْبُدُوا رَبَّ هَذَا الْبَيْتِ

الَّذِي أَطْعَمَهُمْ مِنْ جُوعٍ وَآمَنَهُمْ مِنْ خَوْفٍ ﴿ ٤ ﴾

Meaning: "Then let them worship the Lord of this house (Kaaba). Who has given food to them to relieve hunger and secure them from fear.

From the two verses above we can see clearly that prosperity in Islam does not only look at material or economic matters but also leads to the spiritual welfare of mankind, this welfare can be obtained by mankind's faith in Allah SWT.

Welfare refers to the goals of Islamic law by maintaining 5 principles in maqashid syari'ah, namely protecting religion (ad-ddin), protecting the soul (an-nafs), protecting the mind (al-aql), protecting offspring (an-nasl) and protecting treasure (al-mal). Islam has a concept of welfare, namely Islamic social, spiritual and political values. Welfare here includes two things, namely physical and spiritual well-being . Physical well-being is related to physical well-being, this welfare can be obtained by adequate intake of food, drink, clothing and so on.

METHOD

A. Types of Research

This type of research is *field research* (field research) which is obtained through a reference center by going directly to the field (research site) to view and retrieve data directly. This study used qualitative research methods. Qualitative is research that produces and processes data that is descriptive in nature, such as interviews, field notes, pictures, photos, video recordings and others.

Qualitative research through data collection, analysis, then interpreted. Usually related to social and human problems (Albi Anggito & Johan Setiawan, 2018). Qualitative research aims to gain a general understanding of social reality from the participant's perspective. This understanding is not determined beforehand, but is obtained after conducting an analysis of the social reality that is the focus of the research. Based on this analysis, conclusions are drawn in the form of a general understanding that is abstract in nature about the facts.

B. Method Analysis Data

Data analysis according to Miles and Huberman is divided into three streams of activities that occur simultaneously, namely as follows:

- 1) Data reduction (*Data Reduction*): Data reduction is defined as the process of selecting, focusing and simplifying, abstracting, and transforming data that emerges from field notes.
- 2) Presentation of data (*Data Display*) : In qualitative research, presentation of data is usually done in the form of brief descriptions, charts, relationships between categories, *flowcharts* and the like. By displaying data, it will make it easier to understand what happened, plan further work based on what has been understood.
- 3) Conclusion Drawing : The third step of qualitative data analysis according to Miles and Huberman is drawing conclusions and verification. The initial conclusions put forward are still temporary, and will change if strong evidence is not found to support the next data collection stage.

C. Data Validity Checking Techniques

The technique for checking the validity of the data used according to qualitative research is that it must meet the following criteria:

- 1) *Credibility*: This criterion fulfills the data and information collected must contain the value of truth, which

means that the results of qualitative research must be trusted by critical readers.

- 2) *Transferability*: This criterion is to meet the criteria that the results of research conducted in a particular context (where the research was conducted) can be applied or transferred to other contexts or settings to build transferability in this research carried out by means of detailed descriptions.
- 3) *Dependability*: This criterion can be used to assess whether the qualitative research process is quality or not. To check whether the results of qualitative research are quality or not, one should see whether the researcher has been careful or not and even made mistakes in conceptualizing the research plan, collecting data and interpreting the data or information that has been collected in a written research report.
- 4) *Confirmability*: The objectivity of qualitative testing is also known as research *confirmability*. Research can be said to be objective if the research results have been agreed upon by more people. *Confirmability* test qualitative research means testing the results of research associated with the process that has been carried out. If the research results are a function of the research process carried out, then the research meets *confirmability standards*.

RESEARCH RESULTS AND DISCUSSION

1. The Role of *Home Industry* in Improving Employee Family Welfare in Aek Lancat Village, Kec. Lubuk Barumon Kab. Padang Lawas

An increasingly *efficient industrial sector* in a national economy requires small companies in the management industry. The growth of home industries in rural areas will improve the village economy with various types of business activities and community skills. This will provide very important progress for rural economic development activities. Tofu *home industry* in Aek Lancat Village, Kec. Lubuk Barumon in its business activities can help build the local community's economy because this business is related to livelihoods. *Home industry* y This is very helpful in building the community's economy, especially in the family economy.

Signs of a good economy are increasing income, with increasing income it will increase consumption. Meanwhile, if the level of consumption is good, people can automatically prosper both in terms of clothing, shelter and food. If people are already prosperous, people will increase the amount of production and distribution of goods, so that in the end they can increase employment and reduce the unemployment rate. This prosperity can be seen in several ways, such as the issue of the cost of education of their children, the vehicles they own and the houses they own. In terms of the cost of educating children, workers generally admit that the existence of this *home industry* can help them face economic constraints in sending their children to school.

2. The Role of *Home Industry* in Improving Employee Family Welfare According to Islamic Economics in Aek Lancat Village, Kec. Lubuk Barumon Kab. Padang Lawas

Realizing prosperity and improving a decent life for Muslims is a sharia obligation which, if accompanied by sincerity of intention, will rise to the level of worship. The realization of economic development in Islam is by integrating individual efforts and government efforts. Where is the role of the individual as the principle and the role of the government as a complement. *Home industry* is one of the vehicles and facilities for the people of Aek Lancat Village which can stimulate them to be more active in working and trying. The existence of this *home industry* has played a role in absorbing labor and this means that it has contributed to reducing unemployment in Aek Lancat Village.

Besides that, the existence of a *home industry* has also played a role in shaping mothers or children of business owners to become productive people because they can use their free time to help increase production productivity. The efforts made by *home industry entrepreneurs* in improving the welfare of families and communities have fulfilled the welfare characteristics according to an Islamic economic perspective, namely by having sufficient material that is supported by fulfilling spiritual needs and includes both individual and social. In Islamic economics, welfare is avoiding fear of oppression, hunger, thirst, disease and ignorance.

This was reinforced by the results of the researchers' interviews with workers in the tofu *home industry*, they said that with the tofu *home industry* it could help them in terms of the family economy by fulfilling both food, clothing and shelter. In addition, they can also send their children to school without worrying about being hampered by a lack of school fees. *Home industry* knows this too already in line with Islamic law because it is done with effort and good intentions, there are no violations of sharia and other family members such as the wife do not leave their obligations in managing the household to help her husband. As expressed by Ms. Midar Hasibuan, this work does not take up too much time which interferes with her homework because apart from having sufficient free time to work, *the Home Industry* knows that it is also not too far from where she lives. (Midar Hasibuan, 2022)

From the explanation above, it can be concluded that the business developed by *home industry entrepreneurs* is in line with Islamic law, but the business activities are still carried out very simply, and in terms of capital it is also still minimal, so that with a little capital production activities are limited.

In accordance with the results of the researcher's interview with the owner of *the Home Industry*, he said, because the capital and equipment were still small and simple, the production of tofu and tempeh was still limited. (Jahrona Sitompul, 2022). Islam encourages its people to produce and play a role in various forms of economic activity, agriculture, plantations, fisheries, industry and trade. Islam blesses the work of this world and makes it a part of worship and jihad.

By working, people can carry out the duties of their caliphate, protect themselves from immorality, and achieve bigger goals. Likewise, by working, an individual is able to meet his needs, meet the needs of his family, and do good to his neighbour. All of these things will not be realized without assets that can be obtained by working (Yusuf Qaradawi, 1997).

Islam is faith, law, and work. Work here includes worship, obedience, willingness to work hard in earning a living and developing good values. Allah commands His servants to try to seek His bounty in all corners of the world. Realizing prosperity and improving a decent life for Muslims is a sharia obligation which, if accompanied by sincerity of intention, will rise to the level of worship. The realization of economic development in Islam is by integrating individual efforts and government efforts. Where is the role of the individual as the principle and the role of the government as a complement.

Home industry is one of the vehicles and facilities for the people of Aek Lancat Village which can stimulate them to be more active in working and trying. The existence of *home industry* this has played a role in absorbing labor and this means that it has contributed to reducing unemployment in Aek Lancat Village.

Besides that, the existence of *a home industry* has also played a role in shaping mothers or children of business owners to become productive people because they can use their free time to help increase production productivity. The efforts made by *home industry entrepreneurs* in improving the welfare of families and communities have fulfilled the welfare characteristics according to an Islamic economic perspective.

That is, with sufficient material that is supported by the fulfillment of spiritual needs and includes both individual and social. In Islamic economics, welfare is avoiding fear of oppression, hunger, thirst, disease and ignorance. *The home industry* knows this too in line with Islamic law because it is done with effort and good intentions.

There are no violations of Shari'a and other family members, such as the wife, does not leave her obligations in managing the household to help her husband. From the explanation above, it can be concluded that the businesses developed by *home industry entrepreneurs* are in line with Islamic law and economics, but their business activities are still carried out very simply, and in terms of capital, they are still minimal and the equipment is simple, so production activities are limited.

Conclusions, Proposals, Recommendations:

Based on the results of interviews and observations, it can be concluded about the Role of *Home Industry* in Improving the Welfare of the families of employees in the Tofu *home industry* in Aek Lancat Village, Lubuk Barumun District According to an Islamic Economic Perspective, namely as follows:

1. The role of the tofu *home industry* in Aek Lancat Village in improving the welfare of the employee's family is quite helpful for the employee's family in terms of food, clothing, and shelter as well as providing economic services to the people of Aek Lancat Village.
2. The role of *the home industry* in improving the welfare of employee families in Aek Lancat Village according to Islamic Economics has fulfilled the characteristics of welfare according to Islamic economics, because it is carried out with good effort and intentions, there are no violations of Shari'a and other family parties such as wives do not leave their obligations in taking care of the house ladder.

Based on the conclusions above, the authors provide the following suggestions, namely:

1. In the work system of employees and their services to the surrounding community so that they can be further improved to achieve the desired welfare.
2. *Home industry* owners should provide time off at least once a week for their workers, so they don't get too bored at work.

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