

Islamic Ethnomethodology Studies to Uncover Local Cultural Values Behind Capital Accounting Practices

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Abstract

Purpose: The purpose of this study is to find the value of local wisdom behind the business capital of food stalls in Gorontalo.

Methodology : the type of method used is qualitative. there are five stages of data analysis namely charity, knowledge of faith, revelation information, and courtesy.

Findings: The informants obtained capital sourced from debt through their relatives, so there was no guarantee, interest, and flexible terms of debt repayment. Meanwhile, informants who used capital sourced from personal funds were because places to eat, equipment, and business equipment were inherited from their parents. So that informants only need to spend a small amount of money on starting a business. The capital practiced by the owners of the food stalls is conditional on non-material values in the form of kinship. In the culture of the people of Gorontalo, the value of kinship is one of the spirits that the elders often internalize through the expression "*dilla bo ilaato binthe wawu pale*" This expression means a family statement because of blood relations or is still allied.

Novelty: The novelty of this research is to present capital accounting practices based on local cultural values

Keywords: Capital, Food Stalls, Islamic Ethnomethodology

Article History:

Received: August 2023; Accepted: September 2023

Introduction

In recent years, studies on capital based on local wisdom values have been carried out by researcher. Such as, Nurhalimah et.al (2019), Anwar et.al (2015), Dewi (2022). Studying capital accounting is to preserve local cultural values from accounting practices. This is important because, currently, the sustainability of local accounting is increasingly marginalized due to the adoption and implementation of accounting from the west, (Ludigdo & Kamayanti, 2012), (Mulawarman, 2012), (Mulawarman, 2010).

The specific modern accounting, SFAC No. 6, defines capital as an entity's residual interest assets after deducting its liabilities (Suwardjono, 2011). In this definition, it is clear that capital in a modern accounting perspective is limited to material and dry from human values and even faith. This is because the knowledge of capital accounting was born from the perspective of modernism, which requires the values of materialism, egoism, utilitarianism, and secularism (Ludigdo & Kamayanti, 2012), (Mulawarman, 2012), (Mulawarman, 2010). The adoption and implementation of capital accounting impact the loss of self-awareness about the primary purpose of humans, namely worshipping him. The adoption and implementation of capital accounting based on modern values are exacerbated by the condition of the development of capital accounting research which is dominated by the results of dry studies of local wisdom and religiosity values. Some of these studies include Azwari (2018).

Apart from being detached from cultural and religious values, previous studies on capital accounting were mainly carried out in the context of large-scale companies. Triyuwono (2013) explained that a researcher could conduct accounting research in the corporate or non-company. Both are equally noble because what is studied is God's law or knowledge. In God's eyes, more valuable research is if the research succeeds in making the researcher understand science more, understand more as a servant of God, and bring him closer to God. In other words, research is successful and valuable if it makes the researcher more fearful of God, and the knowledge he has managed to explore makes other people who use it closer and fear God.

The essence of studying accounting is that it makes researcher and those who consume research results closer to the Creator. Departing from the previous explanation, the researcher raised capital accounting practiced by food stall owners in Gorontalo. The research question is how do traders practice capital accounting? What values of local wisdom and religiosity motivate traders to practice capital accounting? The purpose of this research is to construct capital accounting based on the local wisdom values of the people of Gorontalo

Literature Review

Several previous researchers have carried out studies related to local culture-based accounting practices. For example, Nur & Syahril (2022), through a study of kokocoran culture accounting. The results of this study indicate that accounting practices in the kokocoran culture in the Kangean Islands, when viewed from an accounting perspective, can also generate additional capital, even though the capital is recorded as debt. However, we can use it for business capital while waiting to return the donation. However, it is still very minimal because the recording is still straightforward. After all, it only records the part of the party that donated and the party that returned the donation.

Furthermore, there are Widhianningrum & Amah (2014) through a study of ketoprak accounting. The study results indicate that the economic compensation obtained is only a means to preserve and ensure the survival of the ketoprak art. The results of the reconstruction of the accounting concept in the Ketoprak arts and culture community show that accounting is seen as a recording activity related to numbers and calculations in economic activities, which are loaded with the values of honesty and responsibility.

Furthermore, there is the Arena et.al (2017) through research related to accounting by batik artisans. The results of this study indicate that there are accounting practices "out of his head" These practices are conditioned by the philosophy of religious culture that fortune is not mathematics that must be considered. Accounting is also interpreted as a form of mutual trust.

Based on the results of the study indicate that accounting is knowledge that is conditional on cultural values. The difference between this research and previous studies lies in the focus of the research, which aims to reveal the culture of the Gorontalo people behind capital accounting practices.

Methodology

This research uses the Islamic paradigm. The researcher chose this paradigm because the basic assumption in the form of ontology recognizes that reality consists of material, mental, and spiritual. Interestingly, this reality is recognized in the Islamic paradigm as God's creation (Triyuwono, 2015), (Kamayanti, 2016), (Mulawarman, 2010). This is in line with the aim of this study, which is to uncover capital accounting practices that are not limited to material (money), but conditions with non-material realities (local wisdom values), and it is believed that these realities were created with God's permission.

The approach used in this research is Islamic ethnomethodology. This approach is a development of Modern ethnomethodology. The modern ethnomethodological approach is a study that studies the way of life of a community which is believed to be the result of creativity among group members, without the involvement of God in it (Garfinkel, 1967), (Kamayanti, 2016). Islamic ethnomethodology is a study that studies the way of life of group members who are believed to have created this way of life with God's permission (Thalib, 2022). The researcher chose the Islamic ethnomethodology approach because the aims of this research are in line with that approach, namely, to learn how the traders in Gorontalo food stalls practice capital accounting, and it is believed that this practice was created with His permission.

This research uses a type of qualitative method. This is because this research was carried out in a natural context, and the results to be achieved are more emphasis on the meaning of the way traders practice capital accounting. The two previous points are characteristic of a qualitative type of research which has been explained by some of the experts such as (Sugiyono, 2018), (Yusuf, 2017), (Moleong, 2015)

Data collection technique. This study used two data collection techniques: passive participatory observation and structured interviews. Passive participant observation is a data collection technique in which the researcher is limited to observing the social situation being studied without being directly involved (Sugiyono, 2018). Technically, in obtaining the data in this study, the researcher were limited to observing social situations, especially those related to the way traders practice capital accounting, without being directly involved in these activities. The following technique is structured interviews. The structured interview is a data collection technique where the researcher has prepared a detailed list of questions related to the research theme before conducting the interview (Sugiyono, 2018). Technically, in this study, researcher have prepared a detailed list of questions about how traders practice capital accounting before conducting interviews with informants.

Location and Research Informants. The location of this research is Gorontalo. The researcher chose the Gorontalo area as the research location because this area has unique cultural values compared to other regions. The value of the philosophy of life of the local community is "*Adati Hula-Hula Syareati, Syareati Hula-hula to Kitabullah*" (adat is based on Shari'a, Shari'a is based on the book of Allah (Al-Quran) (Daulima, 2004), (Baruadi & Eraku, 2018). In other words, every culture and even local community activities are based on Shari'a Islam.

Furthermore, the informants of this study were three traders in food stalls. The three informants were selected using a purposive sampling technique. Sugiyono (2018) explained that purposive sampling is a technique for determining informants in which the researcher determines directly by considering the knowledge or experience possessed by the informants. Technically, the researcher selected the informants considering their trading experience of more than five years. Meanwhile, the informants were willing to take their time and share their knowledge, especially knowledge about how they practice capital accounting. The first informant was named Ms. Ina. she is a fried rice seller. Her shop is called the Monalisa shop. She is 43 years old. She opened this business in 2013. She has two children. The second informant was named Ms. Santi. She is a fried rice trader who comes from the city of Telaga. Her current age is 35 years. The third informant, named Mrs Ismun, is a fried rice seller. She has been trading fried rice since 2013. The name of the shop is LNS Limboto. The LNS is taken from the abbreviation of the names of their three children.

Data analysis technique. This study uses data analysis techniques from Islamic ethnomethodology. The analysis techniques are charity, knowledge, faith, revelation information, and good deeds. The first stage is a charity analysis. In Islamic ethnomethodology, charity is all expressions and actions of group members that refer to the way of life of group members (Thalib, 2022). Technically, in this study, the charity analysis finds expressions or actions from traders, especially regarding how they practice capital accounting.

The second stage is the analysis of knowledge. In Islamic ethnomethodology, knowledge means the rational meaning of the expressions and actions of fellow group members, and fellow group members share this rational meaning (Thalib, 2022). Technically, in this study, the knowledge analysis finds the rational meaning of the informants' expressions and actions, especially concerning how they practice capital accounting.

The third stage is faith analysis. In Islamic ethnomethodology, meant by faith means non-material values from the way of life of group members (Thalib, 2022). Technically, in this study, faith analysis functions to find non-material values (cultural and religious values) from the way traders practice capital accounting.

The fourth stage is the analysis of revelation information. This analysis relates non-material values from the way of life of group members with values contained in Islamic religious law, the Koran,

and Hadith. If the values of that way of life are contrary to His commandments, then furthermore, the values of that way of life need to be criticized and vice versa (Thalib, 2022). In this study, the analysis of revelation information functions to relate the values of how traders practice capital accounting with the values contained in the Qur'an and hadith.

The fifth stage is good deeds analysis. In Islamic ethnomethodology, good deeds mean uniting the four previous findings into one unit so that a complete meaning can be obtained from the way of life of group members (Thalib, 2022). In this study, good deeds analysis serves to unify the four previous findings so that a complete meaning is obtained about how traders practice capital accounting.

Results and Discussion

Running a business requires capital. This capital can be obtained through loans or from personal money. Ms. Ina runs her business with capital from family loans. The following is an excerpt from her speech:

At first, I was selling, and I only sold Kua Bugis, meat rice, and sate. At the beginning of selling, I still used equipment in the form of two tables, two chairs, and then one umbrella. **Initially, the business capital came from loans**

Based on Ms. Ina's previous explanation, she gave the researcher an understanding that she started her food stall business by borrowing money from her relatives. The capital is used to buy equipment and also equipment for food stalls. In her narrative, researcher found capital accounting practices in the form of sources of capital. This practice is found in **charity** "Initially, the business capital came from loans" The **knowledge** from this charity is that Ms. Ina started her business by borrowing money from her relatives. The money was used as initial capital to buy food stall equipment and business equipment.

Furthermore, Ms. Santi also experienced business capital originating from family loans, along with an explanation from her:

My goal in opening a business is to help my husband. At home, there is also a business in the form of selling credit and stall. Selling is not my hobby, and I sell to earn profits which will be used for my family's need. At first, I opened this food stall business in 2008. **My aunt gave me a loan**, and I used the money as initial capital for a food stall business. My aunt gave me a loan of around Rp 1,000,000. But after getting income, I opened another business elsewhere, using my capital. I got the capital from the income in the first branch. The second business branch requires capital of around Rp 2,000,000 to Rp 3,000,000. After I got the money, I paid off the debt. The loan has no collateral and no interest.

In the interview excerpt, Ms. Santi explained to the researcher that her motivation for running a business was to help her family's economy. The initial capital to open a business was obtained from a family loan. After obtaining a profit, the debt is repaid by her. Interestingly, in the lending process, there are no collateral and interest. Sufficient profits help her pay off debts, and Mrs Santi can open a business branch elsewhere. She explains that this business requires Rp. 2,000,000 to Rp. 3,000,000

In Ms. Santi's previous narrative, researcher found capital accounting practices in the form of capital sources. This practice is found in **charity** "My aunt gave me a loan" The **knowledge** from this charity is that the Santi's business capital is currently running is the result of a loan from her family. The loan is obtained without including collateral and interest, while the loan repayment period is flexible.

Unlike the previous informant, Ms. Ismun started a food stall business using personal capital. The following is her explanation:

The initial capital of this business uses personal money, and I use that capital to shop for business needs. Yesterday my husband was a bus driver. My parents own this restaurant, but I continued because my parents had stopped working. I did not spend

any capital. It is just that my parents said to continue this business. I did not have any money, so my husband gave me Rp. 300,000, and then I used that money as business capital.

In Ms. Ismun's previous explanation, the researcher understood that the initial capital she used to start this business was Rp 300,000. This capital was used by Ms. Ismun to buy food ingredients which she would later process into fried rice and sell to buyers. Ms. Ismun revealed that this business belonged to her parents, but because they decided not to work anymore, Ms. Ismun continued this business. This causes Ms. Ismun to spend less business capital than the previous entrepreneur.

In the previous explanation, the researcher found capital accounting practices, namely sources of capital. This practice is in the **charity** "The initial capital of this business uses personal money." The **knowledge** from this charity is that Ms. Ismun runs her business with initial capital sourced from her money. This was because she no longer needed to buy restaurant equipment and equipment. After all, the restaurant previously belonged to Ismun's parents.

Based on the previous discussion, it can be concluded that there are capital accounting practices in the form of capital originating from debt and capital originating from personal money. Reflecting on these two capital accounting practices gives researcher an understanding that there is a familial (**faith**) value behind the two capital accounting practices. This family value is reflected through the provision of capital loans from the family. The time for repayment of these capital loans is flexible, adjusting to the capabilities of the food stall owners. There is no collateral or interest. Furthermore, the family value of the practice of accounting for capital originating from personal money is reflected in the place where the food stall and equipment belong to the informant's parents, which were given to Ms. Ismun to manage so that she can earn income to meet her family's needs.

In the Islamic culture of the people of Gorontalo, the value of kinship is often internalized by the elders through the expression "*dilla bo ilaato binthe wawu pale*" which means not only corn and rice relatives/family. This expression means a family statement because of blood relations or relatives. In Gorontalo society, maintaining family relations is seen as very important. A farmer whose garden is harvesting abundantly usually gets many visits from distant relatives, who sometimes have lived in cities or overseas for a long time (Daulima, 2009).

The elders expressed this event *lumadu* "they are *dilla bo ilaato binthe wawu pale*." It means they came not because we have a lot of corn and rice but because of a family visit. Likewise, if there is a celebration, then assistance will flow from the closest family because they feel that those who are assisted are not because they have much wealth but because they have a family relationship (Daulima, 2009).

The will among family members to help each other is one of the values that can be learned from the explanation of the previous expression. The action of family members who help informants in running their businesses so they can support their families is a reflection of the implementation of these values, where family members who have the advantage of helping other family members, the act of assisting in the form of loans is done not because those who are assisted have wealth, but purely because of kinship. This is why there is no requirement for guarantees, interest, and flexible payment terms in providing loans for business capital. This condition was similar to that experienced by the informant Ms. Ismun. Her parents gave her capital assistance in the form of a place and restaurant equipment. This was aimed at none other than Ms. Ismun earning income to help the economy of her family and those around her.

Several previous researcher have found accounting studies based on local wisdom values in the form of kinship, for example, Nurhalimah et.al (2019), through a study of the accounting practices of scrap metal business management based on Madurese awareness. The study results show that business capital obtained from other parties in the form of loans is based on family ties and high mutual trust. This is a reflection of the philosophy of the Madurese people that "*lebbi bagus pote tolang atembeng pote mata*" this sentence is a confirmation of self-esteem as a fixed price for Madurese.

This is in line with what Thalib (2021) found through a study of *O'nga: laa* as a form of accountability for wedding costs. The results of the study found that accountability for capital from the implementation of wedding expenses was carried out by thinking about the use of wedding costs so that these uses could expedite the implementation of the party as much as possible, cover if there was a lack of funds, beautify the implementation of the wedding, and show the implementation of the party. This practice of accountability for capital responsibility for marriage is conditional on family values. In practice, both the families of the men and the women help each other to make the wedding a success. This activity reflects the philosophy of life of the local community in the form of *dilla abo ilaato binthe wawu pale* (not just relatives/family of corn and rice).

Furthermore, there is Harkaneri et.al (2014), through a study on understanding the practice of profit sharing in the rubber plantations of the Kampar Riau community. The research found that land owners or capital owners provide opportunities for butchers to manage their land. The profit sharing is based on a sense of kinship, in which the owner of the capital is willing to give a more effective profit-sharing presentation to the land manager. This is because land managers usually come from a less affluent economic background, while land owners come from a well-off economic background. Giving presentations on greater profit sharing is also encouraged based on wanting to help the land manager, as well as turning the assets owned by the landowner into worship in the form of helping one another. This action reflects the cultural philosophy of the people of Riau in the form of "*adat bersendi syara, syara bersendi kitabullah*" which implies that the customs that apply in Kampar must be based on *syara'* (Islamic) values.

Conclusions

This study aims to find the value of the local wisdom of the Gorontalo people behind the capital of a food stall entrepreneur. The study found that entrepreneurs started their businesses by borrowing money from relatives. In obtaining these capital loans, the owners of food stalls do not pay interest, there is no collateral, and the time for repayment of debt is flexible. Departing from this business capital, eventually, the owners of food stalls can run their businesses, earn income, and finally pay off their debts. Meanwhile, the following finding was that there were informants who started their food stall business with personal financial capital. This is because the business premises, equipment, and business equipment belong to their parents and are no longer used. A food stall business that starts with a loan or personal money, conditions with family values. This value is reflected through accounts payable regarding the flexible business capital, no collateral, and interest, as well as the place of business, tools, and equipment provided by the parents to the informants in the Islamic culture of the people of Gorontalo. The elders often internalize this family value through *lumadu "dilla bo ilaato binthe wawu pale"*. This expression means a family statement because of blood relations or is still allied. The limitation of this research lies in the informants, which in this study have not presented information originating from capital lenders or food stall providers as business capital. Suggestions for further research are to use other social theoretical approaches such as phenomenology, ethnography, and hermeneutics to enrich the body of knowledge about the value-based capital of local wisdom.

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