

THE MODEL OF STRENGTHENING SHARIA FINANCIAL SERVICE COOPERATIVE INSTITUTION AND COMMUNITY PARTICIPATION IN POVERTY REDUCTION IN PADANG

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ABSTRACT

Management of Village Microcredit (Nagari Microcredit) was diverted from existing Working Group to Sharia Financial Services Cooperatives (Koperasi Jasa Keuangan Syariah/KJKS) formed in the sub-district area. The research aims to look at payment rate of credit installment the reviewed Working Group to sharia Financial Services Cooperatives recipients (poor households and poor household business group) and manager to see the difference in Machiavellianism behavior of the credit recipients with the current rate of return which is running well or not. The population in this research is a member of sharia Financial Services Cooperative in Padang City whose funds come from Nagari Micro Credit. In this research the sampling technique used is the method of election that determined by purposive sampling because this area is a representation of the situation and institutional conditions. The sampling technique used is random sampling technique. The analytical methods used are descriptive statistical analysis is useful to describe the profile of the respondents and Independent Samples T Test to see the difference between a smooth KJKS cooperative members and non-current loan repayment. Based on research in eleven KJKS in 10 districts in the Padang on 318 respondents, generally lending returns are going well and smoothly. This research found only 8 of 318 (2.83%) respondents KJKS recipients who have problems with loan repayment. Overall, loan repayment of KJKS has Machiavellianism behavior in moderate and homogeneous.

Keywords: credit; KJKS; machiavellianism; nagari microcredit

ABSTRAK

Pengelolaan KMN (Kredit Mikro Nagari) dialihkan dari Pokja yang ada kepada Koperasi Jasa Keuangan Syariah (KJKS) yang dibentuk di kelurahan. Penelitian bertujuan untuk melihat tingkat pengembalian kredit di KJKS yang ditinjau dari pihak penerima (rumah tangga miskin dan kelompok usaha rumah tangga miskin) dan pihak pengelola dan melihat perbedaan perilaku machiavelism penerima kredit yang tingkat pengembalian lancar dengan yang tidak lancar. Populasi pada penelitian ini adalah anggota Koperasi Jasa Keuangan Syariah di Kota Padang yang dananya berasal dari Kredit Mikro Nagari. Dalam penelitian ini teknik penarikan sampel yang digunakan adalah metode Pemilihan daerah ditentukan secara purposive sampling dengan alasan daerah ini merupakan representasi dari situasi dan kondisi kelembagaan. Teknik sampling yang digunakan adalah teknik random sampling. Metode analisa yang digunakan adalah Analisis statistik deskriptif berguna untuk mendeskripsikan profil responden dan Uji Independent Sampel t Test untuk melihat perbedaan antara anggota koperasi KJKS yang lancar dan yang tidak lancar pengembalian kredit. Berdasarkan penelitian 11 KJKS di 10 kecamatan di Kota Padang terhadap 318 responden, umumnya penyaluran kredit berjalan baik dan tingkat pengembaliannya lancar. Penelitian ini menemukan hanya 8 dari 318 (2,83%) responden penerima KJKS yang mengalami masalah dengan pengembalian kredit (kredit macet). Secara keseluruhan, penerima kredit dari KJKS memiliki perilaku Machiavelis pada tingkatan sedang dan homogen. Tidak ditemukan perbedaan perilaku Machiavelis yang signifikan pada berbagai karakteristik demografi maupun karakteristik sosial responden.

Kata kunci: KJKS; kredit; kredit mikro nagari; perilaku machiavellianisme

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INTRODUCTION

In order to reduce poverty in West Sumatra by developing the poor's economy. It needs participation of the government to poor families with help of capital in the form of credit. Nagari Microcredit (KMN) is a Medium Term Development Plan of West Sumatera's Governor (RPJM) in the year of 2006-2010. The program aims to accelerate the reduction of poverty by empowering the community through the distribution of Nagari Microcredit (KMN).

KMN program began to be implemented in 2007 and still continues today KMN program has implemented to 534 sub-districts in West Sumatra and is expected in the end of 2010 has reached 800 sub-districts. Based on Governor circular Number: 1680/III/PKSDM-PK/Bappeda 2008 concerning Technical Guidelines of Nagari Microcredit on poverty alleviation effective, the principle of organizing the distribution of KMN is to include local institutions "Nagari" so that handling is more committed (as local as possible), consistent, and sustainable.

Padang as the capital city of West Sumatra is an area that most received the disbursement of Nagari Microcredit from the Government of West Sumatra namely; In 2007, 12 sub-districts scattered in various sub-districts receive funds number of 3,6 billion rupiahs and in 2008, 13 sub-district received 3.9 billion rupiahs (West Sumatera BPM). From information obtained that each sub-district received 300 million rupiahs, which in management organized by the sub-districts to establish a working group (WG) consisting of one chair and four members elected by the people in the sub-district deliberation.

Microcredit distribution and management of Nagari Microcredit is managed by the Working Group in several sub-districts in Padang. The disbursement of funds amounting to 300 million rupiahs did not develop well. From the information submitted by the Deputy Mayor of Padang, Mahyeldi Ansyarullah, that KMN funds from 2007 to 2011 only trace of 75 million rupiahs, 50 million rupiahs and even tends to run out (Padang Ekspres 2011). This phenomenon can be interpreted that the repayment rates by Poor Households (RTM) and business groups of poor households in the sub-district are low (bad credit).

In order to achieve the objectives and targets of the KMN program, in 2012, on the initiative of mayor and deputy mayor of Padang, Fauzi Bahar and Mahyeldi, decided that the distribution and management of KMN no longer managed by the Working Group in the sub-districts but transferred to the Islamic Financial Services Cooperatives (KJKS) formed in the sub-district. This is in accordance with the Technical Guidance KMN that each sub-district is required to establish or develop a financial institution sub-districts were incorporated as Sharia Financial Service Cooperative, BMT or other financial management institutions.

Based on observations made at one of the sub-district in Padang, Dadok Tunggal Hitam, recipient whose distribution and management through Sharia Financial Service Cooperative (KJKS). KJKS was a recipient of KMN, where the remaining KMN funds are returned in about 259 million rupiahs. Based on experience in KMN, KJKS of Dadok Tunggal Hitam has standard operating procedures in dealing with credit jams. From phenomenon above, this study will look at how the rate of return after the credit has been transferred to KJKS. On the basis of these thoughts, it is necessary to conduct researches on the management of KJKS in Padang.

Problems Formulation

Based on the background this research, formulations of problem are how does the return on credit in KJKS which is reviewed from the recipient (poor households and business groups of poor households) and the manager?

The next problem are there any *Machiavellianism* differences in credit recipients who return smoothly with the non-current. Then after that, we will make a models of institutional strengthening and community participation recipient KJKS Nagari Microcredit in Padang

Nagari Microcredit (KMN)

KMN Program is a poverty reduction program specifically designed by the Government of West Sumatra. One of the Government's efforts to reduce poverty is to empower people, especially poor households through the provision of Nagari Microcredit (KMN) as additional capital.

Purposes

The purpose of the distribution of Microcredit Nagari (Technical Guidelines Microcredit Nagari, 2008) is to provide additional stimulation of venture capital for poor families in sub-district level, to be able to develop into independent and sustainable businesses. The objectives in the distribution of Nagari Microcredit (Technical Guidelines Microcredit Nagari, 2008) are as follows:

1. Increased and the creation of positive behaviors for poor families and relevant stakeholders;
2. The rising incomes of the poor through social and economic empowerment;
3. The implementation of planning systems and monitoring participatory development;
4. The realization of synergy program between the Government, Provincial Government, Regency / City Government and the public / stakeholders;
5. Increased participation of migrants in tackling poverty in their sub-district;
6. Increasing and development pattern of community life in the society.

Credit

Credit in economic meaning is delayed payments, which means that the goods or money received now and restored in the future. Credit is a reputation of someone who allows him to obtain money, goods or labor by an agreement to pay in the future (Firdaus R, 2012)

Credit Requirements

Giving credit to a debtor must meet the requirements known as the principle of 5C (*Character, Capacity, Capital, Collateral, and Conditions*). (Ross et all, 2017)

1. Character, is the data about personality of potential debtor such as personal traits, habits, ways of life, circumstances and family background and hobbies. The purpose of rating proficiency level is to determine the extent to which goodwill / willingness of prospective candidates for the debtor to meet its obligations (willingness to pay) in accordance with the promise that has been set.
2. Capacity is an assessment of the ability of candidates of the debtor to repay their obligations from business activities that do that will be financed by credit in accordance with the agreement that has been agreed.
3. Capital is the condition of the assets owned by the company that manages by the debtor candidates
4. Collateral is a guarantee that may be confiscated if it turned out to prospective debtors who can not fulfill its obligations (assets pledged as collateral in case of default)

5. Conditions is the economic conditions associated with the prospects of debtors (the general economic conditions in the customer's line of business)

Microfinance Institutions (MFIs)

Microfinance Institutions (MFIs) are financial institutions that provide financial services and credit savings to the poor, micro and small scale enterprises sustainably. One of the underlying needs of MFIs is, as one of the instruments in order to overcome poverty. Poor people generally have micro-scale enterprises. Develop micro-scale enterprises is a strategic move as it will realize the broad bases development or development through equity. They require capital in order to develop the capacity of their enterprises. The effort to increase (become small-scale enterprises), will effectively tackle poverty (UU No 1, 2013).

There are two options of promoting Islamic microfinance: (1) assisting Islamic commercial banks to establish units with Islamic microfinance products; (2) reassessing in a participatory process the challenges and realistic opportunities of Islamic rural banks and cooperatives (Seibel, 2007).

Microfinance Institutions (MFIs) roles are important in terms of providing acces of financial services to the underserved segment of the population. This part of the society is financially excluded by the formal financial institution because of institution unwillingness to extend loans wtiout collateral due to their commercial goals .(Tahir, Tahrim, 2013).

The microcredit program, acces to electricity and changes in employment sector, employment status and the number of household members. (Dartanto T, 2012).

In strengthening the national economy, the provision of microfinance services is expected to include the two sides related to poverty reduction, which is able to serve the needs of its customers (the poor) and on the other hand is able to develop itself as a bona fide microfinance institutions. The ability to serve customers' demands also the ability of customers to manage finances so that it can be optimized for the development of its business scale.

Sharia Financial Services Cooperatives (KJKS)

One of the microfinance institutions are based “*Sharia*” an Sharia Financial Service Cooperative (KJKS). This has provided the background for a more systemic studi of Islam microfinance in The Indonesia, the largest Muslim Country. The cooperative was founded starts from self-help groups (SHGs) and if it has met the requirements (members and others can be upgraded into legal entities, namely cooperatives. Islamic Financial Service Cooperative is a cooperative whose activities are engaged in the business of financing, investment and savings in accordance with the pattern of results (*Sharia*). KJKS existence is based on the decision of the State Minister of Cooperatives, Small and Medium Enterprises of Republic of Indonesia Number 91 / KEP / K.KUKM / IX / 2004 on the implementation guidelines Islamic Cooperative Financial Services Business Activity. With the development of the necessary coaching KJKS by the Government in this case the Department of cooperatives and micro, small and medium enterprises.

Machiavellianism Behavior

Machiavellianism is a characteristic of people that usually trying to acquire and use power. Machiavellian nature was first introduced by Niccolo Machiavelli in the 16th century. Machiavellian nature is a belief or perception that is believed to be about inter-personal relationships. This perception will form a personality that underlies behavior in dealing with others. Machiavellian nature has a negative tendency that shows an unethical way to manipulate others to achieve goals. On the other hand, the Machiavellian is adaptive in the sense that although they often violate norms, but they are manipulated to present the

best result.(Czibor & Bereczkei, 2012) Individuals who have a Machiavellian nature are generally less wise and tended to be selfish (Ozler and Nuray Mercan, 2010).

Personality trait with Machivellian nature has low committed ideology and morality (Christmastuti, Agnes A, 2015) state that individuals with high Machiavellian nature are more prone to lie. Individuals with high Machiavellian nature will be more likely to act unethically than individuals with low Machiavellian nature. (Jones & Kavanagh, 2013) found people with high Machiavellian nature will be more likely to act unethically than individuals with low Machiavellian nature Individual with high Mach attitude tends to be pragmatic, maintains emotional distance, and believes that the results are more important than the process. Individuals with high Mach characteristics do more manipulation, more victory, not easily persuaded and more persuading compared with individuals with low levels of Mach, however high Mach attitude can be muted by situational factors. It has been found that individual who have a high Mach well developed as they interact directly with other individuals, not indirectly, when they are in situation that has not strong regulations, which allows freedom of improvisation and if the emotional involvement with the details that are irrelevant to the success of disturbing the individual mach low (*Robbins* , 2015).

Nonprofit organizations are held to high ethical standards due to their charitable missions serving the common good. Incidents of fiscal mismanagement within the nonprofit sector make it relevant to assay the ethical principles of employees (Richmond & Tier., 2010)

RESEARCH METHOD

Location

This research was conducted in the Padang, in 10 sub-districts, including: Bungus Teluk Kabung, Lubuk Kilangan, Nanggalo, Kuranji, Pauh, Koto Tengah, Lubuk Begalung, Padang Barat, Padang Timur, dan Padang Selatan which in every sub-district has an Sharia Financial Service Cooperative (KJKS), the initial capital of the cooperative comes from Nagari Microcredit.

Population

The population in this research is a member of sharia Financial Services Cooperative in Padang City whose funds come from Nagari Micro Credit.

Sample

Sample is part of the population. The sample consisted of a number of selected members of the population. In this study the sampling technique used is the method of election that determined by purposive sampling because this area is a representation of the situation and institutional conditions. The sampling technique used is random sampling technique. According (Bungin, 2013), simple random sampling technique is used to determine the location of KJKS which was used as the sample of observation. Locations of KJKS which become the sample are:

1. Bungus District : Bungus Barat Sub-district
2. Koto Tengah District : Dadok Tunggul Hitam and Air Pacah District
3. Kuranji District : Korong Gadang Sub-district
4. Lubuk Begalung District : Panggambiran Ampalu Sub-district
5. Padang Barat District : Purus Sub-district
6. Padang Timur District : Jati Sub-district
7. Padang Selatan District : Mata Air Sub-district
8. Pauh District : Pisang Sub-district
9. Nanggalo District : Tabiang Banda Gadang Sub-district
10. Lubuk Kilangan District : Koto Lalang Sub-district

Definitions and Operational Variables

1. Credit Recipients, define as poor households (RTM) a business group of poor households and the general public who are members of Sharia Financial Service Cooperative (KJKS) in sub-district in Padang.
2. Nagari Microcredit (KMN) a poverty reduction program specifically designed by the Government of West Sumatera.
3. Sharia Financial Services Cooperative (KJKS) an institution engaged in community empowerment through Islamic savings and loan system has two forms, namely savings and loan business.
4. Credit is the delay of payments, which means that the goods or money received now and returned in the future.
5. Machiavellianism, a degree to which an individual is pragmatic, maintains emotional distance, and believes that the results are more important than the process.
6. Sub-district an area in a district conducted by a headman.

Analytical Methods

Survey Method

Survey methods used to identify the problems faced KJKS in disbursing funds and the empowerment of its resources as well as to look for a solution, so that a descriptive approach is used in the discussion of the problems faced by KJKS.

Descriptive Analysis

Descriptive statistical analysis is useful to describe the profile of the respondents based on the result respondents and frequency distribution and describing of research variables and to see the characteristic of each variable by seeing the level of respondent achievement (TCR).

(Sudjana, 2012) states that TCR value can be determined by using the following formula :

$$TCR = \frac{Average_score}{5} \times 100\%$$

Where:

TCR = level of achievement of the respondents

Average scores were taken from the results of descriptive statistical analysis in SPSS

After knowing the average score of respondents on each question and the calculated value of TCR then it can be determined TCR value criterion. TCR value criterion used to see the level of respondents' answers to each question. TCR value criteria as follows (Sudjana, 2012):

Table 1
TCR Value Criteria

Percentage of achievement	Criteria
90-100	Very High
80-89.99	High
65-79.99	Moderate
55-64.99	Low
0-54.99	Very Low

Quantitative Analysis

a. Independent Sample Test

This test aims to compare the average of two groups that are not related to one another. This test is used to see the difference between a running well KJKS cooperative members and non-current loan repayment. (Singgih, 2015).

b. One Way ANOVA

One Way ANOVA aims to test the average population of more than two. This test is used to look at the effect of Machiavellianism behavior with KSJKS location.

RESULTS AND DISCUSSION

Description of Respondents

Information about the respondent profile can be seen in Table 2 below:

Table 2
Characteristics of Respondents

Characteristic	N	%	
District	a. Air Pacah	20	6,3
	b. Bungus	10	3,1
	c. Jati	55	17,3
	d. Korong Gadang	45	14,2
	e. Koto Lalang	30	9,4
	f. Penggambiran	57	17,9
	g. Pisang	20	6,3
	h. Purus	10	3,1
	i. Rawang	40	12,6
	j. Tabing Banda Gadang	11	3,5
	k. Tunggul Hitam	20	6,3
	Total	318	100
Gender	a. Man	81	25,47
	b. Women	237	74,53
	Total	318	100
Education	a. S2	3	0,94
	b. Bachelor	33	10,38
	c. Senior High School	178	55,97
	d. Yunior High School	54	16,98
	e. Elementary School	43	13,52
	f. No charge	7	2,20
Total	318	100	
Job	Labor	3	0,94
	Trader	168	52,83
	Breeder	3	0,94
	Others	144	45,28
	Total	318	100
Impact of KJKS	Asset	12	3,77
	Profit	131	41,19
	Turnover	88	27,67
	Labor	14	4,40
	Asset, profit	1	0,31
Turn over, profit	13	4,09	
Assets, Turnover, Profit	55	17,30	

	Turnover, Profit, Labor	1	0,31
	No charge	3	0,94
	Total	318	100
Income	a. < 1 M	30	9,43
	b. 1 M - 2 M	140	44,03
	c. 2 M - 3 M	107	33,65
	d. 3 M - 4 M	29	9,12
	e. > 5M	9	2,83
	f.No charge	3	0,94
	Total	318	100

In Padang, there are 104 KJKS spread over 11 districts. Since 2014 guidance and empowerment of Padang KJKS transferred to SKPD, Department of Cooperatives and UMKN of Padang as the technical agency. This research obtains 318 respondents from 11 KJKS located in the city of Padang with the largest proportion coming from KJKS in Penggambiran (17.9%). Based on gender, respondents were more dominated by women with a proportion of 74.53%. Formal education of the respondents ranged from elementary school to S2 with the highest proportion at Senior High School levels (55.97%). In addition to demographic description, this research also classifies respondents based on economic aspects i.e. employment and monthly income. Based on the dominant job, respondents mostly work as trader (52.83%). Based on the level of income, is dominated by the respondents who earn between one to two million rupiah. In addition, there were also found nine respondents who earn up to 5 million per month (2.83%).

Description of Machiavellianism Behavior

The exposure of Machiavellianism behavior using the level respondent achievement (TCR), figures of TCR provides information about on how high or low the measurement results based on the number of types in response to a question or statement. The first item measures the extent to which participant agreed with the behavior of seeking to please others by being a good listener for an interest. It was found only 119 participant (37.42%) which gave a positive response (agree and strongly agree), while that disagree and strongly disagree (negative response) even higher, namely: 173 of 318 (54.44%). Thus the TCR for this item is worth 56.23 entering the low category.

Fourth item on "aware of the intentions hidden in others" also got a negative preference. 55.53% participants disagree and strongly disagree. These findings resulted in TCR at 52.45 entering the low category. Same level also found on 7th item that identifies respondent's preferences about "behavior to not hesitate to give praise for other people that are considered important for its own sake" only 41 of 318 (12.98%) of participant gave positive preference, while others giving a negative preference as 244 participant (76.73%) it resulting TCR value 45.16 on low category.

A contrast evidence found in a number of items. It is obtained 5 items that enter the category of high thus affecting the level of overall Machiavellianism behavior of participants. Identification about "the importance of honesty in any actions" as measured by item 3 get higher negative than positive preference. It was found 283 of the 318 participants (88.99%) disagree and strongly disagree with the statement third item. While only 9 respondents who giving a positive preference (2.83%) and TCR value of 83.96 is in high category.

"How important is the moral aspects should be considered when taking an action" (sixth item) gain a higher negative preference of the respondent. A total of 205 of the 318 participant (97.31%) choose "strongly disagree" and "disagree" and 10 of them (3.14%) were

agree. Thus the TCR value of 84.40 is the high category. The same levels obtained for ninth item (TCR: 83.95), eleventh item (TCR: 81.45) and twelveth item (TCR: 85.53).

Besides getting TCR at high and low levels, in this research is also found that TCR in the category "very low" on three other items. The second item states "It is very difficult to make progress without taking a shortcut" got a negative preference of 73.90% where 235 of the 318 participant responded strongly agreed and strongly disagreed. It is only 46 participant (14.47%), who gave positive preference to the statement.

Eighth item stated "After considering all are, it is preferable to be gentle, courtesy rather than rude and dishonest" was an item with reversed score. The more respondents give positive preference, then the value of its TCR getting low. 213 of 318 participant (66.98%) gave approval for the statement, while 63 of them (19.81%) rejected it.

A Machiavelist is basically lazy to work, so she/he should be forced. The preassumption is actually found to get a rejection/higher negative preferences. A total of 220 of the 318 participant (69.18%) stated "disagree" and "strongly disagree" on the assumption. It is only 42 participant (13.21%), who give a positive preference.

From the 14 items it appears 5 statement items have entered the category of high TCR, 3 items entered in the moderate category, three items in low category, and 3 items in very low category. If it is totally sum, then to the 14 statement items had an average of TCR in the amount of 66.58, a moderate level. So that, it can be concluded all of beneficiaries respondents of KJKS had Machiavellianism behavior which relatively low. In addition of low Machiavellianism behavior, there were no significant differences in behavior that is based on a number of group characteristics. In other words, all respondents have variances Machiavellianism behavior that tends to be homogeneous. Results of testing the difference can be seen in Table 3 below:

Table 3
Testing Differences Machiavellianism Behaviors Based on Several Characteristics

Characteristic	Group	Mean	N	Std. Dev	Min	Max	Variance	Sig.Value
Continuity	Smooth	32,98	310	4,14	23	45	17,11	0,5690
	Jam	32,13	8	6,01	22	40	36,13	
	Total	32,96	318	4,18	22	45	17,49	
Gender	Male	33,31	81	4,26	24	45	18,14	0,3840
	Female	32,84	237	4,16	22	44	17,29	
	Total	32,96	318	4,18	22	45	17,49	
Education	Diploma	34,29	7	5,96	26	41	35,57	0,2000
	Strata 1	32,36	33	3,11	27	42	9,68	
	Strata 2 (Master)	36,33	3	4,04	34	41	16,33	
	Elemntary	33,88	43	4,31	24	45	18,58	
	Senior High School	32,97	178	4,14	22	44	17,15	
	Junior High School	32,19	54	4,44	23	42	19,74	
employment	Total	32,96	318	4,18	22	45	17,49	0,3290
	Not filled	32,50	6	4,42	29	41	19,50	
	Labor	30,00	3	4,36	25	33	19,00	
	Others	33,18	138	4,35	23	44	18,88	
	Trader	32,78	168	4,03	22	45	16,22	

Breeder	36,67	3	4,04	33	41	16,33
Total	32,96	318	4,18	22	45	17,49

Based on the results of the data analyzing, it can be concluded there is no difference in the Machiavellianism behavior of the recipient credit returns are current and non-current based on gender, education and employment because of the significance value is higher than alpha 0.05

The Model Of Strengthening Sharia Financial Service Cooperative Institutions

The following table is a model Of Strengthening Sharia Financial Service Cooperative Institutions :

**Table 4
Matrix SWOT**

INTERNAL FACTOR	STRENGTHS (S)	WEAKNESSES (W)
FAKTOR EKSTERNAL	1. Integrity of administrators and senior managers	1. The system of technology is still low.
	2. Government support in promoting KJKS in providing coaching and training to the managers.	2. The members lacks of interest to save money.
	3. Existing Finance SOP for members	3. The return of the credits is bad.
	4. More selective credit provision.	4. Limited capacity in financing the members.
	5. Easy Process for granting credits	
	6. The margin is determined on the basis of agreement.	
	7. The location of KJKS is strategic	
	8. Quick and friendly service	
	9. Most managers of KJKS have Bachelor Degree.	
OPPORTUNIES (O)	Strategi S-O	Strategi W-O
1. There is a high interest from micro business to obtain capital in starting, maintaining, and expanding a business.	1. Improving the service quality in the management of KJKS Synergy in government and KJKS relationship (administrators and managers)	1. Establish partnership with other financial institutions and government to increase the capital of KJKS The use of information technology system to facilitate the process of KJKS activities
2. The trust from external parties (Banks) in establishing partnership to strengthen the capital of KJKS.		
3. Support from the government in promoting KJKS.		

TREATHS (T)	Strategi S-T	Strategi W-T
1. The competition with other financial institution in offering similar service (BPR, cooperatives, and etc.)	1. Providing services and supervision to the members Providing training for the managers and administrators to improve the services to the members.	1. Providing information technology training to the management Increasing the capital through KJKS members' saving and cooperation with other financial institutions
2. The margin offered by other financial institutions is low.		

CONCLUSION

Padang mayor's decision to transfer the management of Microcredit Nagari / KMN to Islamic Financial Service Cooperative (KJKS) turned out to have a positive impact both on the success of poverty reduction programs in general and in particular. Analysis to 318 recipient of Islamic Financial Service Cooperative (KJKS) benefit / impact to the recipient. The biggest perceived benefits are: increasing in profit (41.19%), increasing in turnover (27.67%), increasing the number of workers (4.40%), increasing of assets (3.77%).

Low rate of KMN's return can be overcome well by KJKS. A professional management system with the implementation of SOP and clear criteria making the number of bad credit will be decreasing. Based on the research of 11 KJKS in 10 districts in Padang, generally lending returns are going well and smoothly. This study found only 8 of 318 (2.83%) respondents of KJKS recipients who return rate jammed. Overall, KMN recipients have Machiavellianism behavior in moderate and homogeneous level. It was found that there was no significant difference of Machiavellianism behavior on various demographic characteristics and social characteristics of respondents.

Referring to the criteria for credit granting (5C) which applies in general, the character of credit recipients is an important factor that can affect the smooth repayment of credit. The results of an analysis of all respondents KJKS financing through the receiver, it can be concluded that the low rate of return that is substandard. This is because the manager has the ability KJKS acquired through training so that they are able to motivate, guide and provide training to members of KJKS, so the character of KJKS members is good.

Very limited literatures that investigate the Machiavellianism behavior of member of Islamic Financial Services Cooperatives. This study specifically focus on Islamic Financial Services Cooperatives that serve working group member rather than others Cooperatives that serve for non group member.

Based on the results of the research, provide training to managers and administrators of KJKS institutions in order to manage a professional financial institution. After that provide business management training to beneficiaries of KJKS therefore the funding not only consider social value but also the economic value. Improvement of the management system comprehensively, so that the program can continue and provide benefits for poverty reduction efforts in Padang.

The research that has been done is still not perfect and has limitations including this study only analyzes and describes 10 sub-districts in Padang, which in every sub-district has an Sharia Financial Service Cooperative (KJKS) comes from Nagari Microcredit.

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