Research article

Welfare Economics and Cultural Analysis: Islamic Perspectives on Barber Shops

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Abstract.
Barber shop businesses are increasingly mushrooming in average cities and big cities. We can see that many exist in almost every segment and road. Barber shops are commonly made with a box house model with a medium size, dominated by glass and spandex. It is important to examine in depth whether this trend is part of long-standing cultural factors, or is the influence of a global culture promoting the idea that everyone needs a barber shop to keep their appearance updated and current, or is a side culture that was born out of current economic conditions. Another element to consider is the view of Islam, and the value of measurement in pursuing economic value and welfare. The barber shop culture seems to be a reflection of the habits of people living in developing cities and other big cities.

Keywords: welfare economics, culture and Islamic perspective, barbershop

1. Introduction

Economic growth is an indicator of the level of development success achieved. The higher the economic growth, the higher the level of social welfare, although there are other indicators, namely income distribution. Meanwhile, economic development is an effort to increase per capita income by processing potential economic power into the real economy through investment, use of technology, increasing knowledge, increasing skills, increasing organizational and management skills. [1]. The implementation of development in all regions, besides aiming at increasing the income of small and household industries, is also to ensure equitable development for all people with a sense of justice in the context of realizing the principle of social justice. Thus, development is not only aimed at increasing income, but also at preventing the widening of the gap between rich and poor. Small industry is often seen as a backward part of the economic structure, is traditional in nature, and does not have the potential to contribute to economic...
growth. This view is not entirely correct because some people think that the right combination of small, medium and large industries can produce the most productive economic structure. One of the most promising businesses today is the business of haircut services, especially men. Who doesn't need a good and neat appearance, not only women, men / men also need it always, one appearance that is always considered is their hair. Coupled with modern times like now, there are many hairdos that can be selected. [2]

The men’s haircut business is often considered to have no prospects, but it is actually a big mistake. This haircut business is a business that is minimal risk, can be started with not too large capital, fixed investment, easy operation, and long-term prospects, this is a business opportunity that is quite promising and very prospective to undertake, considering this business is much sought after and needed by many people. [1] No wonder if this haircut business is increasingly mushrooming in Indonesia, the prospect of this haircut business is getting brighter every day. The benefits of this business are very tempting, in addition to the skills and expertise in cutting or straightening hair, this haircut business also relies on customer service and satisfaction. The men’s haircut small business is very profitable and is always needed so that it can be said to be a small business that will never stop, because every man, both adults and children, needs it. Every man usually goes to a men’s barber shop at least every 2 months, it is not uncommon for someone to go to a barber shop every month to cut their hair. [http://www.depkop.go.id].

The increasing population will increase the need for cutting services. So that the need for barbershop services is also increasing. This condition is what is able to make the barbershop service business grow and continue to develop, as evidenced by the increasing number of these cutting service businesses. A barbershop service that has skilled and reliable workers, of course, will be in demand by many customers. So besides having a barbershop service business with satisfying services and results. Even though it seems trivial, the business for men-only barbershop, aka barbershop, turns out to provide promising income. It’s no wonder that barbershop continues to grow in Indonesia. With more than 5,000 barbershop brands in Indonesia today, the trend of male grooming continues to grow, driven by the increasing interest in men's hairstyles that are more contemporary. "Barbershop is now moving up in class, is considered a promising business," said Ade Farolan, Chair of the Indonesia Barbershop Association (IBA) who was met at the press conference at the 2017 Hair Expo Indonesia in Jakarta (12/7/2017). Ade gave an example; a barber (barber) will usually get the results with the
owner of the barbershop. “On average they can earn 8-10 million from the profit sharing system. That does not include tips, because it’s all for the barber,” he said.

Meanwhile, for barbershop owners in a month their turnover can reach 100-200 million. “Assuming the arrival of guests reaches 50-70 people per day,” said the owner of Kings Barbershop. The rate for a single haircut varies between IDR 50,000 - IDR 70,000. This price is considered affordable by the customer. Ade explained that the barbershop that young people are interested in is the classic style, including for interiors and furniture. “The initial capital is quite large, but only in the beginning. After that, only routine purchases for toiletries,” he said. According to him, this capital can quickly return, especially since this business niche is indeed large. Not only teenage boys and young adults, many young mothers invite their sons to do their hair in barbershop. “They don’t want to take their children to the salon anymore,” said the owner of three bars. It is not surprising that in an area with a radius of less than 700 meters there can be three barbershop open. The mushrooming of the barber shop also means the opening of wider employment opportunities. “To become a barber, the key is to be willing to learn. If you are interested, even studying for a month can master basic cutting techniques,” said Ade. According to Ade, some of the barbers in his outlets have switched professions because of more lucrative income. “Some have changed their professions from tailors or minimarket keepers. Now with their income from barbershop they are starting to have the courage to pay off their vehicles or houses,” he said. In order for this barbershop business to continue to grow, Ade emphasized the importance of improving the barbers’ skills. “It must be updated with the latest haircut styles. In addition, because this is a service business, owners must educate their employees on how to deal with customers, including communication skills,” he said.

2. Research method

The barbershop business is increasingly promising, so it’s no wonder that in urban corners there are mushrooming shops, including in the city of Bogor. [3]. Novi admitted that the coffers of money he got from this business were quite tempting. Although he did not mention the number of figures obtained, he admitted that the income he received from a haircut was more than enough to meet his daily needs. “Income, Alhamdulillah, so far is more than enough, one person usually costs 25,000, a day that comes when it is crowded, 20 to 30 people,” said Novi to ayobogor.com, Friday (10/1/2020) Novi admits that she has been in the barbershop business for three years in Kedung Halang. He admits that he is really interested in getting into the haircut business because he sees

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the good prospects of the business. "I see the barbershop business is good because men continue to come back once a month to shave their hair, unlike girls who usually take care of it like every two months or three months," said Novi. Novi said that when she started this business she didn't know how to use a haircut machine and didn't know much about hairstyles that men like. This then made Novi challenged, he attended various hair shaving trainings so that now he is good at modifying men's hair. "In my experience, it turns out that I am more challenged to cut men's hair. I used to think that cutting men's hair is actually more difficult than girls because of using machines, there are special techniques," he said. Now to find out about the latest male hairstyles, Novi admits that she has joined the Bogor Barberhood Community. In addition, he also often follows the competence between barbershop to improve his hair shaving skills. "So far, even though I shaved men's hair, I have no complaints, at most there are those who don't want to be shaved with me but in the barbershop I have male colleagues, if customers don't want to be shaved at me, they are transferred to him, but those who are used to being shaved with me are used to it. Course," said Novi. Small-scale enterprises are small-scale economic activities of the people with business fields that are predominantly small business activities and need to be protected to prevent unfair business competition. Small businesses have an important role in improving the community's economy because these businesses are able to absorb the number of workers so that they can increase per capita income which in turn can also increase the national income of a country. Small businesses are not only types of businesses that produce tangible goods but also small businesses that produce intangible goods [4].

In general, the characteristics of small and medium enterprises in Indonesia are:a. The business stands alone, in other words there is no strict separation between the owner and the company manager. The owner is at the same time the manager of the UKM.

b. Capital is provided by an owner or a small group of capital owners.c. The area of operation is generally local, although there are also SMEs that have a foreign orientation, in the form of exports to trading partner countries.d. Company size, both in terms of total assets, number of employees, and small infrastructure [4].

3. Result and Discussion
3.1. Barbershop

The barber shop type is a business in the form of services where customers usually shave their hair according to the desired shape. This business is very promising because the capital is quite small but can generate greater profits. This effort requires a skill, skill (Skill), namely shaving the right hair. In addition to being able to shave, business owners must also be required to follow the correct and up to date model or trend of hairstyles according to developments.

Zuhro [5] Any skill can be learned but it requires strong dedication to study the knowledge such as the need for positive mentality, a spirit of motivation, time and sometimes money, whereas by definition it is a person's ability to recognize a situation based on the perception of his mind. A person's knowledge is determined by what is learned from reading material, social environment, work and so on. But unfortunately knowledge is not a skill so no matter how much you know, it can't be said that you have the skill at it unless you take action and eventually find a certain pattern so that your way of thinking becomes a skill.

3.2. Production

According to Joesron and Fathirrozi, production is the final result in economic processes and activities by utilizing several inputs or inputs. With this understanding it can be understood that production activities are combining various inputs or inputs to produce outputs. Conceptually, production is the activity of producing something, both goods and services. In the everyday sense of production is processing input, either in the form of goods or services that are more valuable or useful.

According to Ahyari, states that production is defined as an activity that can give rise to additional benefits and create new benefits. These benefits or benefits are appropriate as well as the combination of the benefits mentioned above. If there is an activity that can generate new benefits or add to existing benefits, the activity is a production activity.

3.3. Production Factors

According to Noor [6] production factors are everything that is needed to produce production. These production factors include raw materials, supporting materials, technology and production income, labor (humans) and energy. Production factors are the
types of resources used and needed in a production process to produce goods and services. The size of goods and services from the production results is a production function of the production factors. Production factors can be grouped into two types, first, fixed input is a production factor whose quantity does not depend on the amount produced and input will always exist even though output turns up to zero. Second, variable production factors (variable input), namely production factors whose numbers can change in a relatively short time and in accordance with the amount of output produced.

3.4. Production Function

The relationship between the factors of production and the level of production created by a production unit is called the production function. The factors of production, as already explained, can be divided into four groups, namely labor, land, capital and entrepreneurial expertise. In economic theory, in analyzing economic problems it is always assumed that the three factors of production which have been recently stated (land, capital, and entrepreneurial expertise) are constant. Only labor is seen as a factor of production that changes in quantity. Thus, in describing the relationship between the production factors used and the level of production achieved, the relationship between the amount of labor used and the amount of production achieved is described [7]. The production function is a function or equation that shows the relationship between the level of output and the level of use of inputs. Each producer in theory is considered to have a production function, namely:

\[ Q = f (X_1, X_2, X_3 \ldots \ldots \ldots X_n) \]

\[ Q = \text{Level of Production (Output)} \]

\[ (X_1, X_2, X_3 \ldots \ldots \ldots X_n) = \text{Various inputs are used} \]

The production function describes the combination of input usage used by a company. In certain technological conditions, the relationship between input and output is reflected in the production function.

3.5. Income

According to Simamora, revenues are an increase in assets or a decrease in company liabilities (or a combination of both) during a certain period originating from the delivery of goods, delivery of services, or other activities that are the company’s main activities. In essence, revenue is the source of the inflow of resources originating from the company’s
business activities and is generally the result of the settlement of economic exchanges when a company sells a product or provides services to consumers or the public. The two characteristics of income are income arising from the main activity of the company in seeking profit, both of which are repeated or continuous. Examples of income include merchandise sales, service fees and other income. The ability to generate income is often seen as one of the keys to a company’s success.

If a company delivers a service, for example repair services, assembly services, attorney services, advertising agency services, public accounting services) in exchange for product sales, the revenue that describes such activities is called service revenue.

According to Supari [8], an individual’s income is defined as the amount of income obtained from production services delivered to or obtained from his assets, while income is no more than the sum of all individual income.

According to Sukirno [7], income is the amount of income received by residents for their work performance during a certain period, whether daily, weekly, monthly or annually. Some of the income classifications include:

1. Personal income, namely; all types of income obtained without providing any activity which is received by a resident of a State.

2. Disposable income, namely; personal income minus the tax that must be paid by the recipients of income, this residual income that is ready to be spent is what is called disposable income.

3. National income, namely; the value of all finished goods and services produced by a State in one year.

According to Sukirno [7], the low growth of per capita income in a country also reflects low GNP growth and this occurs in developing countries. Efforts to increase the per capita income of the community, namely by providing adequate employment opportunities, promoting planned work programs and finally government transfers to low-income groups in society. By using effective taxes to finance these transfers as well as to reduce differences in prosperity between members of society. National income can be determined in three ways, namely:1. The net mode of production, namely domestic output or products of goods and services produced by firms in a country. This total output does not include the value of imported goods and services. To get the gross national product, the gross domestic product must be added with the net income received from abroad.

2. Mode of income, namely the total income received by residents of a country in exchange for services from the ongoing production of goods and services. This income
is called factor income, because it is added to the factors of production, and transfer payments are not included in the calculation, such as sickness benefits, unemployment benefits for which no goods or services are received in return.

3. Mode of Expenditure, namely the total domestic expenditure by residents of a country on consumers and investment goods. This includes spending on finished goods and services (excluding semi-finished goods or services) and includes goods that are not sold and that are added to inventory (inventory investment).

Types and Functions of Income

According to Noor [6], managerial purposes can be grouped into several types, namely:

1. Total Income

Total revenue is the sum of all sales revenue, this Total Revenue is the product of the number of units sold (Q), and the selling price per unit (P). This can be expressed by the formula for the mathematical equation: \( TR = P \times Q \).

2. Average Income or Income per Unit of Goods and Services.

Average income is the average income from each sales unit, therefore, the average income (AR) can also be formulated as the quotient of total income with units sold (Q). The form of the mathematical formula is \( AR = \frac{TR}{Q} = \frac{P \times Q}{Q} = P \).

3. Additional Income or Marginal Receipts.

Additional income is the additional income earned for each unit of sale or production. Because this addition can occur at any level of production.

2. Efforts to Increase Income

In general, people feel that the income or income they receive is still insufficient and is a problem that will never be resolved. In general, it can be explained that several ways can be used to increase income, including:

1. Utilizing free time, individuals are able to take advantage of the remaining free time from work that has been done before to become a new opportunity to increase income.
2. Doing creativity and innovation, individuals must be able to think positively and innovatively to create meaningful breakthroughs in order to achieve the needs that are felt to be lacking [7].

Labor

According to Anoraga [9], labor can be divided into three types:

1. Trained Workforce
Workers who are classified as trained, usually the form of work occupied does not really need theoretical skills, all it takes is practice with training problems to acquire skills at a skilled level.

For example a helmsman, typist, clerk and others.

2. Educated Workforce

Workers included in this classification receive theoretical education at certain levels and fields / disciplines. This group can be divided into two types, namely experienced educated workers and educated workers without / inexperienced.

3.6. Uneducated Workforce

This group includes workers who do not acquire toristic skills, so that the main thing for them is practical work. For example a boy. Sweepers, coolies and others. Therefore, every type of business, whether a business engaged in manufacturing or a business engaged in services, always provides remuneration for services to its career or labor in the form of a salary or wage.

3.7. Business Capital

Capital can also be in the form of funds to buy all variable inputs to be used in the production process to produce industrial output. Capital can also be in the form of money and labor or expertise. Capital in the form of money is needed to finance all business needs, starting from the cost of establishing a business, processing business permits and capital for the establishment of equipment and equipment. While capital is a form of expertise, namely the expertise and ability of a person to manage and run his business [10]

According to Kasmir [11], there are two types of capital requirements to carry out business activities, namely;

3.8. Investment Capital

Investment capital is used for the long term and can be used over and over again. Usually they are more than one year old. The use of long-term investment capital is to purchase fixed assets, such as land, buildings or buildings, equipment and supplies. Vehicles, as well as other inventory.
3.9. Working Capital

Working capital is used to finance company operations when the company is operating. The type of capital is short term and is used several times in one production process. The working capital period is not more than one year. The use of working capital for the purposes of buying raw materials, paying employee salaries and maintenance costs and other costs. According to the source of origin, business capital can be divided into 2 types, namely: Own capital and loan capital (foreign capital).

3.10. Own capital

Own capital is capital obtained from the owner of a business or company by issuing shares. Shares issued by the company can be carried out in private or openly. For certain businesses such as foundations, donations or grants from other parties may be used.

2. Foreign Capital (Loan)

Foreign capital or borrowed capital is capital obtained from outside parties and is usually obtained from loans. The use of loan capital to finance a business will incur interest costs, administrative costs, provision fees and commissions which are relative in size. Sources of foreign capital funds can be obtained from loans from the banking world (both from private banks, government, and foreign banks), loans from financial institutions (such as pawnshops, venture capital, insurance, leasing, pension funds, cooperatives or other financing institutions and loans. from non-financial companies).

3.11. Islamic Perspectives on Barbershop

Islam provides freedom and convenience in engaging in trade, trading or buying and selling, free in the sense that it does not contradict predetermined provisions. In accordance with Islamic law, the rule of law and not detrimental to either party, because the basis of muamalah or buying and selling must be consensual, not forced. Muamalah principles that have been regulated in Islamic law are contained and summarized in fiqh principles. The most basic and most important principles that form the basis of muamalah activities are those agreed upon by the ulama of the four schools:

"The basic law of muamalah is permissible, until there are arguments against it"
In muamalah, the most important thing is the contract, namely the statement that comes out of the person who gives up the capital, whether it is said by the first or second person that has a legal effect on the object of the contract. With the existence of a contract, the wisdom of the contract will come such as a strong bond between two or more people in transacting or owning something, it cannot be arbitrary in canceling an agreement, because it has been regulated in accordance with Islamic law, the contract is a legal umbrella in ownership something so that the other party can’t sue or own it. So, with the contract, both parties are bound by the agreement.

In rmamalah, Islam has ethics that do not justify any means, as Allah says in Surah Al-Baqarah verse 168:

"O people, eat what is clean and good from what is on the earth, and do not follow the steps of Satan; because Surely the devil is a real enemy to you."

The verse above gives a warning that getting property must be done in a good way and taking what is lawful. Because no matter how small the favors of Allah are consumed and used, they will be held accountable before Allah in the future. The Word of God in Surah An-Nisa verse 29:

"O you, who believe, do not eat each other’s wealth in an evil way, except by way of commerce which applies equally to you among you. and do not kill yourselves. Indeed, Allah is Most Merciful to you."

The contract statement should be stated by the parties to show their will in entering into the contract, taking into account the following matters:

a. The offer and acceptance must explicitly indicate the purpose of the contract (contract).

b. Acceptance of the offer is made at the time of the contract.

c. The contract is stated in writing, through correspondence, or by using modern communication methods.

Cooperation agreements are always based on the principle of seeking profit, so profit is an issue that must be explicitly determined how to distribute it. However, for profit sharing based on sharia, such as mudaraba, it should not completely suffer losses, instead, sometimes it will experience profits as expected. [12]. The following benefit conditions must be met:

a. Must be for both parties and must not be required to only be one party.

b. The proportional profit share for each party must be known in the form of a percentage ratio of the agreed profits. Change the ratio must be according to agreement.
c. The fund provider bears all losses resulting from mudaraba, and the manager may not bear any losses unless they result from a deliberate mistake, negligence, or a breach of agreement.

In this Barber Shop business, it also indirectly participates in the benefit of the people. Where this business makes it easy for customers who want to tidy their hair at an affordable price, but the resulting quality does not disappoint.

Islam advises its people to seek a blessed sustenance, encourage production and pursue economic activities in various fields. By working, every individual, both his relatives, provides help to those in need, participates in the benefit of the people. Therefore in [13], being transparent or open and explaining what it is, there should be no fraud by either party. The Word of Allah in surah Al-Baqarah verse 283: "If you are on the way (and you are not in cash) and you do not find a writer, then let there be a liability held (by the debtor). but if some of you believe some of the others, then let the one who is believed to fulfill his mandate (debt) and let him fear Allah his Lord; and do not you (witnesses) Conceal your testimony. and Whoever hides it, Behold, he is a sinner in heart; and Allah knows best what you are doing. ”

There are several legal provisions for mudharabah financing, namely:

a. Mudaraba may be limited to a certain period.

b. Contracts cannot be linked to future events that do not necessarily occur.

c. Mudharabah has no compensation because it is trustworthy, except as a result of deliberate mistakes, negligence, or breach of agreement

d. If one of the parties does not fulfill its obligation or if there is a dispute between the two parties, the settlement will be done through [14].

Based on the results of the research that the authors collected from various sources, both in the form of documents, interviews and observations, the authors suggest that the profit sharing system implemented by Barber Shop in running its business is not fully in accordance with Islamic law, such as:

a. The contract that is carried out between the owner of the capital and the manager is only an oral contract, not a written contract. So that if a complaint occurs, the manager does not have strong evidence. Whereas in Islam, every act or transaction should be written. Because in this business the contract between the owner of the capital and the manager is only an oral contract, it should be in the concept of Islamic economics when in a collaborative effort that it must be explained starting from the contract, how much capital, what is the ratio and also how the calculation system is, this is to avoid the
gharar element which is prohibited in a business. The hadith of the Prophet narrated by Muslims, al-Tirmizi, al-Nasa, Abu Daud, and Ibn Majah from Abu Hurairah:

"Rasulullah SAW prohibits buying and selling containing gharar"

b. In sharing the results of the profits obtained, it is not in accordance with the contract and also the owner of the capital does not know what kind of income the manager gets, what the owner of the capital expects is only the target income for himself. If there are many customers, it is possible that the capital manager will get an income that can meet their needs. However, when it is quiet, the manager's customers only rely on income from selling products outside of the Barber Shop business. This violates the principle of Islamic economics, namely tyrannizing others.

In general, the profit sharing system in the Barber Shop business aims to help each other to work together in a business where the first party has excess funds and the second party lacks capital but has skills so they can work together to run a business and profits are shared together. With the cooperation with the profit sharing system, it is hoped that it can improve the family economy, at least increase each other's income.

After seeing the above facts, and from the results of the author's interviews with the respondents, it can be concluded that the mudharabah profit sharing agreement carried out by the Barber Shop has the principle of please help in doing good, because it is only a transfer of rights to manage its business, not transfer of rights. for ownership, this business is just that there are still not in accordance with Islamic law and still need to pay more attention to its implementation. Between the owner of the capital and the manager should not be covered, how much is the expenditure, how much profit is obtained, how the profit-sharing calculation system must be explained specifically, so that it does not raise suspicion between one another and this is to prevent the gharar element which is prohibited in the economic concept. Islam.

4. Conclusion

Welfare Economic Analysis basically has a positive relationship with culture, because with culture there is local wisdom for the development of various economic activities, ranging from small, medium and large scales, and one of these scales is the focus of our journal, namely the barber shop business with everything. Its complexity, and this has become a new business field, which is very practical and perspective, and how barbershop business in the Islamic perspective turns out that this business can be
done as long as it is in accordance with religious and social ethical norms because the guidelines and laws have been discussed in this journal.

References


