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## ANALYSIS OF PALM SUGAR SMES PRODUCTION FROM A SHARIA PERSPECTIVE IN ROKAN HULU REGENCY, RIAU PROVINCE IN 2020

**Abstract:** This study aims to determine and analyze the production of palm sugar in Small and Medium Enterprises (SMEs) in Rokan Hulu Regency, Riau Province, which had reached the Optimal Mashlahah. The execution of mashlahah in production activities is profit and blessing. Thus, producers might determine the combination of profit and blessing in realizing optimal mashlahah. The non-technical content of blessings is found in resources (inputs) and results (outputs), as well as in the production process.

This study employed a quantitative method with descriptive data analysis. The model used was a "Comparative Approach" with two forms of the production process, namely a production process containing  $\geq 95\%$  of sharia elements (optimal mashlahah) and a production process containing  $< 95\%$  of sharia elements (non-optimal mashlahah). The data analysis technique used in this study was the descriptive technique. The production analysis used quantitative analysis by examining aspects of resources (inputs), production processes, and results (outputs). These three aspects were analyzed based on physical attributes such as the manufacture of raw material for palm sap and the value considered beneficial for producers and consumers.

Based on the results of the study, it was found that the production of Palm Sugar in SMEs in Rokan Hulu Regency, Riau Province in 2020 still had not reached the Optimal Mashlahah. Based on the comparative approach, the palm sugar production process has a sharia value below 95%. Thus, it is still too far to reach  $\geq 95\%$ .

**Key words:** Production, SMEs, Mashlahah.

**Language:** English

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### Introduction

Production is a consumption chain that provides consumer needs for goods and services. Both

producers and consumers, in economic activity, have the objective of obtaining optimal mashlahah. Thus, producers in the perspective of Islamic Economics are

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not economic actors seeking optimal profits, but mashlahah hunters. The execution of mashlahah in production activities is profit and blessing. Therefore, producers will determine the combination of profit and blessing that can realize optimal mashlahah.

Production is part of economic activity, where the perpetrators are called producers. The word production is implied in the Word of Allah SWT, the Qur'an Surah Luqman [31:20]: "Do you not see that Allah has made subject to you whatever is in the heavens and whatever is in the earth and amply bestowed upon you His favors, (both) apparent and unapparent?"

All that is in the heavens and on earth is provided by Allah SWT, as an input or factor of production (resource). The production process is carried out on this resource to produce outputs (goods and services). Output is utilized for the needs of mankind. Therefore, mankind can use it optimally, with the intention that it can be enjoyed both physically and mentally, materially and spiritually. In another sense, production is intended to create and add mashlahah, not just to create and add material. The fulfillment of human needs, not only the fulfillment of physical material needs but also the fulfillment of abstract material needs, in this case, the fulfillment of needs related to the relationship with the Creator, Allah Azza Wajjallah (hablumminallah). According to P3EI (2009: 259), the objectives in realizing the optimal mashlahah of the producers are (1) to earn profits, (2) in terms of resources that have a technical relationship with output, and (3) consideration of the content of blessings that are nontechnical in the resources (inputs) and results (outputs).

Qardawi (1997:31) defines Islamic economics as an economy based on God. This system is sourced from Allah, and the ultimate goal is to Allah by using means that cannot be separated from the Sharia of Allah SWT. Economic activities such as production, consumption, import, and export cannot be separated from the point of departure from God and the ultimate goal is to God. This final goal, which is only focused on production activities in the form of profit and blessing.

Currently, the Indonesian economy is developing quite rapidly. This is marked by the number of new businesses that have sprung up, ranging from small-scale to large-scale businesses. The development of the people's business sector is a tangible manifestation of the government's seriousness to equalize the economy in Indonesia. therefore, it is natural for many programs that are in the Central Government and Regional Governments to mention and include business development. Thus, its existence is expected to increase the demand for agricultural commodities.

One of the plantation commodities that has become an economic choice for people in Rambah Subdistrict, Rokan Hulu Regency, is sugar palm.

Sugar palm which is often called Nau or Enau which is a characteristic of the State of Indonesia is a plant with enormous economic potential. Many products from the palm plant have enormous economic benefits if explored properly, one of which is palm sugar.

This industrial business is closely related to finance. The financial system is an important instrument in modern society's civilization whose task is to collect funds from the public and channel these funds to borrowers. Then, the borrowers will use the to be invested in the production or investment sector, as well as to be used for activities to buy goods and services. Therefore, economic activity can grow and develop as well as improve the standard of living of the community.

The production of Palm Sugar in SME certainly requires production factors (input) in the form of palm sap, labor, and production equipment. This means that the Palm Sugar SME does not only think about how many liters of palm sap, labor, and production equipment are used for optimal profit, but also considers the type of palm sap used in the production process, whether it is in the halal and good category, how much labor is used, and how much palm sugar is produced to reach the optimum mashlahah.

Palm sugar products produced by Palm Sugar SME in Rokan Hulu Regency become valuable not because of the various physical attributes of palm sugar, but also determined because of the value that is considered valuable by consumers. Physical attributes attached to palm sugar products, such as the manufacture of raw materials for palm sugar, quality of palm sap, quality and durability of palm sugar, shape or design of palm sugar, and others. The physical attributes of palm sugar, in essence, determine the functional role of palm sugar in meeting consumer needs. Meanwhile, on the other hand, the value contained in palm sugar will provide psychological satisfaction to consumers in utilizing the palm sugar. This value can be sourced from the image or brand of the palm sugar, the history of its production, the reputation of the producer, and others.

Based on the background of the problem and also departing from the descriptions above, the researchers were motivated to conduct a study entitled: **"PRODUCTION ANALYSIS OF AREN SUGAR SME FROM SHARIA PERSPECTIVE IN ROKAN HULU REGENCY, RIAU PROVINCE, 2020"**

### Research Problem Formulation

Based on the background of the study described above, the formulation of the problem posed in this study is "Has the Production of Palm Sugar SMEs in Rokan Hulu Regency, Riau Province in 2020 Reached the Optimal Mashlahah?"

### Research Objectives

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The objectives of this study are to find out and analyze whether the production of Palm Sugar SMEs in Rokan Hulu Regency, Riau Province, in 2020 had reached the optimal mashlahah.

### Literature Review

Based on the problems stated regarding whether the production of Palm Sugar SMEs in Rokan Hulu Regency, Riau Province in 2020 has reached the optimal mashlahah, for this reason, in this literature review, related theories and underlying sharia perspective production analysis are presented.

### Theoretical Basis

In the literature review, the research components are explained, namely production, production factors, production concepts, Small and Medium Enterprises, and palm sugar SMEs.

### Production

Production is a human activity to produce and add value to the benefits (utility) of an item, which is then utilized by consumers. Meanwhile, technically, production is a process of transforming production factors (inputs) into products (outputs). The concept of production in the perspective of Islamic Economics is not just a consumption chain that provides consumer needs for goods and services and is not the ultimate goal of economic activity and even life. It means that production is only a means to achieve a nobler goal and support for Aqedahand the mission it carries.

The definition of production can cover various aspects including the purpose of the activity to produce output, and also the characteristics attached to it. There are several different definitions of the meaning of production from several Islamic economists as follows:

a. Siddiqi (1979) defines production activities as providing goods (products) by emphasizing the value of justice and benefit (mashlahah), for consumers, in his perspective, as long as producers act fairly and bring benefits to consumers, the producer has acted Islamically.

b. Kahf (1992) defines production activities in an Islamic perspective as a human effort to improve not only his physical material condition but also his morality, as a means to achieve the goal of life, as outlined in Islam, namely the happiness of the world and the hereafter.

c. Mannan (1992) defines production by emphasizing the importance of altruistic motives for Islamic producers. Thus, he responds carefully to the concepts of Pareto Optimally and Given Demand Hypothesis.

d. Rahman (1995) also emphasizes the importance of fairness and even the distribution of production.

Products produced by producers have formed two elements (P3EI, 2009: 260): (1) physical attributes such as raw materials for manufacture, quality, the durability of goods, shape or design of goods, et cetera, and (2) the value that is considered valuable by consumers. The physical attributes of an item essentially determine the functional role of the item in meeting consumer needs. The other element in the form of the value contained in an item will provide psychological satisfaction to consumers in utilizing the item, which can be sourced from the image or brand of the item, history, reputation of the manufacturer, and others.

Therefore, it can be explained that a product is required to have two elements in the form, physical attributes which are objective can be compared with each other, and the value attached to an item of subjective value, possessing Islamic values, which will give blessings at last (P3EI, 2009: 259). These two elements can create mashlahah. Based on this perspective, the number of products that have mashlahah can be described as follows:

$$QM = QF + QB$$

Description:

QM: items that have mashlahah

QF: items that have physical attributes

QB: items that have a blessing value

### Factors of Production

Production activities certainly require various types of economic resources or also called factors of production (inputs). Factors of production are all things that become inputs, either directly or indirectly in the production process. Products can be consumed by consumers due to the combination of the various production process to produce products.

Palm sugar cannot be produced only with the availability of nira water (palm sap) alone, the means of production alone, or SME alone. Palm sugar can be enjoyed by consumers thanks to the availability of sufficient ingredients, which are processed by workers, either manually or using simple machines. After it becomes palm sugar, it is sold or distributed by traders to consumers. The whole process of making palm sugar requires coordination from SME leaders who certainly have managerial skills and entrepreneurial spirit and requires capital or costs. Palm sugar is a product that looks simple and has low value, but in fact, it also requires a fairly long process, involving various production factors to produce it.

Blessing is an important element in mashlahah(P3EI, 2009: 263). After all and whatever the classification, blessings must be included in the factors of production. The blessing is attached to every factor of production used in production and is also attached to the production process. Thus, the output of the production process will contain blessings. Including blessing as a factor of production is rational, because blessing has a real share in shaping output.

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Palm sugar products produced with a blessing as a production factor, then with a high blessing production factor will produce palm sugar products with a high blessing content as well, compared to using a low blessing production factor. This has an impact on the mashlahah of palm sugar products which is also high. Palm sugar products with high mashlahah will be considered as high-value palm sugar products, and vice versa.

### Production Concept

Based on the understanding of production and factors of production, and by observing the explanations above, a completely different concept of production is needed from the existing ones. The concept of production is naturally based on Islamic values or in other words the concept of production from an Islamic perspective. The application of the concept of production from an Islamic perspective is an exploration of Islamic values and principles in production.

The spirit of production to produce optimal mashlahah certainly requires guidance with Islamic economic values and principles. The main values and principles in production are as follows (P3EI, 2009: 267):

1. Amanah. It is one of several important values in Islam, which must continue to be upheld, in the context of "using economic resources to achieve the goals of human life (Falah)." The resources that exist in this universe by Allah are entrusted to humans. It is not allowed to exploit and obtain them in an improper way.

2. Professionalism. Every Muslim is required to become a professional production actor in the context of "having professionalism and competence in their field." All matters must be done properly and correctly. Therefore, every business must be left to the experts. This implies that every production actor in Islam must have standard expertise to be able to carry out production activities.

3. Learning. It is a lifelong mandate from Islamic teachings, meaning that every Muslim production actor needs to continuously learn, one of the learning media to learn is the working place. From this workplace, the production actor will gradually be able to gain expertise in production, thus, his workability will increase. With the increasing ability, the products that can be produced also increase, because the production actors are more efficient.

### Small and Medium Enterprises

Small and Medium Enterprises or commonly referred to as SME is an enterprise that has a small and medium scale industry. According to the Regulation of the Minister of Industry No. 64 of 2016 Article 3 Paragraph 1 concerning Small Industry. The small industry is an industry that employs a maximum of 19 (nineteen) workers and has an investment value of less

than IDR 1,000,000,000 (one billion rupiahs), excluding land and buildings for business premises. Meanwhile, Kristiyanti (2012) defined a small business as an economic activity carried out by individuals or households or an entity aimed at producing goods or services for commercial trade and having a sales turnover of 1 (one) billion rupiah or less.

The requirements or criteria to be classified as a small business or enterprise according to Law No. 9 of 1995 concerning Small Business, Article 5 Paragraph 1 as follows:

1. Possessing a net worth of at most IDR 200,000,000 (two hundred million rupiahs), excluding land and buildings for business premises, or

2. Possessing a maximum annual sales of IDR 1,000,000

3. Owned by Indonesian Citizens

4. Independent or stand-alone, not an aspect of a company or branch of a company that is owned, controlled, or affiliated either directly or indirectly with a Medium or Large Enterprises.

5. In the form of an individual business entity, a business entity that is not a legal entity, or a business entity that is a legal entity, including cooperatives.

### Palm Sugar SMEs

Sugar palm which is often called Nau or Enau which is characteristic of the Republic of Indonesia is a plant with enormous economic potential. Many products from the palm plant have enormous economic benefits if explored properly, such as palm sugar, crystal sugar, and health drinks. In Rokan Hulu Regency, especially Rambah Subdistrict is a palm sugar production center in 2014. It produced 14 tons of palm sugar (BPS - Statistics Rokan Hulu Regency, 2014). Palm sugar production in Rambah Subdistrict, Rokan Hulu Regency, is palm sugar that has good quality and can still be developed. Rambah Subdistrict is famous as a producer of traditional palm sugar which is processed from palm sap (Arenga pinnata). The main raw materials are obtained from palm trees which are cultivated for generations, where the palm trees have not been cultivated en masse.

The palm sugar SME which is fostered by the Department of Trade and Industry of Rokan Hulu Regency shows good development. It can be seen from the packaging that has been made more attractive and modern. Furthermore, the palm sugar products produced are not only in the form of solid/printed palm sugar but also palm sugar in the form of powder which is commonly referred to as powdered sugar/crystal sugar.

### Conceptual Framework and Hypothesis

In this section, two things are presented, namely the conceptual framework and research hypothesis. The conceptual framework is used to direct research

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to prove whether the research hypothesis is true or false.

### Conceptual Framework

The conceptual framework of the analysis of palm sugar production in Rokan Hulu Regency, Riau Province in 2020, can be described as follows:

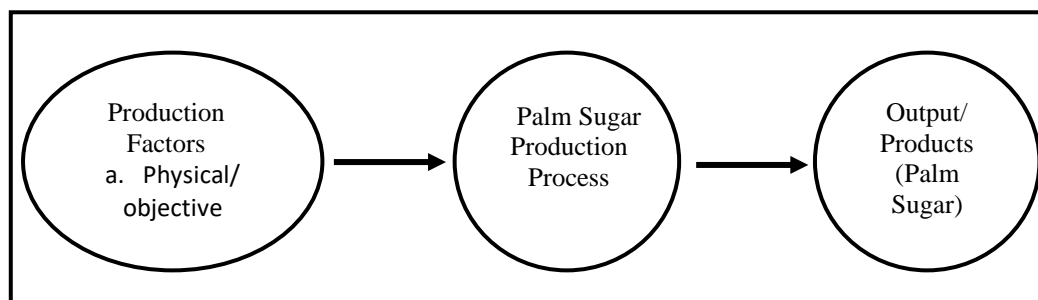


Figure 1. Conceptual Framework

Source: P3EI, 2009

Figure 1 above visualizes that there are three aspects, namely: (1) resources (inputs) which are described as factors of production consisting of (a) physical/objective and (b) value/subjective, (2) the production process, and (3) result (output). These three aspects are studied based on physical attributes, for example, the manufacture of raw materials from palm sugar in the form of palm sap and the value that is considered beneficial for producers and consumers.

### Hypothesis

A hypothesis is a tested statement that express a rationally estimated link between two or more variables (Sekaran, 2009). The hypothesis provided in this study is that the palm sugar SMEs production in Rokan Hulu Regency, Riau Province in 2020 has not yet attained the optimal mashlahah.

### Research Metode

#### Research Location

This study was carried out on the Palm Sugar Small and Medium Enterprises in Kaiti Village, Rambah Subdistrict, Rokan Hulu Regency.

#### Data Types and Sources

The type of data used in this study was quantitative data, obtained directly from the object of the study, namely Palm Sugar Small and Medium Enterprises (SMEs) craftsmen in Kaiti Village, Rambah Subdistrict, Rokan Hulu Regency, which is also said to be primary data.

#### Population and Sample

The population in this study were palm sugar craftsmen in Rokan Hulu Regency, grouped into two groups of Small and Medium Enterprises (SMEs), namely HPR (Himpunan Pemuda Reformasi) SME and Barokah SME, each of which consisted of 20

craftsmen and 10 craftsmen. The samples taken were 50 percent of the population, namely 15 respondents, consisting of 10 craftsmen from HPR SME and 5 (five) craftsmen from Barokah SME. All respondents were domiciled in Rambah Subdistrict, as the center of palm sugar production in Rokan Hulu Regency, Riau Province.

### Analysis Method

The data analysis method in this study, the Analysis of Palm Sugar SME Production from a Sharia Perspective in Rokan Hulu Regency, Riau Province in 2020 was a quantitative method with descriptive data analysis. The data analysis method consisted of two sub-sections, namely data analysis model and data analysis techniques.

This study employed a data analysis model of Comparative Approach in two forms of the production process, namely: (1) The production process which contained 95% of sharia elements (optimal mashlahah) and (2) the production process that contained < 95% of sharia elements (not optimal mashlahah). Meanwhile, the data analysis technique employed was the Descriptive Technique. After all the data were collected and processed in such a way, then they were analyzed descriptively quantitatively. Thus, the researchers can determine whether the production of Palm Sugar SME in Rokan Hulu Regency, Riau Province in 2020 has reached the optimal mashlahah, or not. Production analysis was done by analyzing aspects of production factors (inputs), production processes, and results (outputs). These three aspects were assessed based on physical attributes, for example, raw material for palm sap in the form of value that is considered beneficial for consumers.

Palm sugar craftsmen from each SME, namely HPR SME and Barokah SME, were categorized based on the production of original and mixed palm sugar.

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Furthermore, the percentage level of palm sugar craftsmen with the original printed palm sugar and mixed printed palm sugar was determined. The criteria used to determine the optimal achievement of mashlahah from printed palm sugar production were as follows:

1. Whether the number of original printed palm sugar craftsmen exceeds the number of mixed printed palm sugar craftsmen, and
2. Whether the total percentage of the original printed palm sugar craftsmen exceeds 95 percent of the total printed palm sugar craftsmen.

### Research Findings And Discussion

The results of the study and discussion were sourced from cross-sectional data (primary data) of palm sugar craftsmen as respondents. The data analyzed were respondents' answers on a questionnaire of 15 palm sugar craftsmen in Kaiti Village, Rambah Subdistrict, Rokan Hulu Regency, as the center of palm sugar production. The details of the research findings and discussion are explained as follows.

### Research Findings

In this section, the results of sequential data processing are presented in the form of respondent characteristics, and a description of palm sugar production at the research site.

#### Characteristics of Palm Sugar Craftsmen

The description of the characteristics of the respondents is done to describe the palm sugar craftsmen in Rokan Hulu Regency in general. The characteristics of palm sugar craftsmen are presented based on their gender, age, educational level, and length of work experience in being palm sugar craftsmen. To be precise, the presentation of the characteristics of small and medium enterprises (SMEs) palm sugar craftsmen is described below.

#### Respondents' Gender

The results showed that the gender of palm sugar Small and Medium Enterprises (SMEs) craftsmen in Rokan Hulu Regency were as follows:

**Table 1. Respondents' Gender in Palm Sugar SMEs in Rambah Subdistrict, Rokan Hulu Regency in 2020**

No.	Gender	Palm Sugar Craftsman (Person)	Percentage (%)
1.	Male	15	100
2.	Female	0	0
Total		15	100

Source : Processed Primary Data, 2020.

Table 1 above presents that the craftsmen in the Palm Sugar Small and Medium Enterprise in Rambah Subdistrict, Rokan Hulu Regency were dominated by men of 100%. The activity of producing palm sugar requires strong stamina. Thus, there is no mistaking that the majority of palm sugar craftsmen are men, while women are only limited to helping men in the palm sugar production process, including maintaining

the process of cooking palm sap until boiling several times.

#### Respondents' Age

The results showed that the age of Palm Sugar Small and Medium Enterprises (SMEs) craftsmen in Rokan Hulu Regency were as follows:

**Table 2. Respondents' Age in Palm Sugar SMEs in Rambah Subdistrict, Rokan Hulu Regency in 2020**

No.	Age	Palm Sugar Craftsman (Person)	Percentage (%)
1.	< 30	1	6.67
2.	30 - 39	3	20.00
3.	40 - 49	3	20.00
4.	50 - 59	5	33.33
5.	≥ 60	3	20.00
Total		15	100.00

Source: Processed Primary Data, 2020.

Table 2 above showed that the craftsmen in the Palm Sugar Small and Medium Enterprises (SMEs) in Rambah Subdistrict, Rokan Hulu Regency were mostly in their 50s (50-59 years old), 5 (five) people or 33.33%. Meanwhile, the craftsman under 30 was the least, 1 (one) person or 6.67%. It indicates that palm sugar craftsmen, in general, are aged at and

above 40 years, totaling 12 people (73.33%). Before the age of 40 or more, palm sugar craftsmen generally worked only as palm plant farmers and sellers of palm sugar production in the form of palm sap to palm sugar craftsmen or traditional palm wine producers or makers.

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### Respondents' Educational Background

The results showed that the level of education of Palm Sugar Small and Medium Enterprises (SMEs)

craftsmen in Rambah Subdistrict, Rokan Hulu Regency, was as follows:

**Table 3. Respondents' Educational Background in Palm Sugar SMEs in Rambah Subdistrict, Rokan Hulu Regency in 2020**

No.	Educational Background	Palm Sugar Craftsman (Person)	Percentage (%)
1.	Elementary School	10	66.67
2.	Junior High School	4	26.66
3.	Senior High School	1	6.67
Total		15	100.00

Source: Processed Primary Data, 2020.

Based on Table 3 above, it can be seen that the craftsmen in the Palm Sugar Small and Medium Enterprises (SMEs) in Rambah Subdistrict, Rokan Hulu Regency were mostly elementary school graduates, 10 people (66.67%). Meanwhile, only one of them graduated from senior high school (6.67%).

The information related to craftsmen's educational background indicates that the palm sugar production process does not require higher education. On average, palm sugar craftsmen in Rambah Subdistrict, Rokan Hulu Regency possessed an

elementary school diploma. Thus, it can also be said that the skills possessed by sugar palm farmers are skills passed down from generation to generation (taught by parents).

### Respondents' Length of Work Experience

The results of the study indicate that the length of work experience in being Palm Sugar Small and Medium Enterprises (SMEs) craftsmen in Rambah Subdistrict, Rokan Hulu Regency were as follows:

**Table 4. Respondents' Length of Work Experience as Craftsmen of Palm Sugar in Small and Medium Enterprises (SMEs) in Rambah Subdistrict, Rokan Hulu Regency in 2020**

No.	Length of Work Experience (Year)	Palm Sugar Craftsmen (Person)	Percentage (%)
1.	≤ 5	2	13.33
2.	6 - 10	3	20.00
3.	11 - 20	4	26.67
4.	> 20	6	40.00
Total		15	100.00

Source: Processed Primary Data, 2020.

Table 4 above presents that most of the Palm and Sugar Small and Medium Enterprises (SMEs) craftsmen (6 people, 40.00%) in Rambah Subdistrict, Rokan Hulu Regency had the longest working period of over 20 years. Meanwhile, the shortest length of work experience was the same as or under five years, 2 (two) craftsmen (13.33%).

The above shows that the palm sugar production business in Rambah Subdistrict, Rokan Hulu Regency, is a hereditary business from parents to their children, and so on. Moreover, it is also due to the control over the sugar palm plantations by way of hereditary.

### Palm Sugar Production

Palm sugar is the output of the production process with the input in the form of palm sap. Thus, it means that there are three components in the production of palm sugar, namely: (1) Input, (2)

Production Process, and (3) Output. To be precise, the three components can be described as follows.

### Palm Sugar Input

Producing palm sugar certainly requires production factors. One of the main production factors is palm sap as the raw material for palm sugar. Other production factors in the form of labor consist of the main workforce, namely the head of the family, and additional workers are his wife and children. Whereas, other production factors in the form of capital goods are in the form of palm kitchen, cooking stove, and cooking utensils (cauldron, stirrer, filter, et cetera) as well as printing equipment.

Palm sap as input and palm sugar has a relatively high economic value from Palm Plants (*Arenga pinnata* Merr), where the production process is very unique. This uniqueness can be compared with the production of coconut plants, or oil palm plants. To

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produce palm sap, the sugar palm plant is harvested from the top and continues down, while the harvest of coconut and oil palm plants starts from the bottom and continues upwards. This is the uniqueness of the sugar palm plant, for the longer it takes to harvest it, the lower it is to harvest. It is different with coconut and oil palm plants, where the longer it takes to harvest, the higher it is to harvest.

Palm sap as raw material for the manufacture of palm sugar was obtained from tapping the male flower bunches of palm plants that are 8-9 years old. The tapping of palm plants was carried out twice a day, namely in the morning and afternoon. The results of afternoon tapping that were harvested in the morning were more numerous compared to the results of morning tapping which were harvested in the afternoon, with a ratio of 3:1. For example, if the harvest of palm sap is 15 liters, then the harvest in the

morning is approximately 10 liters while the harvest in the afternoon is only about 5 (five) liters.

The difference in the amount of palm sap harvest in the morning and evening is caused by the situation and weather conditions. In cold weather, starting from afternoon, midnight, until dawn, palm sap drips more heavily compared to the morning, afternoon, until late afternoon when the weather is hotter. Thus, palm sap drips more slowly. Besides being influenced by weather conditions, the amount of palm sap harvest is also determined by the fertility and care of sugar palm plants. For this reason, it is necessary to treat palm plants including (1) fertilizing, (2) watering during the dry season, and (3) controlling the weed.

The daily use of input (palm sap) from palm sugar craftsmen in Rambah Subdistrict, Rokan Hulu Regency can be observed in the following table:

**Table 5. Respondents' Input Usage (Palm Sap) in Palm Sugar SMEs in Rambah Subdistrict, Rokan Hulu Regency in 2020**

No.	Input (liter)	Palm Sugar Craftsman (person)	Percentage (%)
1.	≤ 5	1	6.67
2.	6 - 10	2	12.50
3.	11 - 15	6	40.00
4.	16 - 20	5	33.33
5.	>20	1	6.67
Total		15	100,00

Source: Processed Primary Data, 2020.

Table 5 above presents that the use of palm sap input per day was at most 11 to 15 liters, 6 (six) people (40.00%). Meanwhile, the least and the most use of palm sap input were below and equal to 5 (five) liters, and above 20 liters, respectively, each 1 (one) person or 6.67%.

Based on the use of input, palm sugar craftsmen can be grouped into sharia craftsmen and nonsharia craftsmen. Craftsmen whose raw material is sharia used one hundred percent palm sap, while those who are not sharia used raw materials in the form of palm sap mixed with sugar.

### Palm Sugar Production Process

Processing of palm sap with processed products in the form of palm sugar is generally done traditionally on a craftsman scale. Processing was carried out based on skills and knowledge from generation to generation. The use of innovative technology was found in the processing in the Small and Medium Enterprises (SMEs) which aims to increase productivity, production process efficiency, quality improvement, meeting consumer demand, and including the processing of palm sugar in the crystal form. The use of advanced technology is found in the processing/production process itself, with a relatively large investment.

In the process of palm sugar production, the quality of palm sap has to be paid attention to, in the sense that palm sap is not damaged or becomes sour, with a pH level of 7 (seven) to 8 (eight). Palm sap that has become acidic cannot produce quality palm sugar. To anticipate this, sugar palm farmers are obliged to do the following:

1. Cleaning the palm sap storage container and rinsing it using boiling water and drying it near the palm sap cooking furnace.

2. Putting into the storage container pieces of a certain type of tree root (raru) that are bruised, or using mangosteen rind/ unripe mangosteen fruit/mangosteen leaves, because the sap from the roots of the raru and mangosteen trees is what makes palm sap not sour before harvesting or before processing into palm sugar.

These two things complement the authenticity or purity of palm sugar production.

Producing palm sugar has a purpose. The aim is to create blessings and increase enjoyment for human life, not only to create and add value to products in meeting consumer needs. The needs of mankind (consumers), the fulfillment of which is not sufficient for physical material needs, but also the fulfillment of abstract material needs, namely the fulfillment of the needs of Allah Azza Wajjallah (hablumminallah).



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Palm sap that has been harvested was immediately taken to the place of processing, or also called the palm kitchen. It was in the palm kitchen that the input/raw material (palm sap) was processed into palm sugar through the production stage (production process) as follows:

1. Pouring palm sap into the cauldron/cooking container, by first doing a filter using a filter to prevent ants and other waste at the time of holding palm sap to enter into the process of making palm sugar to maintain the quality of palm sugar.

2. Lighting firewood to cook the palm sap until it boils several times to make the water content shrinks and the palm juice thickens. If the palm sap has thickened, it means that the palm sap is old (the term becomes honey), and the color changes to reddish-yellow. After that, it needs to be stirred continuously until thick and begins to freeze. It is estimated to take between 4 (four) to 5 (five) hours.

3. Putting the palm sap which has thickened and started to freeze into a mold made of wood that has been prepared in advance. Leaving it for about twenty minutes for the cooking process. Thus, the palm sugar does not stick to the mold. For one mold, 10 palm sugar blocks are printed with each size, 18 cm long, 8 cm wide, and 3.5 cm thick, where 1 (one) palm sugar block weighs 0.5 Kg, meaning that one mold produces 5 (five) Kg of palm sugar.

4. Removing from the mold and placing in the prepared place, until the palm sugar is completely cold. When the palm sugar has cooled completely, then it is wrapped using dried banana leaves and tied with a rope from a plastic burlap sack.

5. Putting into a box that is branded and ready to be traded (marketed).

The production stages above are the process of making original printed palm sugar carried out by sharia palm sugar craftsmen. On the other hand, the production process of printed palm sugar is mixed (not sharia), by adding granulated sugar in the first stage of making printed palm sugar.

### Output (Palm Sugar)

Palm sugar is the output of the use of inputs/production factors with the raw material is palm sap. Palm sugar production undergoes several stages of production in the production process. Furthermore, craftsmen from Small and Medium Enterprises of the Himpunan Pemuda Reformasi (HPR) SME and the Barokah SME also produced powdered sugar with very limited production in producing palm sugar. It is said to be very limited because the production is relatively small and cannot be duplicated. Thus, it cannot meet market demand. The 15 craftsmen as samples that produce original and mixed sugar as well as powdered sugar can be observed in the following table:

**Table 6. Respondents' Output Classification (Original and Mixed Sugar and Powdered sugar) in Palm Sugar SMEs in Rambah Subdistrict, Rokan Hulu Regency in 2020**

No.	Small and Medium Enterprise (SME)	Palm Sugar Craftsman (Person)			
		Printed Sugar		Powdered Palm Sugar	Percentage (%)
		Original	Mixed		
1.	HPR	7	3	3	20.00
2.	BAROKAH	3	2	1	6.67
Total		10	5	4	26.67
Percentage (%)		66.67	33.33	26.67	

Source: Processed Primary Data, 2020.

Table 6 presents that all respondents produced palm sugar, while only a small proportion of respondents produced powdered palm sugar, namely 4 (four) respondents of 26.67%. Respondents who produce original palm sugar were 10 respondents or 66.67% and the remaining 5 (five) respondents produced mixed palm sugar of 33.33%.

The production of powdered palm sugar in the production process used palm sap input which had good quality with a pH of 7 to 8, with a clear yellowish color, odorless, and tasted sweet that was not mixed

with granulated sugar. This indicates that palm sugar craftsmen who produce palm sugar are categorized as sharia palm sugar craftsmen, 26.67%.

### Discussion

The processing of palm sugar depends on the intentions and objectives of each palm sugar craftsman (producer). Processing in general, carried out by palm sugar craftsmen, can be categorized into two, namely:

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(a) Sharia palm sugar craftsmen: using pure raw materials (one hundred percent) palm sap in the production process of printed palm sugar, referred to as original palm sugar, sold with a price range of IDR 25,000 to IDR 30,000 per Kg, or as many as two blocks.

(b) Non-sharia palm sugar craftsmen: using mixed raw materials, not one hundred percent palm sap, meaning that in the printed palm sugar production process, there are ingredients other than palm sap, such as granulated sugar (molasses), or commonly called sugar. Mixed palm sugar was sold with a price range of IDR 20,000 to IDR 25,000 per Kg, or two blocks as well.

The prices above apply to the level of palm sugar craftsmen (producers) in Rokan Hulu, Riau, both for original palm sugar and mixed palm sugar.

Sharia palm sugar craftsmen (group a) were creating and increase mashlahah in their production process to achieve an essential profit with the framework of Islamic goals and laws as well as optimally sustainability. Meanwhile, non-sharia palm sugar craftsmen (group b) were only oriented towards getting big and temporary profits and losing money in the long term. Furthermore, it also harmed consumer confidence. In the end, consumers leave the mixed product. Producers who lie to consumers are prohibited in Islam (not justified), for they are sinful.

The production of palm sugar from a group of sharia craftsmen achieves the blessing and enjoyment of original palm sugar and gains the trust of consumers. Consumer trust is a guarantee of production sustainability. Sustainability of production is a condition of achieving mashlahah. This is different from the group of palm sugar craftsmen who produced printed sugar without sharia. Naturally, they will not reap the blessings and enjoyment of the original palm sugar, and the sustainability of production might face challenges from consumers in the form of product rejection. The discontinuity of production is a condition of not achieving mashlahah.

The results of this study indicate that the production of Palm Sugar SME in Rokan Hulu Regency, Riau Province in 2020 still has not reached the Optimal Mashlahah. This can be observed from the number of printed palm sugar craftsmen in Rokan Hulu Regency who were not sharia, which reached 33.33. in another sense, 33.33% was still too far from 5 (five) percent. On the other hand, the number of

craftsmen who produce original printed palm sugar is 66.67%, or in another sense, there is 66.67 percent of printed palm sugar craftsmen in Rokan Hulu Regency that are following sharia perspective. Yet, it is still far from 95%.

Apart from the indication above, it can also be observed from the small number of palm sugar craftsmen who produce powdered palm sugar, 26.67%. This is because: (1) to produce powdered palm sugar, good quality palm sap raw materials are needed with a pH ranging from 7 to 8 with indications, odorless, clear yellowish color, and sweet taste; (2) Raw materials palm sap cannot be mixed with other ingredients such as granulated sugar (cannot be mixed).

## Conclusions And Suggestions

### Conclusion

Based on the results and discussions that have been described previously using the descriptive analysis technique, the research objectives of this study can be realized and the following conclusion can be drawn. The production of Palm Sugar Small and Medium Enterprises (SMEs) in Rokan Hulu Regency, Riau Province in 2020 has not reached the optimal mashlahah.

### Suggestion

Since the conclusion that the production of Palm Sugar Small and Medium Enterprises (SMEs) in Rokan Hulu Regency, Riau Province in 2020 has not reached the optimal mashlahah, several suggestions are proposed as follows:

1. Inviting and urging palm sugar craftsmen to no longer mix raw materials in the production process, to realize the addition of mashlahah, not just adding material.
2. Conducting literacy to palm sugar craftsmen about the production process from an Islamic perspective, following the guidance of the Qur'an, with a vision of the future that is not only oriented towards making short-run profits but also causing long-run losses.
3. Instilling Islamic values to palm sugar craftsmen gradually and continuously, by forming small recitation groups, at least once a week after Friday prayers with a time not exceeding 30 minutes.

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