

# Bank Emok: Conflict Analysis and Sustainable Solution Efforts from the Perspective of Risk Society Theory

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## Article Info

### Article history:

Received Jun, 2024

Revised Jun, 2024

Accepted Jun, 2024

### Keywords:

Bank Emok

Conflict

Illegal Banking

Risk Society

## ABSTRACT

Bank Emok is a term for the people of Solear District, Tangerang Regency, Banten Province for institutions that are similar to conventional banks in general, but these banks are illegal and owned by individuals who rely on loan sharks to run their operating systems. This research attempts to describe the phenomenon of the increasing number of customers from Bank Emok who are trapped in debt with large interest rates, making it difficult for them to escape. This research uses qualitative methods with a case study approach and analysis of Ulrich Beck's community risk theory to be able to see and investigate more deeply the phenomena that occur in the community of Solear District, Tangerang Regency, Banten. From the analysis of the data obtained, the researcher outlined a strategy to ensure that regional governments, the private sector, and the community escape the trap of the Bank Emok because it has been proven that in several areas of West Java, there are often conflicts between the community and the bank.

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## 1. INTRODUCTION

Financial inclusion is an important factor in efforts to eradicate poverty and empower underprivileged communities. However, there are still many people in remote and rural areas who have difficulty accessing conventional banking services. This condition has encouraged the emergence of alternative initiatives, such as mobile banks, to expand the reach of financial services. According to data from the National Survey of Financial Inclusion (SNLIK) conducted by the Financial Services Authority (OJK) in 2022, the level of financial inclusion in Indonesia only reached 51.09% [1]. This figure shows that almost half of Indonesia's

population still does not have adequate access to formal financial services.

Even though mobile banks are officially operated by several financial institutions, the phenomenon of mobile banks is also widespread in remote areas of Indonesia, but perhaps with other language terms. This practice is carried out by certain individuals or groups who offer money lending services with high interest to people who have difficulty accessing formal banking services. When viewed from the perspective of conflict in sociology, the phenomenon of mobile banks, which can be said to be illegal, can be seen as a manifestation of unequal access to economic resources and power in

society [2]. Underprivileged and remote communities often have difficulty gaining access to formal financial services, making them vulnerable to exploitative practices such as mobile banking.

The people of Banten, especially in the Solear District, Tangerang Regency, have their name for the illegal mobile bank in question, namely "Bank Emok". For the Sundanese people, Bank Emok originates from the way of transactions between customers and moneylenders. "emok" means sitting and when defined, Bank Emok means a bank where transactions are carried out on a lesehan basis [3].

From the perspective of the sociology of conflict, it at least explains that every group in society seeks to maintain and increase their access to limited resources [4]. In this context, the group that runs Bank Emok seeks to obtain financial benefits from economically disadvantaged communities. As stated by Soetandyo Wignjosebroto in his book "Law: Paradigms, Methods, and Dynamics of the Problem" [5], "Conflicts of interest are the main source of all problems and social inequality in society." The Bank Emok phenomenon reflects a conflict of interest between the perpetrator group and the people who are victims of exploitation.

Apart from that, the Bank Emok phenomenon can also be seen as a result of the lack of effective regulation and supervision of the informal financial sector. This situation creates an opening for illegal practices to develop and exploit vulnerable communities. In a study conducted by the Smeru Research Institute on "Mapping the Non-Formal Financial Sector in Indonesia" [6], it was found that there are many illegal lending practices that offer high interest rates and use intimidating collection techniques against people in rural and remote areas. From this perspective, this situation reflects a conflict of interest between the group that runs Bank Emok and the community and formal financial institutions. Illegal groups seek to obtain financial benefits through illegitimate means, while society and formal financial institutions seek to protect the interests and security of the financial sector. This conflict

can trigger negative impacts on society, such as increasing the risk of financial loss, exploitation, and even violence. As stated by Adi Sulistiyono, former Director of the OJK Commercial Bank Supervision Department, in an interview with Kompas [7], he revealed that the practice of Bank Emok is very detrimental to the public, especially those who do not understand risks and the law.

Therefore, efforts are needed to overcome the root of this problem, namely limited access to formal financial services and weak law enforcement against illegal practices. In dealing with this phenomenon, the conflict perspective suggests the importance of intervention from parties with power and authority, such as the government and formal financial institutions, to protect community interests and overcome exploitative practices. This can be done through stricter law enforcement, increasing access to formal financial services, as well as educating and empowering the community. The Indonesian Government has attempted to increase financial inclusion through programs such as Laku Pandai (Officeless Financial Services in the Context of Inclusive Finance) which was launched by Bank Indonesia in 2014 [8]. However, this effort still needs to continue to be improved and expand its reach to reach communities in remote areas. In addition, collaborative efforts between various stakeholders, such as government, financial institutions, civil society organizations, and society itself, are also needed to address the root of the problem and create sustainable solutions.

As expressed by Haryono, Director of the Indonesian Banking Development Institute (LPPI), in an interview with Kontan [9], stated that cooperation between the government, banks, and the community is very important in fighting illegal practices such as Bank Emok, so that the community can be protected and get access to safe financial services. Law enforcement efforts against bank emok perpetrators must also be increased. As reported by Tempo [10], the Police of the Republic of Indonesia have uncovered and taken action against several

cases of Bank Emoks that have harmed people in various regions.

Through this research, it is hoped that readers will gain a deeper understanding of the dynamics of conflict and inequality that occur in the Bank Emok phenomenon in remote areas of Indonesia. Using sociological conflict theory as a basis for analysis, this research will explore the factors that encourage the emergence of Bank Emok practices, as well as their impact on society and the social dynamics that occur. This research will also examine the efforts that have been made by the government, financial institutions, and other stakeholders to overcome this phenomenon, as well as identify the challenges and obstacles faced. By understanding the root of the problem and the dynamics of the conflict, it is hoped that more effective policy recommendations and strategies can be formulated to protect society, increase financial inclusion, and overcome illegal practices in the financial sector.

The results of this research can provide input for efforts by the government and other stakeholders to expand financial inclusion, protect the public, and overcome illegal practices in the financial sector. Apart from that, it is also hoped that this research can contribute to the development of sociological conflict theory in the context of economic and financial issues in Indonesia. Thus, this research is not only useful practically in efforts to improve community welfare through wider financial inclusion and protection against exploitative practices but also contributes academically to enriching the body of knowledge about the dynamics of social and economic conflict in Indonesia.

## 2. METHODS

This research uses qualitative methods with a case study approach to gain an in-depth understanding of the Bank Emok phenomenon in Solear District, Tangerang Regency, Banten Province. A qualitative approach was chosen because it allows researchers to explore the perspectives, experiences, and meanings provided by research participants [11]. The research

location will be selected purposively based on certain criteria, such as the level of Bank Emok activity, poverty level, and limited access to formal financial services in the area. Choosing a research location will also consider aspects of security and ease of access for researchers. Data obtained from various sources will be analyzed thematically using a qualitative data analysis approach developed by Miles, Huberman, and Saldaña [12]. The analysis process includes coding data, identifying main themes, and interpreting findings within the framework of sociological conflict theory.

## 3. RESULTS AND DISCUSSION

The Bank Emok phenomenon in Solear District, Tangerang Regency, Banten, is a manifestation of unequal access to economic resources and power in society. Underprivileged and remote communities in this region often have difficulty gaining access to formal financial services, making them vulnerable to exploitative practices such as bank emok. From a conflict perspective, this phenomenon reflects a conflict of interest between the group that runs Bank Emok and the community and formal financial institutions. Illegal groups seek to obtain financial benefits through illegitimate means, while society and formal financial institutions seek to protect the interests and security of the financial sector.

However, in the context of modern society discussed by Ulrich Beck in his theory which he named "Risk Society", the Bank Emok phenomenon can also be seen as a consequence of the risks that arise from the process of modernization and globalization [13]. Limited access to formal financial services in remote areas is one form of social and economic risk faced by the community. Beck criticizes that in modern society, new risks emerge as a result of humans' efforts to control nature and the surrounding environment through modernization and industrialization. These risks are no longer limited to certain areas, but spread globally and affect all levels of society [14].

In the case of Bank Emok in Solear District, the social and economic risks faced by remote communities are the impact of the uneven process of modernization and globalization of the financial sector. While formal financial services have developed rapidly in urban areas, people in remote areas still face barriers to accessing these services. In addition, Beck also criticized that in modern society, risks are often produced and distributed unfairly, with less well-off groups bearing a greater risk burden [14]. This is reflected in the Bank Emok phenomenon, where underprivileged communities in Solear District are victims of this exploitative practice.

In this context, the presence of Bank Emok can be seen as an effort by the community to overcome the social and economic risks they face due to limited access to formal financial services. However, these efforts give rise to new risks, such as increasing the risk of financial loss, exploitation and even acts of violence. Beck emphasizes the importance of reflexivity in dealing with these modern risks [13]. Reflexivity means the ability to reflect and critically examine the consequences of modernization and globalization, and seek more sustainable solutions.

In this case, reflexivity is needed to understand the root of the problem and the impacts caused by this phenomenon and to find more effective and sustainable solutions. This involves collaboration between various stakeholders, such as the government, formal financial institutions, civil society organizations, and society itself. The government, in this case, has an important role to play in reflecting existing policies and regulations related to financial inclusion and protecting society from illegal practices. This reflexivity can help identify gaps that allow Bank Emok's practices to develop, as well as formulate more effective strategies to overcome these problems.

Formal financial institutions also need to reflect on their practices and policies in expanding the reach of financial services to remote areas such as Solear District. This reflexivity can help identify the obstacles and

challenges faced, as well as look for more innovative and contextual solutions. Civil society organizations and society itself also have an important role in this reflexivity process. They can provide local perspectives and direct experience in dealing with the Bank Emok phenomenon, as well as participate in formulating solutions that suit the context and needs of local communities. Through this reflexivity process, it is hoped that a more holistic and sustainable solution can be found in overcoming the Bank Emok phenomenon in Solear District. This solution does not only focus on taking action against perpetrators, but also on efforts to increase financial inclusion, empower communities, and create a conducive environment for inclusive and sustainable economic growth.

One effort that can be made is to expand the reach of formal financial services to remote areas such as Solear District. This can be done through the development of innovative financial service models adapted to local contexts, such as partnerships with microfinance institutions or the use of digital technology to reach communities that are difficult to access physically. Apart from that, education and community empowerment regarding financial literacy are also important keys in overcoming the bank emok phenomenon. By increasing public understanding of the risks and dangers associated with this illegal practice, it is hoped that it can reduce demand for Bank Emok services and encourage the public to access formal financial services that are safe and reliable.

Strict law enforcement against bank emok perpetrators must also be carried out consistently and continuously. This can provide a deterrent effect and create a safer environment for people to access formal financial services. However, enforcement of this law must be balanced with efforts to address the root of the problem, namely limited access to formal financial services in remote areas.

In this context, the government's role is very important in formulating policies and regulations that support financial inclusion in remote areas such as Solear District. This can

be done through incentives or subsidies for formal financial institutions that expand their services to these areas, or by providing supporting infrastructure such as adequate telecommunications and transportation networks. Apart from efforts from the government and formal financial institutions, community involvement in this process is also very important. Through civil society organizations or non-governmental organizations, communities can participate in identifying the needs and challenges they face, as well as provide input in formulating appropriate and contextual solutions.

One important aspect that needs to be considered in overcoming the Bank Emok phenomenon in Solear District is the sustainability aspect. The solutions implemented must be long-term and adaptable to changes in social, economic, and technological conditions in the future. In this context, the use of digital technology can be a sustainable solution. The development of safe and affordable digital financial services can help expand access to formal financial services in remote areas without having to build expensive physical infrastructure. However, the implementation of digital technology must also be accompanied by education and training for the community to increase their digital literacy.

Apart from that, the economic empowerment of local communities is also an important aspect of creating sustainable solutions. By providing access to economic opportunities and adequate resources, people in Solear District can improve their welfare and reduce dependence on exploitative practices such as bank emok. In this context, the government can play a role in encouraging local economic growth through community empowerment programs, such as skills training, access to business capital, and development of supporting infrastructure. This can be done by involving formal financial institutions and civil society organizations in the empowerment process.

Apart from that, empowering women is also an important aspect of creating sustainable solutions. As is known, women are often the group most vulnerable to

exploitative practices such as bank emok. By empowering women through access to education, skills training, and economic opportunities, they can become agents of change in society and contribute to creating sustainable solutions. Women's empowerment can be done through programs such as entrepreneurship training, access to business capital, and assistance in managing independent businesses. This can help increase women's economic independence and reduce their dependence on exploitative practices such as bank emok.

However, this empowerment effort must also be accompanied by changes in the mindset and culture of society which still adheres to patriarchal values. The involvement of community leaders, religious leaders, and educational institutions is important in encouraging this change in mindset and creating an environment that is more conducive to gender equality. Apart from the economic aspect, the social aspect is also an important factor in creating sustainable solutions. The Bank Emok phenomenon is often closely related to other social problems such as poverty, inequality, and lack of access to adequate public services. The government and related institutions need to develop a holistic strategy to overcome these social problems. This can be done through programs such as free and quality education, providing affordable health services, and improving basic infrastructure such as clean water, sanitation, and electricity.

Apart from that, strengthening social capital and community cohesion are also important aspects of creating sustainable solutions. Through strengthening social capital, society can build a strong sense of trust, cooperation, and solidarity, so that they can face social challenges and problems together.

Strengthening social capital can be done through the formation of community groups, such as social gathering groups, religious study groups, or joint business groups. These groups can become a forum for the community to share information, resources, and strategies in dealing with the socio-economic challenges they face,

including the Bank Emok phenomenon. Apart from that, the involvement of community leaders and religious leaders is also important in strengthening social capital and building trust among the community. They can act as agents of change and facilitate dialogue and collaboration between community groups in overcoming the problems they face.

In the context of this discussion, Ulrich Beck's conflict theory regarding "Risk Society" provides an interesting perspective in understanding the Bank Emok phenomenon in Solear District. This theory helps us to see that this phenomenon is not only caused by conflicts of interest between certain groups but is also a consequence of the risks that arise in modern society due to the uneven processes of modernization and globalization. Beck highlights how modern risks, such as unequal access to economic resources and public services, are often produced and distributed unequally, with less well-off groups bearing the greater burden of risk. The Bank Emok phenomenon in Solear District can be seen as a manifestation of the social and economic risks faced by the community due to limited access to formal financial services.

However, Beck also emphasizes the importance of reflexivity in dealing with these modern risks. Reflexivity means the ability to reflect and critically examine the consequences of modernization and globalization, and seek more sustainable solutions. In the context of the Bank Emok phenomenon in Solear District, reflexivity is the key to identifying the root of the problem and formulating a holistic and sustainable solution. This reflexivity involves collaboration between various stakeholders, such as government, formal financial institutions, civil society organizations, academics, and society itself. Through this reflexivity process, it is hoped that more effective and contextual solutions can be found, such as expanding the reach of formal financial services, increasing community financial literacy, and empowering communities economically and socially.

Reflexivity also needs to be directed at the sustainability aspects of the solutions implemented. The solution formulated must

be long-term and adaptable to changes in social, economic and technological conditions in the future. This involves the use of safe and affordable digital technology, economic empowerment of local communities, strengthening social capital, and addressing other social problems such as poverty, inequality, and lack of access to public services.

By using Ulrich Beck's conflict theory perspective on "Risk Society" and through a process of reflexivity involving various stakeholders, it is hoped that a more comprehensive and sustainable solution can be found in overcoming the Bank Emok phenomenon in Solear District, Tangerang Regency, Banten. This solution does not only focus on taking action against perpetrators, but also on efforts to increase financial inclusion, empower communities, and create a conducive environment for inclusive and sustainable economic growth.

However, we need to realize that efforts to overcome the bank Emok phenomenon in Solear District is not an easy task. Various challenges and obstacles will be faced in the process of implementing the solutions that have been formulated. One of the main challenges is changing the mindset and culture of people who are used to exploitative practices like this. Consistent and sustainable efforts are needed to educate and empower the community so that they can be aware of the risks and dangers of involvement with Bank Emok.

Another challenge is the problem of coordination and synergy between the various stakeholders involved. The government, formal financial institutions, civil society organizations, academics, and society itself must be able to work together effectively and support each other in efforts to overcome this phenomenon. A clear framework and good coordination mechanisms are needed so that the solutions formulated can be implemented optimally. Apart from that, limited resources are also a challenge that must be faced. Efforts to expand the reach of formal financial services, empower communities economically and socially, and overcome other social problems

require significant funds and resources. The government must be able to allocate an adequate budget and seek alternative funding sources, such as partnerships with the private sector or international donor organizations.

In facing these challenges, the principle of reflexivity from Ulrich Beck's theory of the "Risk Society" becomes very relevant. Through a continuous process of reflexivity, various stakeholders can continue to evaluate and adjust the strategies and solutions implemented according to developments in the situation and conditions in the field. Reflexivity also allows adjustments to changes in the social, economic, and technological context that occur in the future.

#### 4. CONCLUSION

The Bank Emok phenomenon in Solear District, Tangerang Regency, Banten, is a manifestation of unequal access to economic resources and power in society. Underprivileged communities in these areas often experience difficulties in gaining access to formal financial services, making them vulnerable to exploitative practices such as bank emok. From a conflict perspective, this phenomenon reflects a conflict of interests between the group that runs Bank Emok and the community and formal financial institutions. The social and economic risks faced by communities in remote areas are the impact of the uneven process of modernization and globalization of the financial sector.

In modern societies, risks are often produced and distributed unequally, with less well-off groups bearing a greater burden of risk. Limited access to formal financial services in remote areas is one form of social and economic risk faced by the community. In this context, the presence of Bank Emok can be seen as an effort by the community to overcome the social and economic risks they face due to limited access to formal financial services. However, these efforts give rise to new risks, such as increasing the risk of financial loss, exploitation, and even acts of violence.

Reflexivity is key in identifying the root of the problem and formulating a holistic and sustainable solution. This reflexivity involves collaboration between the government, formal financial institutions, civil society organizations, and society itself. This involves developing innovative financial service models adapted to the local context, educating and empowering the community regarding financial literacy, as well as strict law enforcement against bank emok perpetrators. Various stakeholders need to work together in efforts to overcome the bank emok phenomenon, including the formation of community groups, as well as empowering women, and strengthening social capital.

Solutions must be long-term and adaptable to changes in social, economic, and technological conditions in the future. In this context, the use of digital technology, economic empowerment of local communities, strengthening social capital, and addressing other social problems such as poverty, inequality, and lack of access to public services are important aspects of creating sustainable solutions. In facing these challenges, the principle of reflexivity from Ulrich Beck's theory of the "Risk Society" becomes very relevant. Through a continuous process of reflexivity, various stakeholders can continue to evaluate and adjust the strategies and solutions implemented according to developments in the situation and conditions in the field.

#### ACKNOWLEDGEMENTS

The author would like to thank The Eastasouth Journal of Social Science and Humanities (ESSSH) for publishing scientific articles resulting from this short research. The author also thanks the informants who have shared their experiences while being customers of Bank Emok in Solear District, Tangerang Regency, Banten Province. This article still has shortcomings, whether from an analytical point of view or otherwise, therefore the author hopes that readers will provide criticism and input so that in the future there will be improvements to everything contained in this article.

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