

**THE EVOLUTION FOR A CONCEPT OF DEBT-DUE  
(RECIPROCAL PRINCIPLES OF PRINCIPLES TO BUSINESS)**

Chalarce<sup>1</sup>

**ABSTRACT**

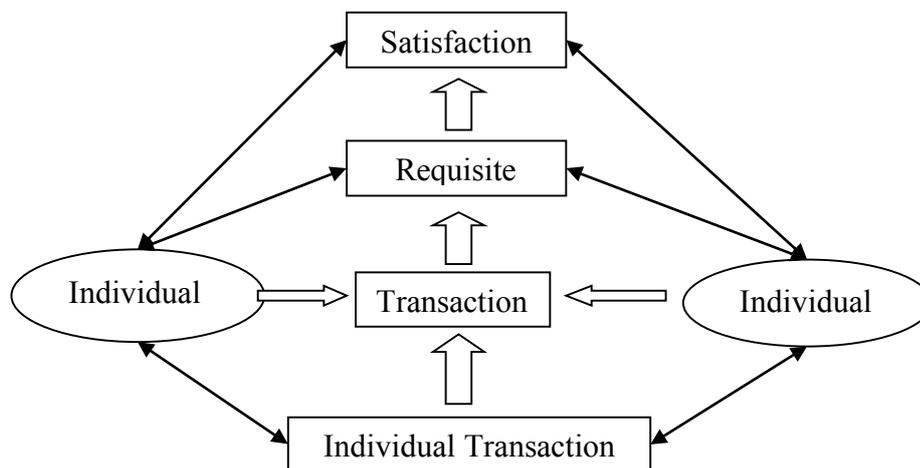
*This paper aims to show that the practice of debts not simple although done between individuals and or in the form of non-contractual. A practice for non contractual debts are not recorded demonstrate that the system of trust between individuals who carried out mainly in the concept of culture is still strong and made up to now. This paper would like to receive and to prove that the practice has evolved debts, which starts from the concept of reciprocity, in particular in the context of the culture until later into economic practices that could have a major impact, both economically and socially.*

**Keywords:** evolution, debt, principles, business

**Introduction**

Debt is an important element in the economy (Totanan et al, 2015), and the point of the practice benchmarks debts stems from the relation of individuals based on the belief (Totanan, 2012). Therefore, the starting point of any transaction in the economy is the fulfillment of individual interests that stems from barter (exchange of goods with the goods). In a variety of individual interests will act based on economic principles "utilitarianism", because of humans are rational creatures. Rational human being will always count for the benefit of himself that led to the maximization of satisfaction and minimization of expenses (read costs). This is in line with the principle of "laissez faire" Adam Smith (1776). This principle implies that each individual knows what he wants so let everything runs by itself, without the need to "control or control" of the state. The state's role is to keep national security and administering justice. The goal is that the freedom of individuals to pursue their satisfaction is not hindered by rules that can make the market does not work perfectly.

The principle of utilitarianism just look at the interests of individuals who wish to pursue profits. The concept owes its receivables even though it was practiced in the field of economics can not only from an economic standpoint, but also from its social function, namely the principle of mutual help for people who are in distress. Therefore, in achieving the satisfaction of each individual interacting with other individuals. The purpose of each individual lead to the same goal, such as to find satisfaction and meet their interests. The interaction occurs because each person that depend on each other to obtain economic resources, including through the practice of debts, so that they complement each other as seen in figure 1.1 below:



Picture 1. Individual Interaction for Transaction

Source: Totanan (2014)

Practice debts is one of the ways used by individuals in achieving satisfaction and importance. It is based on the concept of human will always wrestle with economic problems as an individual, as part of a community, as a part of society. In accounting concepts, problem debts are not only related to the savings and loan transactions and financial reporting. But the information in the accounting is more focused on how people behave and make decisions according to their interests. It is associated with the assumption that human beings economicus rationalizing all economic activities. Dagun (1992: 206) states, that human beings are anthropological materialism, both human beings are biological materialism, and the third man is a spiritual being. This means that the dominant human being in the nature of materialism which tend to focus on economic activities rationalized.

Rousseau (2010: 9) says that no man has a natural authority over others. This opinion is supported Alisjhabana in the translation work of Rousseau (2010: xi) by saying in historical times, beliefs and religious mind is the master of the holiness of the unseen and eternal; God, gods, spirits and ancestors are considered saints give power to humans. Currently rationality debts are the new gods for men in running economic activity. The concept of debts in historical times was considered one of the good ways to apply the spiritual instincts of man in helping (Leviticus 25: 36-38; Deuteronomy 15: 7-11; Deuteronomy 23: 19-20; Proverbs 19:17; Luke 6: 34). However, the principle of mutual help has shifted with the emergence of the concept of exchange and a modern market economy as developed by economists. Ritzer and Smart (2011: 515) says economic exchanges essentially on the fundamental aspects of what we need and appreciate.

Debts as a fundamental aspect of the needs and respected business arena and later became a fertile ground for profit and one of the best ways to bind and suppress the power by collateral (mortgage). Guarantee of debts not only objects as set out in a formal contract (Hendriksen and Van Breda, 2002: 6; Watts and Zimmerman, 1986: 180; Jensen and Meckling, 1976) but also freedom, self-respect and dignity (Luke 11: 5; 2 kings 4: 7; Qur'an, Surah An-nisa 29; Noreen, 1988; Yunus, 2007). It means economic rationality debts in individual behavior should be in line with the value perspective (spiritual) has. Therefore, the concept of value will be used as a way of organizing economic activity that is lived daily. In the "rational" human economic behavior would be in a perpetual state of mutual guiding each other and influence each other's behavior (Solas and Ayhan, 2007; Kompas, November 25, 2010;).

In the view of Karl Marx and the behavioral relationships that value is building a superstructure that is divided into the basic building and the buildings on it. Building on (an idea) is non-material and the base structure under construction is located in the material conditions. Under aspects regarded as structural aspects of social phenomena and is the driving aspect of ideas, so that if the building is under change, then the top of the building will follow. At this stage the views of Karl Marx regarded as "materialism."

In relation global economy countries that are poor and needy will invite a rich country to give a "debt" which in reality will increasingly make "state lenders" will be more rich and borrower even considered shrinkage of capital (Yunus, 2007: 134; Fujita, 2000).

Likewise, if brought into relation individual debts would make creditors have no power against the debtor. Economic behavior of each into account and influence each other cannot be separated from the idea of classical economics of Adam Smith (1776) on the theory of the value of the distinction between "rate" and "use value." This concept is still focused on the economic concept of material are interchangeable (Dagun, 1992: 62). Smith argues that everyone is inevitable in the activities of exchange (of goods), because no one can be self sufficiently, each individual need other people (Damsar, 2011: 68, 94, 114). But, Marx class structure produces "apartheid" economic capital and labor power on the basis of strict logic rationality. Here we see the paradox between the need for rules (norms) of the government and on the other hand need the freedom of individuals to run the market. The context of understanding the above if brought into context with the assumption that accounting, accounting is the application to organize and organize cultural endorsement economic facts, so that qualified accounting to be accounted for in the financial statements. Reporting in accounting is evidence that for each exchange will be interpreted as a transaction. Accounting as a management system other cultural products continues to interact with the culture in which he practiced, whether in the public sector, churches, businesses, households and even individuals. Accounting has become institutionalized binding in the context of economic and fulfillment of responsibilities.

### **The Concept of Debts And Receivables As Social Capital Exchange**

Citing Fukuyama in *The Social Virtues and The Creation of Prosperity* (2007: 66) clearly shows the link between social capital and wealth creation of a community by saying: culture create new forms of economic behavior and not vice versa. This is due to the direct application of the requirements of social capital and achieving prosperity is trust (trust). For Fukuyama trust are the basic formation of a social network and the good cooperation between members of the community, there is a symmetrical relationship between the level of confidence and prosperity (Fukuyama, 2007: 65; Mali, *Bisnis Indonesia*, May 20, 2012; Coleman, 2011; Raho, 2007). So, in the absence of trust in social conditions will be weak. The loss of trust in the social construction generated new demands in the form of rules and contracts are loaded with assurance and pressure.

As exchanges in social capital, the actors involved in a relationship of reciprocal debts transactions will start with the economic resources they can control. This relationship can be socially, economically, authority, trust, mutual rights distribution also will be the interest of any related party to form the norm, which is not only written but also unwritten. There is a dependency between the various economic relations, such as countries dependent on other countries by colonialism, financial, industrial and technology. Likewise, individually in practice interaction debts dependence "God, gold and grace" in one unified whole. Authority relations, relations of trust and norms are formed when individuals form the interaction begins in family relationships, in social organizations and business relationships, then extends to the social community. This relationship is evolving, originally formed without prejudice and marred by suspicion of myths ranging from classical economics to the global economy. Now humans with free will all act according to their importance so was born the concept of "perfect competition" in the free market with the assumption of the invisible hand.

Criticism Rousseau (2010: xix, 7) on the freedom to say that social systems including the economic system has been established on self-interest as proposed by Adam Smith, self-love has removed invisible hand and bring the imbalance caused by human behavior itself. Although, Rosseau continue to agree that the "property rights" are the rights of the most sacred of all the rights of citizens but remains opposed to capital accumulation on a group of individuals. Debts in this case is a symbol of the rights and

obligations of individuals who do. Abidin (2006: 31) explains the dualism of true reality like a physically and spiritually, and cannot be said to be true only of a physical nature of materials that can be observed as contained in the study of science. There is a mix between matter and spirit (Abidin, 2006: 32; Triyuwono, 2000: 37) to behave and act. Likewise, for some debts have properties of matter and spirit awareness to meet its obligations. Debts thus cannot be separated from the view of social capital concept is actualized both individuals, organizations, communities, cultures and even nations. In it there is God, gold and glory (3G). 3G coalesce into principles owe Strong accounts will create a "culturation".

### **Basic Concepts of Debts And Receivables In Accounting**

Definition of debt are:

"The possibility of the sacrifice of economic benefits in the future, arising from the obligation of business units at this time to hand over the assets or providing services to units of other businesses in the future as a result of the transaction or event in the past." (Hendriksen and Breda, 2002: 5) Incidence of transactions in debts due to an agreement between two parties where one party as lender (the lender) and the other party as borrower (the borrower), in the modern economy these parties are known by the name of the creditor and the debtor. The criteria to be classified as debts are: has occurred (current liabilities, accounts receivable), occurs at a certain time in the future (funded debt, waiting period, with recourse), in debts accrued / received (accrued liability, allowance for bad debts), occurs due to non-performance of an act in the future, such as deferred revenue and debt conditional (contingent liability) (Kohler, 1970; Hendriksen and Van Breda, 2002).

Debts occurred partly because of factors: 1) legal and contractual obligation (contractual liabilities). Legal obligation for the formal provisions in the form of legal regulations, to pay cash or deliver the goods (services) to the particular entity. This type is most commonly found in business entities, such as trade payables and credit in the banking world (Watts and Zimmerman, 1986: 180; Scott, 2009: 332). 2) Obligations and rights of constructive (constructive liabilities, equitable liabilities) are deliberately created for the purpose and under certain conditions, such as if someone wants to give an award or dispensation, research Healy on "bonus plan hypothesis" is empirical evidence for this (Watts and Zimmerman, 1986: 208; Scott, 2009: 412).

Occur and evolve debts currently make it difficult to be identified and grouped according to the grouping above, but one factor is clear that the phenomenon for major problem in debts is the emergence of non-performing loans and cause a global crisis. This relates to the commitment and payment of the borrower awareness. If connected with the payment, there are two factors determinants that affect the payment, namely the ability to pay (ability to pay) and the willingness to pay (willingness to pay). Ability to pay comes from the external human factors (material), while willingness to pay comes from the internal man (goodwill, non- material). But so far unknown dominant factor influencing the behavior of the fulfillment of obligations debts.

Fulfillment of obligations debts if it is brought into the frame of the company, according to Hendriksen and Breda (2002: 1) can be seen from the elements of assets, equity and debt in the balance sheet as a portrait picture of the ability of the company. Assets (property) owned is saving the future benefits and debt is essentially a claim for that benefit. As known elements in the accounting reporting, especially the balance generally consists of assets and liabilities. Potential asset section describes the assets owned by the company to run the business entities, while the liabilities section describes the source of assets from which it originates.

Overview balance sheet and reporting with various elements, assumptions and consequences of the above gave the explanation that the actual balance sheet or financial statements which are assumed true picture of the company is a hyperreality, because in fact the end result is not always the same as the facts on the ground, the profit is not synonymous with cash owned company. This contrasts with debts as one of the elements of the balance sheet. Debt is a reality of the obligations that must be met. Debt in accounting perspective are uncertain and worth the "nominal" with the consequences of the legal, ethical, and moral if these obligations are not fulfilled.

### **Debts and Cultural Concepts**

In terms of anthropology, in this world there are seven elements of the so-called culture. Seventh elements are: social, organizational, systems knowledge, technology, "livelihood systems", religion, language and arts (Hoed, 2008: 139). Debts are elements of accounting, accounting is a part of the economy, the economic part of the livelihood systems, thus the debts are sub-elements of the culture of livelihood systems. Being not surprising when put in the context of the economy, especially in the global economic system. The modern age has given rise to the practice of debt-new style. Banners and pamphlets interest along the way, the advertisements in the mass media of electronic and non-electronic, in the shade of the trees are not exempt offer advertising debts. Even through online media and email. Everything gives the impression that borrowing was easy and fun, without collateral or guarantees, without having to fear the process as quick and not onerous, the commercials so you came in just 15 minutes, the direct a debt card completed. Charm debts have suggested convincingly that it owes a good, easy, and fun, and so the modern lifestyle that must be followed. Credit card phenomenon is indisputable fact. Likewise, for some debts which at the time of the rural economy are still firmly equity that still accumulates on a landlord, the modern term credit is not known and is associated with the term a negative connotation to the creditor, such as: the middlemen, moneylenders are recognized to be the driving the rural economy and play an important role as a "village bank" faithful individuals at any time, provide help and who also patterned profits for itself by attracting high interest. Likewise, a negative connotation to the borrower which is synonymous with the poor helpless and only have the capital strength, which dispose of shame and pride come from moneylenders to borrow money at very begging.

This contrasts with the reality of cultural practices current debts, where the creditor has been seen as a good person, helper and even with aggressive loan offers. Likewise, the borrower is no longer synonymous with poverty, even have occurred otherwise, borrow means to have a guarantee and was identical to the material. No longer a debtor who came pleading but the lender who comes to potential borrowers with ease overview and economic opportunities for borrowers stunning. Similarly, a strong influence of debts in economic life today so it has become a culture that cannot be separated from the modern lifestyle. The word culture itself can mean culture "custom" or "tradition" to behave in a community in the true sense, but then the meaning of the word "culture" is able to cross the science, theory and dimensions, as well as thinkers from mathematicians, anthropologists, politicians, economists up to the manager. Arif (2010: 7) says the culture so the realm of "no man's land" that is open to anyone who wants to enter it. Culture is the arena and the result of the interaction of human activity. Fasya (2006: v) by quoting some opinions philosophers say that cultural knowledge is the only parameter to dismantle political symbol meaning. Narrowly culture has been defined as "behavior" in the profit motivated organization. Supposedly according to Jensen and Meckling (1999): "Understanding human behavior is fundamental to understanding about organization function, Wether they be profit-profit enterprise, or government agencies, intended to serve the public interest."

Accounting, debts are habitual product born from the behavior of the business community, although initially accounting is the product of thought mathematician Luca Pacioli in 1494 (Warsono, 2010: 54; Sukoharsono, 2011). In a further development serve as a reference recording of the term bookkeeping (double entry) who later claimed to be accounting. Evolving with the times various influences in the behavior of business, accounting and then into a field that is defined as "art" record and report. Not stopping there by some practitioners and thinkers accounting classify as "technology." Dissatisfaction will position as bookkeeping accounting, art, technology opens up a new discourse, that accounting is actually a "business language" used in communicating with symbols rupiah. Basic sanctioned system of debt-modern shift is no longer a "good-bad" and "moral values" but was based on a formal contract, laws and regulations are made so complicated and calculations that detail, as if all will go according to the written on white paper. The context of these rule has forgotten the human system as "nature of man" (Jensen and Mekling, 1999) who live in a social and cultural system with a lot of influence "non-economic factors" and the term "social justice" (Hoed, 2008: 140).

Wilson (1997), cited by Hoed (2008: 141) argues that the economic separation of matters concerning ethics leads to thoughts of David Ricardo that the discussion focused on the mechanism of price, wage, and then keep the moral of economic practice. If the terms of a formal legal standpoint, the transaction is problematic debts will be settled by the clauses in the field of civil law (Supramono, 2013: 9). According to the civil law, debts will be passed on to the next generation if it cannot be repaid (jointly and severally). That is, if the parents cannot pay off the debt he made then, the children who have to repay. Another risk if the transaction in debts carried by formal institutions such as banks, the bank will charge up whenever it comes. Then, the name of the debtor will be blacklisted in the central bank (Bank Indonesia). Debts was remarkable benefits and consequences. The world is enough for peoples need but not enough for people greed (Iskan, 2011: 178).

### Conclusion

Debts that used to only a principle of reciprocity, rather the social function of helping people in distress. But now the debts practice has evolved and become a staple of modern society. Debts can no longer be regarded as a lubricant economy. Principle debts can also be seen not only from its social function. Practice debts have become a necessity and modern lifestyle. Therefore, for every joint social and economic life has become a fertile arena for the practice of debts. Debts have become a tradable commodity.

### References

#### Journals

- Totanan, Chalarge. 2012. Debt and Credit Principle in Culture Toraja Ethnic "Rambu Solo": A New Perspective Non Contractual. *Journal of Business and Management*. Volume 4, Issue 3. 2012. Pp. 26-31.
- Totanan, Chalarge, Made Sudarma, Gugus Irianto, Unti Ludigdo. 2015. Noema and Noesis Concept of Debt in Rambu Solo' Culture (Study in Toraja Society). *Research Journal of Finance and Accounting*. Volume 6, No. 10. 2015. Pp. 57-64.
- Fujita. 2000. Credit Flowing From The Poor To The Rich: The Financial Market And The Role of The Grameen Bank In Rural Bangladesh. *The Developing Economies*. XXXVIII-3, September 2000: 343-373.
- Jensen, Michael C. dan W. H. Meckling. 1976. Theory of the Firm: Managerial Behavior Agency Costs and Ownership Structure. *Journal of Financial Economics*. Pp. 305-360.
- Lawrence, T.B, Winn, M. I., and Jennings P. D (2001). The Temporal Dynamics of Institutionalization. *The Academic of Management Review*. Volume 26, issue 4, October. Pp. 624-644.
- Noreen, Eric. 1988. The Economic of Ethics: A New Perspective on Agency Theory. *Accounting Organization and Society*. Vol. 13. No. 4. Pp: 359-369. 1988.
- Solas, Cigdem dan Sinan Ayhan. 2007. The Historical Evolution of Accounting in China: The Effects of Culture. *Spanish Journal of Accounting History*, No 7. Pp. 146-173.

#### Books

- Abidin, Zainal. 2006. *Filsafat Manusia: Memahami Manusia Melalui Filsafat*. Bandung: Remaja Rosdakarya.
- Arif, Syaiful. 2010. *Refilosofi Kebudayaan: Pergeseran Pascastruktural*. Ar-Ruzz Media. Yogyakarta.
- Brouwer, M.A.W. 1984. *Psikologi Fenomenologi*. Gramedia. Jakarta.
- Coleman, James S. 2011. *Dasar-Dasar Teori Sosial (Fondation Of Social Theory)*. Nusa Media. Bandung.
- Dagun, Save M. 1992. *Pengantar Filsafat Ekonomi*. Rineka Cipta. Jakarta.

- Damsar. 2011. *Pengantar Sosiologi Ekonomi*. Kencana Prenada Media. Jakarta.
- Fasya, Teuku K., A. Akhyar Nasution, dan Ibrahim Chalid. 2006. *Kata dan Luka Kebudayaan*. USU Press. Medan.
- Fukuyama, Francis. 2007. *Trust. The Social Virtues and The Creation of Prosperity*. *Trust, Kebajikan Sosial dan Penciptaan Kemakmuran*. Ruslani. Triarga Utama. Jakarta.
- Hendriksen, Eldon S dan Michael F. Van Breda. 2002. *Accounting Theory*. Richard D. Irwin Inc. United State.
- Hendriksen, Eldon S. 1992. *Teori Akuntansi*. Erlangga. Jakarta.
- Hoed, Benny H. 2008. *Semiotik dan Dinamika sosial Budaya*. Fakultas Ilmu Pengetahuan Budaya Universitas Indonesia. Depok.
- Iskan, Dahlan. 2009. *Kentut Model Ekonomi*. Jaring Pena. Surabaya.
- Ivancevich, John M, Robert Konopaske, dan Michael T. Matteson. 2005. *Organizational Behavior and Management*. Gina Gania. Perilaku Dan Manajemen Organisasi. Erlangga. Jakarta.
- Kompas, Sabtu, 26 Mei 2010. *Berbagi Risiko Melalui Penerbitan Eurobonds*
- Lembaga Alkitab Indonesia. 2002. Alkitab.
- Mali, A. Runga. 2012. Menghitung Modal Sosial. *Bisnis Indonesia, Edisi 20 Mei 2012*
- Raco, Jozef R. dan R. R. H. M. Tanod. 2012. *Metode Fenomenologi: Aplikasi Pada Entrepreneurship*. Gramedia Grasindo. Jakarta.
- Raho, Bernard. 2007. *Teori Sosiologi Modern*. Prestasi Pustaka. Jakarta.
- Ritzer, George dan B. Smart. 2011. *Handbook Of Social Theory*. Imam Muttaqien, Derta S. Widowatie, Waluyati. Handbook Teori Sosial. Nusa Media. Bandung.
- Rousseau, Jean Jacques. 2010. *Du Contract Social*. Rahayu S Hidayat dan Ida Sundari Husen. Perihal Kontrak Sosial Atau Prinsip Hukum Politik. Dian Rakyat. Jakarta.
- Scott, William R. 2009. *Financial Accounting Theory*. Pearson Prentice Hall. Toronto.
- Supramono, Gatot. 2013. *Perjanjian Utang Piutang*. Kencana. Jakarta.
- Soemarso, SR. 2002. *Edan: Sebuah Renungan Tentang Kemanusiaan*. Fakultas Ekonomi Universitas Indonesia. Jakarta.
- Triyuwono, Iwan. 2000. *Organisasi dan Akuntansi Syariah*. LkiS. Gambiran.
- Warsono, Sony. 2010. *Reformasi Akuntansi. Membongkar Bounded Rationality Pengembangan Akuntansi*. Asghar Chapter.
- Watts, Ross L. dan Jerold L. Zimmerman. 1986. *Positive Accounting Theory*. Prentice Hall International Editions. USA.
- Yunus, Muhammad. 2008. *Banker To The Poor: Micro Lending and The Battle Against World Poverty*. Intan Nasution. Bank Kaum Miskin. Kisah Yunus dan Grameen Bank Memerangi Kemiskinan. Marjin Kiri. Jakarta.

#### Paper presented

- Sukoharsono, Eko Ganis. 2011. Luca Pacioli's Inspiration to Response: An Imaginary Spiritual Dialogue. *Paper, Prepare and Presented at The Epistemology Debate. Postgraduate Program, The Department of Accounting, The Faculty of Economics and Business, University of Brawijaya.*

#### Disertation

- ..... 2014. *Utang Piutang Non Kontraktual Dalam Budaya Rambu Solo' (Studi Fenomenologi Dalam Masyarakat Toraja)*. Disertasi. Perpustakaan Universitas Brawijaya. 2014. Belum Dipublikasikan.
- Ridwan, Muhammad. 2009. *Tafsir Sosial Laba Kajian Semiotika Dekonstruktif Berbasis Filsafat Jackues Derrida*. Disertasi.

Chalarge<sup>1</sup>

<sup>1</sup>Tadulako University  
chalance@gmail.com