

IMPLEMENTATION OF MASLAHAH IN ISLAMIC FINANCIAL INSTITUTIONS FOR UMKM ACTORS IN MAKASSAR CITY (CASE STUDY OF BANK MUAMALAT INDONESIA KCU MAKASSAR)

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Abstract

Financing is a provider of funding facilities to meet the needs of parties who are deficit units. This research was conducted to analyze the financing system of Bank Muamalat Indonesia KCU Makassar for UMKM actors in Makassar City and to analyze the benefits of UMKM actors in Makassar City through Bank Muamalat Indonesia KCU Makassar financing. The type of research conducted in this research is a type of qualitative research with a sociological-normative approach. The source of the research data is the Muamalat Indonesia KCU Makassar bank. Data collection used interviews and documentation and data analysis techniques used descriptive qualitative analysis and triangulation of data sources. The results of the study show that the procedures for submitting financing to Bank Muamalat Indonesia KCU Makassar prioritize unity, balance, freedom and primarily responsibility. The financing schemes that are often used by Bank Muamalat Indonesia KCU Makassar are mudharabah and musyarakah financing. Benefit can be created by Bank Muamalat Indonesia KCU Makassar for UMKM actors with patterns or implementation of contracts on products that are very much in favor so that the implementation of the benefits of Bank Muamalat Indonesia KCU Makassar has realized in its implementation the financing process for UMKM actors.

Keywords: *Financing, UMKM, Maslahah.*

1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are a business unit that plays an important role in the development and growth of the Indonesian economy. With the existence of the MSME sector, unemployment due to workers not being absorbed into the world of work has decreased. The growth of micro businesses makes them a source of growth in employment opportunities and income. By absorbing more labor, this means that MSMEs have a strategic role in the government's efforts to combat poverty and unemployment. The MSMEs currently growing in Makassar City are laundry businesses, car washes, motorcycle repair shops, furniture and some home industry or home businesses that provide products

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that have been used. through processing. as well as benefits. The economic development of Makassar city can be seen from a number of economic indicators, one of which is the level of local revenue of the tax revenue sector increasing year by year from 2018 to 2019, but there are Some sectors will fall again in 2020.

Table 1.1
GRDP by Business Field (Million Rupiah)

Sector PDRB	Year		
	2018	2019	2020
Agriculture, Forestry and Fisheries	2,648,508,00	2,719,188,00	2,753,461,00
Mining and excavation	273,852,00	293,349,00	277,886,00
Processing industry	284,896,00	301,550,00	291,419,00
Procurement of Electricity and Gas	7,306,00	7,737,00	8,420,00
Water Procurement, Waste Management, Waste and Recycling	31,184,00	34,817,00	35,723,00
Construction	808,502,00	873,977,00	744,030,00
Wholesale and Retail of Automobile and Motorcycle Repair	760,685,00	807,638,00	784,536,00
Transportation and Warehousing	185,084,00	186,162,00	174,697,00
Provision of Accommodation and Food and Drink	21,499,00	24,183,00	21,895,00
Information and Communication	640,930,00	686,954,00	779,344,00
Financial Services and Insurance	218,131,00	212,857,00	228,866,00
Real Estate	177,636,00	193,623,00	198,302,00
Company Services	8,130,00	8,862,00	8,361,00
Government Administration, Defense, and Compulsory Social Security	1,016,627,00	1,097,720,00	1,007,383,00
Education Services	438,282,00	476,727,00	445,969,00
Health Services and Social Activities	167,201,00	175,561,00	179,696,00
Other Services	232,786,00	258,620,00	245,589,00
PDRB	7,921,239,00	8,359,525,00	8,185,577,00

Source: Makassar City BPS, 2020.

The ones that are most often exposed are the limitations of physical capital (financial, structural and infrastructural) and the difficulties of marketing, the difficulties of marketing can be considered as one of the the results of the low quality of workers and employers as well as technology. limit. manufactures uncompetitive MSME products in terms of quality and competitive price during the period including areas outside Makassar city. Economic growth is essentially a series of political efforts by the government to achieve a positive outcome that affects the welfare of society. To solve existing problems, MSMEs need

funding from government, private and banking sources. Government funding is very limited due to the wide range of areas covered. In addition to the government, the private sector is also interested in providing financial support to the MSME sector, but is hampered by limited capital in operating and developing their businesses. Therefore, the main role of the bank is Muamalat Indonesia KCU Makassar in developing MSMEs by providing capital as a solution to solve the problems in the form of lack of finance that MSMEs are currently facing.

Based on data from the Financial Services Authority 2020 (OJK), it shows that the funding from Islamic banks for MSMEs is still very low compared to other sectors. This shows that the banking industry has not optimally supported the MSME sector.

Table 1.2 Sharia Commercial Bank Financing and Sharia Business Units

Economic Sector	Year				
	2016	2017	2018	2019	2020
Agriculture, Hunting and Forestry	8,531	10,419	11,497	13,717	15,659
Fishery	1,405	1,462	1,204	1,307	1,817
Mining and excavation	6,604	6,864	5,410	5,086	6,107
Processing industry	19,745	21,463	24,363	26,488	27,475
Wholesale and Retail	30,319	32,839	33,166	36,752	39,069
Real Estate, Rental Business, and Corporate Services	12,797	12,326	13,315	13,404	12,671

Source: Financial Services Authority (OJK), 2020.

Based on the above data, it is known that the financial contribution of Syrian commercial banks and Sharia business units to MSMEs is still far behind when compared to the financing in the manufacturing and wholesale and retail sectors. . This shows that Islamic banks are very careful in transferring capital to the MSME sector, as it involves taking into account commercial interests.

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Types of SMEs are divided into various business units, such as agriculture, commerce, manufacturing, telecommunications and transportation, construction, finance, electricity, gas and water. drink. The number of small companies is very large, but the aggregate revenue of the whole cannot be compared with the revenue of a national enterprise. This includes SMEs, including all SME merchants, SME service providers, SME farmers and ranchers, small and medium-sized industries, and more. This can be seen in Table 1.3 as follows:

Table 1.3
Number of Businesses (Unit)

Type of business	Year					
	2011	2012	2013	2014	2015	2018
Medium Business	453,00	513,00	458,00	470,00	892,00	104,00
Small business	2 159,00	3 106,00	1 847,00	2 070,00	3 171,00	397,00
Micro business	2 686,00	3 302,00	2 559,00	2 700,00	4 964,00	363,00

Source: Makassar City BPS, 2020.

Based on the above table, it is known that the number of MSMEs continued to increase in the period 2011-2018. Given the potential that exists in the MSME sector in Makassar City, the government places great emphasis on increasing or optimizing MSME in terms of domestic revenue. This shows that the role of MSMEs in Makassar city is very important, so policies are needed to support MSMEs to finance their business.

Makassar Bank KCU Muamalat Indonesia is in need of funding for MSMEs. This is done to increase regional economic competitiveness and improve the welfare of local communities. Because until now the current financial system is still a classical finance.

Conventional financing is a huge burden for MSMEs as MSMEs have to pay interest every month. Furthermore, MSMEs in Makassar City have fallen into usury and are in long-term debt with their lenders due to the lack of alternative financing available. This creates an opportunity for Shariah banks, especially Muamalat Indonesia bank KCU Makassar, to provide Shariah finance to MSMEs, as Shariah finance has a variety of financing mechanisms that can be applied to MSMEs.

2. LITERATURE REVIEW AND HYPOTHESIS

1. Maslahah

Etymologically the word maslahah, plural masalih means something that is good, useful, and is the opposite of evil and damage. Maslahah is sometimes referred to as a term which means seeking the right. According to Jamaluddin (2012), the essence of maslahah is the creation of goodness and pleasure in human life and avoiding things that can damage public life.

2. Sharia Bank Financing

According to Law no. 10 of 1998 concerning Banking in article 1 number 12, (Sumar'in 2012) financing based on sharia principles is the provision of money or bills based

on an agreement or agreement between a financial institution and another party that requires the borrower to return the money or bill after a certain period of time with a reward or profit sharing.

3. MSMEs

MSMEs depending on the workload. Small businesses are business entities with a workforce of 5 to 19 people, while medium businesses are business entities with a workforce of 20 to 19 people. 99 people. MSMEs are autonomous production and business units, carried out by individuals or economic organizations in all economic sectors. In principle, the distinction between micro enterprises (UMi), small businesses (UK), medium enterprises (UM) and large enterprises (UB) is usually based on the initial value of assets (excluding land and buildings), average annual revenue. or a fixed number of employees. However, the definition of MSMEs based on these three measures is different in each country.

Funding is a facility provided by Islamic banks to those who need to use money raised by Islamic banks from people who have a lot of money. The financial system in this study deals with grant application procedures, financial programs, and various financial products. Its activities and products are based on maqashid al-shariah, mainly maqashid al-khamsah in the form of maintaining religion (hifz al-din), preserving souls (hifzh al-nafs), preserving spirits god (hifzh al-'aql), preservation of property (hifzh al-mal), and preservation of descendants (hifzh al-nasl).

3. RESEARCH METHODS

1. Data types and sources

This type of research is qualitative research. Qualitative research is research that aims to understand the phenomenon experienced by the research subject. For example, behavior, perception, motivation, action and others holistically and through verbal and linguistic descriptions, in a specific natural context and using natural methods. different nature.

Qualitative research is research that involves the ideas, perceptions, opinions, and beliefs of the people to be studied, and not all of them can be measured numerically. In this study, the theory used in the research is not required to have the big picture of an issue from the point of view of the people being studied. In qualitative research, tools that are representative of quantity, intensity, or frequency are not used. The researcher uses a research tool, looking for closeness and familiarity between himself and his or her subject or subject of study.

2. Data sources

The data sources used by the author in this study include two types of data, which are:

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a. Primary data

Primary data is master or key data, also known as raw data because it is derived from direct results of fieldwork, which still requires further processing before the data can be understood. Primary data sources are data obtained directly through research through in-depth interviews, direct observations and participating researchers. In this study, the selection of informants used purposeful sampling technique. Purposeful sampling is the determination of a sample according to certain objectives with conditions that must be met. The data sources for this study are employees of Bank Muamalat Indonesia KCU Makassar and MSME stakeholders in Makassar City.

b. Secondary data

Secondary data is supporting data, the type of data that is collected and discovered by processing second pieces from field results, such as informants that are not directly related to the subject. research, but know the outcome of the results. On the other hand, secondary data is obtained from references, which can be in the form of journals, journals, books or various related research findings. A secondary source is a source of data obtained by reading, researching and learning through other means from the literature.

4. RESULTS AND DISCUSSION

Reviewing the financing system carried out at Bank Muamalat Indonesia KCU Makassar for MSME actors in Makassar City is analyzed through the following points:

1. Financing Submission Procedure

The procedure for applying for financing is important to implement because it will determine the quality of customers who will enter into contracts for financing or loans at Bank Muamalat Indonesia KCU Makassar. As a company registered and licensed at the Financial Services Authority, Bank Muamalat Indonesia KCU Makassar is a technology-based sharia financial institution based on sharia principles whose implementation is in accordance with sharia concepts in increasing customer trust so that it has an impact on improving the performance of Bank Muamalat Indonesia KCU Makassar.

Analyze funding procedures, in particular assess the commercial viability of potential borrowers, reduce the risk of loan defaults, and calculate appropriate funding needs to Customers can count on getting financing. In this case, specifically the business finance of Bank Muamalat Indonesia KCU Makassar provides working capital financing to the MSME community.

This is very useful and makes it easier for potential customers, especially for the small and medium economic community. The simple and easy funding procedures of Bank Muamalat Indonesia KCU Makassar have led to a high public demand for financial products.

If the lead is unable to meet these requirements, funding will still be processed while the lead prepares and completes the missing requirements.

2. Financing Provision Scheme

Bank Muamalat Indonesia KCU Makassar implements a financing scheme in accordance with the MUI fatwa and also refers to the appropriate scheme. So that Bank Muamalat Indonesia Makassar KCU becomes a sharia financial institution that consistently implements its sharia values. The existence of Bank Muamalat Indonesia KCU Makassar is an alternative to fulfill the wishes, especially some Muslims and the surrounding community who want sharia services to manage their economy, namely in the form of financing.

The above interview shows that by prioritizing the funding analysis process, Bank of Muamalat Indonesia KCU Makassar will get a clear and complete description and information on the status of the potential customer after conducting the following steps. financial analysis. Financial analysts, when performing their analysis, also pay attention to aspects of financing feasibility. In addition, Bank Muamalat Indonesia KCU Makassar also pays attention to aspects of feasibility studies, which is a more in-depth, precise and accurate method of financial analysis. Cautious aspects of funding analysis include: legal aspect, management aspect, technical aspect, marketing aspect, guarantee aspect, financial aspect.

3. Diversified financial products

Islam, there are financial activities, including mudharabah and musyarakah financial contracts. Mudharabah sponsorship is a sponsorship with the role of a business cooperation contract between two parties, in which the first party is shahibul maal providing all the capital, and the second party is the mudharib (manager). Sponsoring Musyarakah means mixing. In this case, mix one capital with another so that they cannot be separated. Musyarakah is also known as Sirkah. In fiqh terms, sirkah is an agreement between two or more people to share capital and jointly share profits.

From the above interview, it is known that the musyarakah contract execution process at Bank Muamalat Indonesia KCU Makassar follows the principles of Sharia, where the parties of Bank Muamalat Indonesia KCU Makassar and MSME actors invest capital and business management together. that they want to manage, as well as the profit sharing ratio as agreed between the two parties, which is professional and proportionate, and when there is a loss for the business to manage, the two parties will bear it.

3. Advantages of MSME Stakeholders in Makassar City

In the product concept of Bank Muamalat Indonesia KCU Makassar by increasing the needs of MSME players, it really provides a solution. Bank Muamalat Indonesia KCU Makassar can create benefits for MSME players by modeling or implementing contracts on products that are highly pro-SME. Because in Islam people are very concerned about the

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necessity of dharuriyah to achieve it and also to maintain it. For dharuriyah, it means something that should exist for the sake of perpetuating interests, both religious and worldly. According to dharuriyah's view of muamalah, it is the protection of children and property, including the protection of the soul and spirit.

a. Maintaining Religion

The relevance of profit sharing to maintaining religion can be seen that between Bank Muamalat Indonesia KCU Makassar and MSME actors have mutual trust and trust in each other, where Bank Muamalat Indonesia KCU Makassar gives trust to MSME actors to manage financing funds according to provisions and procedures. The existence of Hifdzu Din or maintaining religion within both parties will prevent tyrannical behavior or known as maysir, gharar or usury and the nature of hazard.

Based on the analysis of the benefit approach at Bank Muamalat Indonesia KCU Makassar, the implementation of the grant agreement has realized the hifz al-din (protection of religion) in the implementation of the sponsorship activities. Basically, Bank of Muamalat Indonesia KCU Makassar has been religious in its treatment of MSME players in this case by providing initial advice and support so that the objectives of the contract can be achieved.

b. Keep the soul

Funding at Bank Muamalat Indonesia KCU Makassar, this is reflected in the performance of contracts applied in every transaction at Bank Muamalat Indonesia KCU Makassar. Psychologically and sociologically, the use of a contract between the parties causes people to respect each other and maintain the trust given. This is its soul value, which is further demonstrated by the stakeholders and shareholders of Bank Muamalat Indonesia KCU Makassar in their dealings with MSME players.

Based on the analysis of the benefit approach at Bank Muamalat Indonesia KCU Makassar, the implementation of the grant agreement protected the soul (hifz Nafs) during the grant implementation. Basically, Bank Muamalat Indonesia KCU Makassar has taken care of the minds of MSME players from the way they treat MSME players in terms of services and conducted feasibility studies before deciding to execute the contract. business.

c. Stay Conscious

The implementation of financing agreements at Bank Muamalat Indonesia KCU Makassar organization in order to benefit MSMEs, Bank Muamalat Indonesia KCU Makassar always publicly discloses the details of the system or process of signing contracts and does not hide anything. Here, it can be seen that MSME actors are invited to think together in transactions without anyone being tyrannized by Bank Muamalat Indonesia KCU Makassar.

Based on the analysis of the benefit approach at Bank Muamalat Indonesia KCU Makassar, the implementation of the grant agreement kept the meaning (hifdzu 'aql) in the

grant application process. Essentially, Muamalat Bank Indonesia KCU Makassar has prevented commercial MSME actors from transacting with MSME actors and invited MSME actors to continue thinking and studying the statements or contracts that will be made during the funding process at Muamalat Bank Indonesia KCU Makassar.

d. Treasure protection

Implemented at Bank of Muamalat Indonesia KCU Makassar, this is evident in any product or program issued by Bank of Muamalat Indonesia KCU Makassar, where Bank of Muamalat Indonesia KCU Makassar seeks to maintain and allocate funds to MSME agents in a reasonable and lawful manner and to allow fair use of profits.

Based on the analysis of the benefit approach at Bank Muamalat Indonesia KCU Makassar, the implementation of the grant agreement has ensured the protection of assets (hifdzu al-maal) during the application of the grant. Basically, Muamalat Bank Indonesia KCU Makassar has protected the assets of MSME players, this is evident in every product issued by Bank Muamalat Indonesia KCU Makassar, in which Bank Muamalat Indonesia KCU Makassar seeks to maintain Maintain and distribute client funds in a reasonable and legal manner and are permitted to earn a reasonable profit or rate.

e. Protect your ancestors

The orientation of children during muamalah activities is the concept of child preservation. If self-control becomes much better, patience is achieved, and the mind begins to feel secure, it will have a good effect on the family. If this is related to the implementation in the financial institution of the Bank of Muamalat Indonesia KCU Makassar, which is achieved by maintaining the above four, then the funds of the halal guaranteed MSME players will have an impact good to family and descendants are being supported by the funds used.

Based on the problem analysis at Bank Muamalat Indonesia KCU Makassar, the execution of the financing agreement made the funding process of MSME actors a reality. The direction of hifzu al-nal is highly dependent on achieving benefits for both parties in order to achieve the common goal of entering into a contract.

5. CONCLUSION

Research results show that the financial submission procedures at Bank Muamalat Indonesia KCU Makassar prioritize unity, balance, freedom and above all accountability. The financial programs commonly used by Bank Muamalat Indonesia KCU Makassar are mudharabah and musyarakah financing. Muamalat Bank Indonesia KCU Makassar can create benefits for MSME players by modeling or implementing contracts on products that are beneficial to SMEs to realize the benefits of Bank Muamalat Indonesia KCU Makassar achieved while implementing the funding process for MSME agents.

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