

Research Article

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The Influence of Entrepreneurship Development Policies and Strategies Regarding Micro Wakaf Bank (BWM) And Its Implications for Community Economic Empowerment in The Boarding School of Cirebon

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Received: May 8, 2024; Accepted: May 13, 2024; Online: May 23, 2024 | DOI: <https://doi.org/10.47353/ijema.v1i12.127>

Abstract: *Micro Waqf Bank (BWM) is a very important part of community economic empowerment, especially in the Cirebon Islamic boarding school environment. This is of course in line with the government program which seeks to improve the welfare of the community by realizing economic activities with the help of business capital which does not burden business actors in returning the capital. The method used is descriptive research which aims to describe in detail the phenomena observed using regression analysis parameters. The number of samples used in this research was 92 respondents. Sampling used a documentation questionnaire. The results of this research show that government policy (X1) has a positive and significant effect on the Micro Waqf Bank (Y) with t calculated ariable policy (X1) = 1.776. The government's strategy (X2) has a positive and significant effect on the Micro Waqf Bank (Y) with t calculated ariable strategy (X2) = 1.757. Entrepreneurial development (X3) has a positive and significant effect on Micro Waqf Bank (Y) with t aritable variable for entrepreneurial development (X3) = 1.667. Micro Waqf Bank (Y) has a positive and significant effect on community economic empowerment (Z) with t calculated for Micro Waqf Bank (Y) = 1.871. The community's shift from initially relying on loans from loan sharks to participating in Micro Waqf Bank (BWM) financing is expected to be part of a concrete step towards realizing the aim of establishing the Micro Waqf Bank (BWM), namely, to realize community welfare.*

Keywords: *policy, strategy, entrepreneurial development, micro waqf bank, community economic empowerment.*

Introduction

Micro, Small and Medium Enterprises (MSMEs) are one of the leading sectors that can support the Indonesian economy. This is evident from the contribution of Micro, Small and Medium Enterprises (MSMEs) to Gross Domestic Product (GDP) and the relatively large absorption of labor and exports. It was recorded that in 2018, Indonesian Micro, Small and Medium Enterprises (MSMEs) contributed up to IDR 8,573.9 trillion to Indonesia's GDP (based on current prices) in 2018. Indonesia's GDP in 2018 was IDR 14,838.3 trillion, so the contribution of Micro Enterprises, Small and Medium Enterprises (MSMEs) reached 57.8% of GDP (Kementerian Koordinator Bidang Perekonomian, 2018).

Micro, Small and Medium Enterprises (UMKM) and cooperatives occupy the largest share of economic activity in Indonesia. According to data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM) in 2018, the number of Small and Medium Enterprises (KUKM) actors was 64.2 million or 99.99% of the number of business actors in Indonesia. The workforce absorption capacity of Micro, Small and Medium Enterprises (MSMEs) is 117 million workers or 97% of the workforce absorption capacity of the business world. Meanwhile, the contribution of Micro, Small and Medium Enterprises (MSMEs) to the national economy, Gross Domestic Product (GDP) is 61.1%, and the remaining 38.9% is contributed by large business actors, the number of which is only 5,550 or 0.01% of number of business actors. Micro, Small and Medium Enterprises (MSMEs) are dominated by micro entrepreneurs, amounting

to 98.68% with a labor absorption capacity of around 89%. Meanwhile, the contribution of micro businesses to Gross Domestic Product (GDP) is only around 37.8% (Kementerian Koordinator Bidang Perekonomian, 2018).

The government's role is needed in encouraging economic growth in society, this can be seen through the development of financial institutions in Indonesia (Mujiono., 2016). Policies related to financial institutions are a determining factor in the development of financial institutions. As an effort to increase empowerment for people with lower middle income and Micro, Small and Medium Enterprises (MSMEs), support from financial institutions is needed. The obstacle faced is that people from these groups find it difficult to get access to funding from financial and banking institutions (Baskara, 2013).

Indonesia has the potential for a strong national economic base because the number of Micro, Small and Medium Enterprises (MSMEs), especially micro enterprises, is very large and the labor absorption capacity is very large. The government and business actors must upgrade the class of micro businesses to medium businesses. This business base has also proven strong in facing the economic crisis. Micro businesses also have fast transaction turnover, use domestic production and are in touch with the community's primary needs. However, in line with the problems faced by the Indonesian people, both in the form of natural disasters and non-natural disasters at this time, namely the Covid-19 pandemic, the impact of which is being felt in all sectors, especially in the Micro, Small and Medium Enterprises (MSME) sector. Apart from that, many workers at the company were affected by Termination of Employment (PHK).

The impact of the Covid-19 pandemic has made the poverty faced by the Indonesian people continue to increase. According to data from the Central Statistics Agency (BPS), the poverty rate of the population in Indonesia in 2021 will be 27.55 million people or around 10.19% (BPS, 2021). This data could continue to increase if the pandemic is not resolved quickly accompanied by economic recovery.

This government program can be implemented by holding job training to improve Human Resources (HR) or by increasing opportunities for Micro, Small and Medium Enterprises (MSMEs). One way to overcome poverty is to increase opportunities for Micro, Small, Medium Enterprises (MSMEs) for the community to open up new business opportunities, so that the availability of job opportunities becomes wider. However, this is considered to be a burden on the community due to the unavailability of capital to open a business. If they have to borrow from a bank, people also feel burdened by high interest rates and hand over collateral in the form of land certificates or vehicle BPKB guarantees if they have them. Especially if you have to deal with loan sharks / loan sharks / mobile banks (Banke) which makes poor people worse off because not only the business results have to be deposited but the business capital is also taken to the loan sharks to pay the principal and suffocating interest. This can make people entangled in even more serious problems.

Apart from that, economic recovery efforts as an effort to overcome the problem of poverty require programs that lead to community economic empowerment. This empowerment program usually targets people who still lack access to a more decent life. In Indonesia itself, there are social institutions to carry out economic empowerment such as the National Amil Zakat Institute (LAZNAS) and the National Amil Zakat Agency (BAZNAS) and the Indonesian Waqf Board (BWI) which were formed by the government. These institutions carry out their programs, namely collecting funds from the community through Zakat, Infaq, Alms and Waqf (ZISWA) funds.

Regarding waqf, the potential for waqf in Indonesia is very large, but this potential has not been maximized. This can be seen from the records of the Indonesian Waqf Board (BWI), the cash waqf collected until 2020 only reached IDR 391 billion. Even though the potential for waqf per year reaches IDR 180

trillion. This is caused by the lack of literacy, governance, waqf portfolio, and the ease of waqf waqf. Meanwhile, the latest data from the Indonesian Waqf Board (BWI) as of January 20 2021, the accumulation of cash waqf reached IDR 819.36 billion. Consists of cash waqf amounting to IDR 580.53 billion and cash waqf amounting to IDR 238.83 billion. Meanwhile, the number of cash waqf Nazirs in Indonesia has reached 264 institutions, while the number of LKS-PWU has reached 23 Sharia Banks. Apart from that, the waqf index in 2020 only reached 50.48 and was in the low category. Meanwhile, the number of wakifs or people who offered their property to be donated through the Indonesian Waqf Board (BWI) reached 1,041 people (Direktorat Pemberdayaan Zakat dan Wakaf, 2021b). On the land waqf asset side, 32,685.28 plots have been certified and only 20,148.13 plots of land have not been certified. Data from the Ministry of Religion states that the amount of waqf land has reached 52,833.42 hectares with the area of waqf assets spread across 395,543 locations (Direktorat Pemberdayaan Zakat dan Wakaf, 2021).

According to Nasution, he assumes that if 10 million people want to collect cash waqf worth Rp. 10,000 to Rp. 100,000 every month, then the minimum funds collected will be 2.5 trillion. In fact, if 20 million people have waqf Rp. 1,000,000 per year, so every year IDR 20 trillion will be collected in waqf funds. Even more fantastic is Saidi's assumption that the potential for cash waqf in Indonesia could reach a third of the wealth of Muslims. The potential calculation is measured from the Prophet Muhammad SAW's recommendation to leave a third of the assets owned in waqf, so the potential is extraordinary (Sutami, 2012). Meanwhile, according to Cholil Nafis, if 20 million Indonesian Muslims were to collect cash waqf worth IDR 100 thousand every month, the funds collected would amount to IDR 24 trillion every year. If 50 million people become waqf, then every year waqf funds of IDR 60 trillion will be collected. If only 1 million Muslims donated Rp. 100,000 per month, they would collect Rp. 100 billion in waqf funds per month (Rp. 1.2 trillion per year) (Nafis, 2009).

Based on the data above, it is proven that waqf can be an important element in Indonesia which has the potential to play various roles in developing various social, economic, educational and cultural activities. On the other hand, the productive waqf empowerment model has also been widely implemented in Indonesia, both in immovable property waqf and movable property waqf.

Waqf funds can also be an important instrument that can help solve the problem of poverty with empowerment programs, of course if they can be managed well and productively. Optimizing Islamic financial sources such as waqf requires a nadzir who is professional and creative so that the management of waqf funds can help the government in alleviating poverty in society and is in accordance with Islamic teachings. If you hear the word waqf, there are still people who think that waqf is only limited to school buildings, land, hospitals and so on, that's why waqf can only be done by people who have excess assets and this is why the waqf funds collected in Indonesia are still small. , the management also does not use modern management. Cash waqf has started to become popular among the public recently, seeing the number of Sharia Microfinance Institutions (LKMS) and also Sharia Banks that have started to socialize cash/money waqf. Cash waqf itself is a waqf made by a person or group of people in the form of cash or money.

There are Microfinance Institutions (LKM) that operate in the sharia area (LKMS) which emerged because of the community's need for microfinance services that are in accordance with the principles of Islamic sharia. In practice, sharia microfinance institutions do not only focus on Islamic legal rules in economic activities, but in substance they must also accommodate the Islamic moral values attached to them. Some of these Islamic values are a caring attitude, sensitivity to conditions of poverty accompanied

by a willingness to share and look for creative ideas in finding solutions to various problems (Bank Indonesia, 2017).

Judging from the enormous potential of waqf, it has not yet shown signs of being an important element in development. This government participation ultimately issued policies and strategies to increase economic growth with community empowerment efforts by developing the potential of cash waqf. This also encourages the development of waqf which undergoes changes. This change was marked by waqf reform from legal, constitutional and institutional aspects through the presence of Law Number 41 of 2004 concerning Waqf and Government Regulation (PP) Number 42 of 2006 as guidance for the implementation of Law Number 41 of 2004 (Nizar, 2020).

Institutionally implementing the Waqf Law Number 41 of 2004, namely the Financial Services Authority (OJK) and the government work together to issue credible financial institutions that can accommodate people in accordance with religious principles. The Financial Services Authority (OJK) continues to encourage the development of Sharia Microfinance Institutions (LKMS), including Micro Waqf Banks (BWM). Micro Waqf Bank (BWM) is one of the Sharia Microfinance Institutions (LKMS) which was initiated directly by President Joko Widodo to the Financial Services Authority (OJK). The aim of establishing the Micro Waqf Bank (BWM) is to build a sharia financial inclusion ecosystem in Islamic boarding school environments that have not previously been exposed to financial products. Micro Waqf Bank (BWM) targets people who have not had formal access to financial services or are unbankable. Apart from that, to eradicate loan sharks who disturb the public with difficult collection methods and debt schemes. The Financial Services Authority (OJK) facilitates the creation of a Micro Waqf Bank (BWM) business model with the Sharia Microfinance Institution (LKMS) platform to bring together parties who have excess funds (donors) to donate to people in need.

The enthusiasm for establishing Micro Waqf Banks (BWM) also encourages the legality of business establishments, thereby involving the role of the Financial Services Authority (OJK) in granting permits for the establishment of Micro Waqf Banks (BWM). The Financial Services Authority (OJK) reported that by the end of 2020 there had been 56 Micro Waqf Banks (BWM) established throughout Indonesia. The cumulative number of beneficiaries was 25,631 customers and the total financing was IDR 33.92 billion or an increase of 179.8 on a calendar year basis. As a non-bank financial institution, Micro Waqf Bank (BWM) also obtains permission and supervision from the Financial Services Authority (OJK). In its operations, the Micro Waqf Bank (BWM) program is a synergy or collaboration between the Financial Services Authority (OJK), donors, the National Amil Zakat Institution (LAZNAS), and local community leaders, leaders of Islamic boarding schools or traditional educational institutions.

Micro Waqf Bank (BWM) donors are all Indonesian citizens, both companies and individuals who have excess funds and have concern and commitment to help empower the community's economy and alleviate poverty. The funds received by the Sharia Microfinance Institution (LKMS) will not all be channeled into financing, some will be placed in the form of deposits at Sharia Commercial Banks (BUS) where the proceeds will be used as daily operational costs for the Micro Waqf Bank (BWM). supporting activities (operational).

Micro Waqf Bank (BWM) business activities are carried out according to sharia principles, so that loan funds distributed to customer groups are not burdened with interest. Financing through the Micro Waqf Bank (BWM) applies a collateral-free financing scheme with a maximum value of IDR 3,000,000 and a profit sharing margin equivalent to 3% per year. The size of the loan distributed starts from IDR 1,000,000,-

with a weekly installment payment system for 52 weeks or one year. However, if the customer makes an application and is deemed worthy then they are entitled to receive capital of IDR 3,000,000.

In the initial process, the community must take part in the selection of prospective customers through Compulsory Group Training (PWK) for five consecutive days with material on discipline, teamwork, solidarity and courage to try. Then a group was formed with the name Halaqoh Mingguan (HALMI) consisting of 3-5 groups, each group consisting of five people. Then this group is educated every week about solidarity, commitment to business, and togetherness. At the first meeting of this group, financing will be disbursed. Next, a Weekly Halaqoh meeting (HALMI) was held with weekly installment payment activities, delivery of material for example business development and household economics.

This Micro Waqf Bank (BWM) was established in several selected Islamic boarding schools with a focus on empowering the community around the Islamic boarding school by providing financing coupled with business assistance. One of the goals of the Islamic boarding school as a place to establish a Micro Waqf Bank (BWM) is to improve the community's economy. A problem that often occurs today is that Small and Medium Enterprises (SMEs) have difficulty getting access to capital, when small business actors apply for financing at banks, they definitely ask for guarantees or collateral. This is the reason the Micro Waqf Bank (BWM) was established in Islamic boarding schools because the financing scheme offered is collateral-free financing and focuses on community empowerment. Apart from that, during financing at the Micro Waqf Bank (BWM), entrepreneurship training and mentoring are also provided as well as financing patterns that are formed in groups.

Islamic boarding schools throughout their history have not only focused on teaching religion and teaching books, but Islamic boarding schools also play a role in the community's economy with all its adaptations, one of the ways is by becoming a center for the economic development of the people. Islamic boarding schools have a crucial role in driving an economy that uses the Islamic economic system. There is a need for outreach and education to the public, especially Islamic boarding school students, to know about the importance of economics in accordance with the teachings of the Islamic religion. This happens because the majority of Indonesian Muslim communities still only use Islamic boarding schools as a place or missionary institution for Islamic religious education.

Judging from the potential of Islamic boarding schools and their high integrity among the majority of Indonesian society, Islamic boarding schools can be a community-based economic development strategy through the empowerment they carry out, where in terms of quality and quantity Islamic boarding schools have a quite good role. In terms of quantity, currently the number of Islamic boarding schools spread across Indonesia from Sabang to Merauke is quite large, even reaching remote areas, while in terms of quality, Islamic boarding school students and kyai have advantages in the field of understanding the theory of Islamic economic concepts. The Micro Waqf Bank (BWM) program is a means for Islamic boarding schools to optimize their role in economic da'wah by providing business assistance to small communities around Islamic boarding schools. The scheme in the Micro Waqf Bank (BWM) is designed according to the needs and capabilities of small communities, not to grow to become large to compete with other formal financial institutions.

As The government's policies and strategies for alleviating poverty are through waqf reform from legal, constitutional and institutional aspects through the presence of Law Number 41 of 2004 concerning Waqf and Government Regulation (PP) Number 42 of 2006 as guidelines for the implementation of Law Number 41 of 2004. In implementing Law Number 41 of 2004 concerning Waqf and Government Regulation (PP) Number 42 of 2006 and Law Number 1 of 2013 concerning Microfinance Institutions

(LKM), the government is encouraging the legality of business establishments and involving the role of the Financial Services Authority (OJK) in granting operational permits for Micro Waqf Banks (BWM) and supervision through Sharia Financial Services Authority (PJOK) Regulation Number 61/POJK.05/2015.

Based on observations made by researchers at the Cirebon Micro Waqf Bank (BWM), namely at the KHAS Kempek Micro Waqf Bank (BWM) at the KHAS Kempek Islamic Boarding School and the Buntet Islamic Boarding School Micro Waqf Bank (BWM) at the Buntet Islamic Boarding School that have not yet shown progress in empowering the community's economy. . This is based on poverty data from the Central Statistics Agency in the Cirebon Regency area that the poverty level of the Cirebon Regency population in 2020 was 11.24% or 247.94 thousand people. The poverty data continues to increase in percentage from previous years, namely in 2019 it was 9.94% or 217.64 thousand people and in 2018 it was 10.70% or 234.40 thousand people.

Apart from that, one of the other important reasons researchers chose to research at the KHAS Kempek Micro Waqf Bank (BWM) and the Buntet Pesantren Micro Waqf Bank (BWM) is that the Micro Waqf Bank (BWM) was one of the first batches to be inaugurated in Islamic boarding schools throughout Indonesia and has been running for almost three years and having hundreds of customers who provide financing. Therefore, researchers want to see an overview of one of the objectives of this Micro Waqf Bank (BWM) being established in Islamic boarding schools (Improving the economy of the community around the Islamic boarding school environment).

The existence of the Micro Waqf Bank (BWM) is expected to be able to provide goodness and avoid evil (Maslahah Murlah) for everyone in the context of economic empowerment in the Islamic boarding school environment in Cirebon. The development of Micro Waqf Banks (BWM) needs to be improved of course with better management in order to safeguard the community's trust funds. Based on these background considerations, the researcher took the title, namely policies and strategies for entrepreneurial development through Micro Waqf Banks (BWM) and their implications for community economic empowerment in the Cirebon Islamic Boarding School environment.

Method

This research is a type of empirical juridical research, or what is called field research, namely examining applicable legal provisions and what happens in reality in society (Arikunto, 2006). Empirical juridical research is legal research regarding the enactment or implementation of normative legal provisions in action on every specific legal event that occurs in society (Muhammad, 2004) or in other words, it is research conducted on the actual situation or real conditions that occur in society with The intention is to know and discover the facts and data needed, after the required data is collected then it leads to problem identification which ultimately leads to problem solving (Waluyo, 2002). Apart from that, this research is equipped with a normative juridical approach, namely an approach carried out based on the study of main legal materials or by examining theories of concepts, principles, laws and regulations (Amiruddin & Asikin, 2012).

Sutanto Leo in (Arifudin, 2023) explains that quantitative research is research that is based on collecting and analyzing data in the form of numbers (numerics) to explain, predict and control phenomena of interest. Meanwhile, according to (Arifudin, 2024) quantitative research emphasizes analysis on numerical data processed using statistical methods. With quantitative methods, the significance of the relationship between variables will be obtained.

Data collection techniques are the most strategic step in research, because the main aim of research is to obtain data (Rohimah, 2024). Without knowing data collection techniques, researchers will not get data that meets the specified data standards. The techniques used in this research are interviews, documentation and questionnaires.

The interview technique in this research is a structured interview, namely interviews conducted using various standard guidelines that have been established, questions are arranged according to information needs and each question is needed to reveal any empirical data (Arifudin, 2022).

Documentation is a data collection technique through existing documents or written notes (Haris, 2023). Documentation comes from the word document, which means written items. In implementing the documentation method, researchers investigate written objects, such as books, magazines, meeting minutes and diaries. According to Moleong in (Arifudin, 2020) the documentation method is a way of collecting information or data through examining archives and documents.

Sugiyono was quoted as saying (Damayanti, 2020) that a questionnaire is a data collection technique that is carried out by giving respondents a set of questions or written statements to answer. In this research, the author used a questionnaire to seek data directly from members taken as samples.

Muhadjir in (Fitria, 2020) states that data analysis is the activity of conducting, searching and organizing records of findings systematically through observation and interviews so that the researcher focuses on the research being studied. After that, make a discovery material for others, edit, classify, and present it. Data analysis in this research is divided into two levels. First, data quality testing and the second stage, doing hypothesis testing.

Results and Discussion

Implications of Micro Waqf Banks (BWM) for Community Economic Empowerment in the Cirebon Islamic Boarding School Environment.

Micro Waqf Bank has its own characteristics that make this institution a role model for empowering productive poor communities. BWM is not permitted to collect and manage funds, either savings or deposits from the public (non deposit taking), providing assistance with financing in accordance with sharia principles with the main market segment of the poor with potential to be productive around Islamic boarding schools. The distribution of financing to Sharia Microfinance Institutions uses a group approach with a joint responsibility system. Prospective customers will receive basic training first before being provided with financing. Customers will be given regular assistance regarding business development, household economic management along with religious education. The contract used in financing is qardh, the financing yield is equivalent to a margin of 2.5% to 3% per year. Meanwhile, financing is provided without collateral (Deti, 2017).

The financing model implemented by BWM is a group-based model of empowering productive poor communities. Even though the financing is received by each customer for business development, each group member is responsible for paying installments to the group. With a pattern of joint responsibility or what is known as kafalah in Islamic economics, each member of the group is mutually responsible for the payment of financing installments. If one person experiences difficulty in paying the financing installments, the other group members are responsible for paying the problematic member's installments. This model was implemented by Muhammad Yunus with a social entrepreneurship pattern at Grameen Bank in 1983 in Bangladesh (Nurhayati, 2016).

Sharia microfinance is one component of the Islamic financial system that offers various financial services that can be reached by lower middle class people who are outside the formal Islamic financial system such as Islamic banks, especially those who do not have the collateral required by Islamic financial institutions (Smolo dan Abdul, 2021). Sharia microfinance services include savings/deposit products, loans or financing, and insurance (Arie Fianto dkk, 2023).

Several studies have tried to combine the Islamic banking service model with microfinance, including Dhumale and Sapcanin in (Fasa, 2020) where they consider the three main Islamic banking instruments such as mudharabah, musyarakah, and murabahah which are used as tools for designing successful microfinance programs. Likewise, (Shahinpoor, 2023), he stated the same thing that sharia microfinance institutions can adopt the Islamic banking model. He also proposed that sharia microfinance institutions could be established by private banks or private organizations. Meanwhile (Akhtar, 1997) proposed a musyarakah contract that could be used for cooperation patterns.

According to Smolo and Ismail, the contracts offered by Islamic banking are not only limited to mudharabah and murabahah, but other contracts are available such as ijarah, ijarah wa iqtina, qard al-hasan, bay al-salam, bay al-istisna, and musharakah mutanaqisah (Smolo dan Abdul, 2021). These contracts can be provided by sharia microfinance institutions as an effort to provide convenience and needs for the community.

The character of microfinance can be easily adapted to a particular cultural environment. This is because this form of microfinance is a very flexible tool that can be adapted to any environment, based on local needs and economic and financial situations, including specific cultures, such as Muslim-majority countries that follow Islamic law. In addition, the similarities in the principles of both make it easier for microfinance to expand in these countries (Ahmad dan Rafique., 2009).

LKMS and community empowerment are two things that provide mutual benefits, including for the MSME sector. Apart from that, both parties also benefit from the state's ideology of democracy and national resilience in the face of the financial crisis. With empowerment in the real sector, economic production and distribution will increase and can be enjoyed evenly and realistically. Therefore, financial institutions are needed that are easily accessible to small businesses. This is where the role of sharia microfinance institutions is needed, namely collecting funds from the community in the form of savings, then channeling them in the form of financing or capital.

Sharia microfinance institutions in carrying out their business activities implement a profit sharing system. This system requires that customers who apply for financing must have a real business, because profit sharing financing is possible if the borrower needs capital for a business. From the business that is developed, profits are generated, and the profits from the business are shared according to the agreement (contract) that has been mutually agreed upon. The contracts that can be applied to profit sharing-based financing are mudharabah and musyarakah contracts. These two contracts can only be applied to productive financing. If there are customers who apply for financing for consumer needs, the financing is carried out through a murabahah scheme (sale and purchase agreement) and can also be done using a qardh al-hasan contract or a pure non-profit sharing loan, where the return is only the principal debt (Rahman & Rahim., 2007).

BWM Buntet Pesantren and KHAS Kempek exist as intermediary or channeling institutions that connect parties who have excess funds with MSEs in need, especially women. BWM Buntet Pesantren and KHAS Kempek themselves all have women, because women contribute a lot to business development. In

the small business sector, many women set aside their free time taking care of the household by opening productive businesses. In fact, this household business can open up work opportunities for other women.

The beneficiaries or customers of BWM Buntet Pesantren are small traders who want to continue to improve their economy by being given capital which must first go through various stages to avoid financing risks. With the initial capital provided by BWM, customers can only take advantage of businesses on a small scale, such as warteg or ketoprak businesses, fried rice, breakfast snacks and other small businesses. BWM believes that with small capital but intended for the lower classes, it can be used productively, resulting in increased income and welfare for the community. Restrictions on small-scale financing will also affect the repayment of installment costs incurred. Thus, the characteristics of BWM's easy and easy installments and the absence of collateral increasingly make BWM customers learn the importance of commitment and discipline with the joint responsibility system model.

Empowering micro and small businesses is one of the goals of establishing BWM, especially MSEs around Islamic boarding schools. According to Wizna Gania Balqis et al, the existence of BWM is a concrete form of the OJK to fight loan sharks and to be able to empower the community, especially in Islamic boarding school environments, through productive financing (Wizna dan Sartono., 2019). The aim of community empowerment is so that people have the ability and independence to avoid poverty, backwardness, inequality and helplessness (Ibrahim, 2016). By empowering MSEs around Islamic boarding schools, it is hoped that they can increase income, eliminate economic disparities, and increase business scale through distributed financing.

BWM Buntet Pesantren as an institution established by the OJK has the task and function of empowering the community around the Islamic boarding school through financing. The initial stage of empowering BWM Buntet Pesantren customers is with the formation and activities of groups starting with a survey of prospective customers for feasibility testing, to find out the basic characteristics and individual characteristics of prospective customers. Before becoming customers, they are formed into a core group called KUMPI (Indonesian Productive Micro Enterprises Association) consisting of a minimum of 5 people to take part in Compulsory Group Training (PWK) for 5 consecutive days. The next stage, after participating in PWK, a group will be formed with the name weekly halaqoh (HALMI) consisting of 3-5 KUMPI. HALMI's first meeting will be to disburse financing. Then a week later HALMI at its second meeting was filled with religious education, business development and household economic management as well as starting to pay off installments.

The HALMI BWM Buntet Islamic Boarding School meeting schedule is held from Monday to Thursday, while Friday is used for practical steps to anticipate action in the event of bad credit or to fulfill urgent operational activities. The BWM financing repayment system applies a system of joint responsibility and repayment of payments every week at HALMI with a pick-up and drop-off system, where the supervisor comes to HALMI and leads the running of HALMI. Currently, the BWM Pesantren Buntet supervisor or supervisor consists of two people, Mr. Aem supervises 9 HALMI with a total of 29 KUMPI with a total number of customers of 115 people, while Mr. Aan, who is one of the students who is involved as a BWM manager, supervises 10 HALMI and 36 KUMPI with a total of 170 customers. Thus, the total number of customers financed by BWM Pesantren Buntet is 285 people.

Micro Waqf Banks have an important role in empowering the community's economy. Empowering BWM by providing financing and guidance to the community can give them the ability to continue their business, cover capital deficiencies, control their business, and provide assistance with difficulties they face (Amini dkk, 2019). Hafiz Zahid Mahmood also said that financing provided from sharia microfinance

institutions can significantly increase monthly income, expenditure on food, education and health, and increase household assets (Abbas dkk, 2017). The design of Islamic microfinance in providing capital financing is very suitable in overcoming the practices of loan sharks (Sabirin dan Sukimin., 2017). Moreover, one of the aims of establishing BWM is to reduce and eliminate the practice of loan sharks in the community, especially those around Islamic boarding schools. Apart from financing, the community is also given guidance to see how far the business they are running is developing. The guidance provided is in the form of mandatory group training assistance (PWK) for 5 consecutive days and weekly meetings that discuss religious education as well as business development and household economic management called HALMI (Weekly Halaqah). Because the coaching carried out by BWM is the key to the sustainability of the BWM business model (Disemadi dan Roisah., 2019).

The financing and coaching carried out by BWM is a distinctive and unique feature in empowering the community's economy. Usually the focus of financial institutions is only on collecting and financing customers. Meanwhile, empowerment is carried out by other institutions that have synergy with financial institutions. However, BWM only provides financing and focuses on empowerment. The BWM community empowerment model can include three things, namely education, *tepo seliro* (Nurhayati dan Nurjamil., 2019), and honesty and discipline. This empowerment model has been implemented by BWM Ranah Indah Darussalam with empowerment in the form of business capital financing using the *al-Qard contract* by prioritizing education (*tawheed*, discipline, *tepo seliro*) and mentoring (business development and management) (Nurhayati dan Nurjamil., 2019).

In general, the empowerment process carried out by BWM still finds many challenges from both administrators and customers. From the management side, the perceived challenges include a shortage of human resources or supervisors and the implementation of certification for supervisors. Meanwhile, from the customer side, the challenges found were the lack of customer understanding of religious knowledge, making it difficult for supervisors to explain one by one and even having to explain from the basics again, customers' lack of discipline in following BWM regulations including in coaching, difficulties when having to pay installments to Islamic boarding schools if they do not have vehicles, and difficulty in free time when having to attend weekly coaching (Amini dkk, 2019). This challenge is a problem for BWM from both internal and external sides. Once the problems faced are known, it will be easier to formulate strategies that BWM must implement in empowering its customers' micro and small businesses, especially BWM Buntet Pesantren. The internal and external analysis study of BWM Buntet Pesantren was processed using SWOT analysis (Strength, Weakness, Opportunity, Threats).

Sharia Economic Perspective Regarding Micro Waqf Banks (BWM) on Community Economic Empowerment in the Cirebon Islamic Boarding School Environment.

Financial institutions are business entities whose assets generally take the form of financial assets or bills. Financial institutions function as financial intermediary institutions between deficit units and surplus units. Another function is to offer a wide range of financial services in the modern economy to serve people's transaction needs.

Maulidia Amri was quoted as saying (Tanjung, 2020) explaining that Microfinance Institutions (LKM) are institutions specifically established to provide business development and community empowerment services, either through loans or financing in micro-scale businesses to members and the community, managing savings and providing consulting services. business development that is not solely seeking profit.

According to the Asian Development Bank (ADB), MFIs (micro finance) are institutions that provide deposits, credit (loans), payments for various types of service transactions (payment services) as well as money transfers intended for the poor and small entrepreneurs. Meanwhile, MFIs can take the form of: formal institutions such as village banks and cooperatives, semi-formal institutions such as non-governmental organizations and informal sources such as money lenders (Amalia, 2009).

In sharia financial institutions, business activities are carried out based on sharia principles. Sharia financial institutions have basic principles such as the prohibition of applying interest on all forms of transactions, carrying out business and trade based on fairness and halal profits, issuing zakat on every transaction, prohibiting running monopolies, and inviting the public through unlawful business and trade activities contrary to Islam (Priyadi, 2018).

Sharia microfinance institutions are institutions protected by law that have great potential in empowering poor communities. This is because in the conception of Sharia MFIs according to the MFI Law and OJK Regulations they can provide access to capital with variations of sharia contracts for their customers.

Loans in the form of micro credit are one effective effort to overcome poverty. This is based on the fact that among poor people, there are actually different classifications between them, which include: first, the very poor (the extreme poor), namely those who have no income and no production activities. Second, people who are categorized as poor but have economic activities (economically active working poor). Third, low-income people, namely those who have income, even if it is not much. The approach taken to overcome poverty in each classification is certainly different. For this reason, appropriate policies are needed to overcome this.

This is in accordance with the objectives of Islamic law itself (Maqashid al-Syariah) including: religion (deen), soul (nafs), intellectuals (ʿaql), family and descendants (nash), and property (mal). These five things are basic human needs, namely needs that absolutely must be met so that humans can live happily in this world and in the afterlife. If one of the needs above is not met or is met unbalancedly, happiness in life will also not be achieved perfectly. According to as-Syatibi, these benefits are not differentiated between the benefits of the world and the hereafter, because if these two benefits aim to maintain the five sharia objectives above, they are said to be *maslahah*.

In the study of Islamic legal theory (*usûl al-fiqh*), *maslahah* is identified with various names (attributes), namely principles (principle, *al-asl*, *al-qâ'idah*, *al-mabda'*) (Al-Wahhâb, 1972), source or legal proposition (source, *al-masdar*, *al-dalîl*) (Al-Rahmân, 1983), doctrine (doctrine, *al-dâbit*) (Baderin, 2003), concept (concept, *al-fikrah*) (Opwis, 2005), method (method, *al-tarîqah*) (Kamali, 2006), and theory (theory, *al-nazariyyah*) (Hissân, 1971).

The Micro Waqf Bank is very beneficial for the community economy in the environment around the Cirebon Islamic boarding school, both Buntet Islamic Boarding School and KHAS Kempek. It can be seen that community economic empowerment requires massive and structured action through consistent financial institutions so that there is an increase in welfare for the surrounding environment.

Conclusion

The government and society have a very significant role in creating prosperity through community empowerment based on existing government policies. The policy of the presence of a Micro Waqf Bank (BWM) as part of the sharia Micro Financial Institutions (LKM) which plays a role in economic development has the aim, namely, BWM as a forum for increasing access to micro-scale funding for the

community and MSMEs, BWM encourages increasing economic empowerment and community productivity and MSMEs and BMW help increase income, empowerment and welfare of communities and MSMEs.

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