The Effect of Murabahah Financing for Civil Servants on Jambi Syariah Bank Income

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ABSTRACT

This research aims to develop micro, small and medium enterprises (MSMEs) at Bank Syariah Mandiri Jambi Area. Even with this strategy alone, Bank Syari'ah Mandiri Jambi Area has played an active role in the development of MSMEs in Jambi City by helping the growth and development of MSME businesses. Previously BSM focused on providing business capital only. However, currently, BSM Area Jambi has played an active role in providing business assistance, such as encouraging business permits for businesses that do not yet have official permits from the government. Factors that support BSM’s contribution in financing MSMEs in Jambi City are religious adherents supporting MSMEs in choosing BSM financing and government policy in the form of KUR as a relief financing for MSMEs. Meanwhile, the obstacles from the customer side are difficulties in assessing feasible and bankable MSMEs that meet bank requirements, limited access to information for MSMEs regarding existing financing facilities causing low public interest in BSM financing facilities and difficulties in fostering MSME management such as financial separation between personal and business finances.

INTRODUCTION

One of the functions of banks is to distribute funds to people who need funds. The public's need for funds will be more easily provided by the bank if the people who need funds can fulfill all the requirements given by the bank. Channeling funds is a very important activity for banks (Ismail, 2013). Because the bank will earn income from the funds distributed. This income can be in the form of interest income for conventional banks, and profit sharing or others for Islamic banks. Income obtained from the activity of distributing funds to customers is the largest income in every bank, so distributing funds to the public is very important for banks.

One type of bank in Indonesia that distributes funds to the public is a sharia bank. The types of financing distributed include mudharabah financing. Mudharabah financing, financing under a sale and purchase agreement, is a financing agreement agreed between the Sharia Bank and the customer, where the Sharia Bank provides funds for an investment and/or purchase of capital goods and the business of its members, then the payment process is carried out in installments. The amount of obligations that must be paid by the borrower is the sum of the price of capital goods and the agreed mark-up (Muhammad, 2006).
One way to improve the economy of Muslim businesses is that banks distribute financing. According to Rifaat Ahmad & Abdul Karim, quoted by Antonio, financing is one of the main tasks of banks, namely providing facilities to provide funds to meet the needs of parties who are in deficit units (Muhammad Syafi'i Antonio, 2011). In sharia banking, the term credit is not known, because sharia banks have different schemes from conventional banks in distributing funds to those in need. Sharia banks distribute funds to customers in the form of financing. The nature of financing is not debt, but is an investment provided by the bank to customers in conducting business (Ismail, 2011).

Sharia banks are more accommodating in providing financing for Micro, Small and Medium Enterprises (MSMEs) (Rizqi Fithriah Cantika, 2015). With a concept like this, it provides opportunities for MSME businesses to develop their businesses based on the partnership principle as promoted by sharia banking (Muslimin Kara, 2013). So far, the steps taken by Sharia Bank have provided enthusiasm and encouragement for the realization and awakening of the spirit of the Indonesian people from the middle to lower classes who want to try to participate in efforts to create a nation's economy that is forward-oriented and has a clear future that is in line with the hopes of the small community, in general, especially MSMEs (Rizqi Fithriah Cantika, 2015).

MSMEs are businesses consisting of various types, each of which is related to the process of exploiting ideas or intellectual property into high economic value that can create prosperity and employment opportunities (Rizqi Fithriah Cantika, 2015). MSMEs have quite broad implications if their existence can be maximized. Not only will it be able to absorb more labor than large industries, but it will also be a tool for alleviating poverty. Even though the volume of turnover of goods and services and rupiah in large industries is higher than in MSMEs, in reality there is injustice in the profit sharing process because of course the owners of large industries will have a larger share when they experience profits, whereas when they experience losses it will result in a reduction in the workforce. Meanwhile, the MSME industry is able to more independently carry out its business activities both when experiencing profits and losses. In such a situation, assistance from other parties is really needed in the form of finance from banks, in addition to management and technology aspects to build strong MSMEs.

It is also hoped that Islamic banking will be able to be more deeply involved in participating in the scheme of providing financing to MSMEs through various products according to the contract and entering directly into the real sector (Achmad Rifa'i, 2017). Ideally, Islamic banks as financial institutions should support the real sector such as MSMEs, especially through sharia financing. Moreover, it has a positive correlation with the growth of MSMEs. The number of MSMEs is a very potential market for sharia banking institutions to become cooperation partners. Because apart from the serious obstacle most often faced by MSMEs is capital, on the other hand, joint ventures (partnership cooperation) are the relationships most needed by MSMEs to develop their business and existence. It is in this context that the existence of sharia banking with a profit sharing-based partnership system should find relevance with a significant number of MSMEs, especially in the blue print for the development of sharia banking, one of the functions of the existence of sharia banking is to help the development of MSMEs, both at the level nationally and at the local level (Eko Kurniasih Pratiwi & Nasitotul Jannah, 2014).

Mudharabah is a type of financing and sharia banking that lends capital to other parties (mudharib), such as MSMEs so that they can develop, and profits are shared by two parties according to the agreement, while losses are borne by the owner of the capital. The government's aim in establishing Islamic banks is not only to provide non-usury banking alternatives for the community, but also to develop the real sector. This is in line with the...
explanation regarding sharia banks which are financial institutions whose function is to facilitate mechanisms in the real sector through their business activities, in this case mudharabah financing based on sharia principles (Achmad Rifa'i, 2017).

This condition is also experienced by MSMEs in Jambi City. It is hoped that through financing provided by sharia banks with different characteristics from credit/loans from conventional banks, MSMEs in Jambi City will be able to meet these capital needs. The following is the development of MSMEs in Jambi City (Jambi City Cooperatives and UMKM Service, 2018):

<table>
<thead>
<tr>
<th>Tahun</th>
<th>Jumlah (Rp.)</th>
<th>Persentase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10.274</td>
<td>2.4%</td>
</tr>
<tr>
<td>2013</td>
<td>10.556</td>
<td>2.7%</td>
</tr>
<tr>
<td>2014</td>
<td>10.868</td>
<td>2.9%</td>
</tr>
<tr>
<td>2015</td>
<td>11.221</td>
<td>3.1%</td>
</tr>
<tr>
<td>2016</td>
<td>11.641</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

From the table above it can be seen that MSMEs experienced development from 2012-2016 and the percentage always increased from 2012 to 2016. Many sharia companies provide financing to MSMEs, one of which is Bank Syariah Mandiri (BSM). BSM, as a sharia bank that has been around for a long time in Jambi, has had a commitment from the start to help these small businesses through the distribution of financing. Based on the presentation of existing data, facts and phenomena, the author is interested in further researching the participation of sharia banking in improving MSMEs through sharia financing.

METHOD

In this research, researcher using a qualitative approach. A qualitative approach is research and understanding process based on a methodology that investigates social phenomena and human problems. In order to achieve maximum results, methodologically this research uses a qualitative approach with the aim of gaining an understanding of the contribution of BSM Area Jambi in the development of MSMEs, to then obtain a more relevant concept. The research subjects are key informants or key providers of information. That’s why in qualitative research there must be a research subject, because what is being researched will be an object, either animate or inanimate, in the methodology chapter the researcher is obliged to explain who or what is the research subject in his or her thesis so that it is easier for people to draw conclusions without having to read or ask directly. writer (Suharsimi Arikunto, 2011).

FINDINGS AND DISCUSSION

1. Contribution of BSM Area Jambi in the Development of MSMEs in Jambi City

BSM’s contribution in helping the development of MSMEs, especially small businesses in Jambi City is:

a) Distribute Financing

BSM Area Jambi’s efforts in developing small businesses in our community in terms of providing assistance, BSM Area Jambi focuses its priority on providing financing that is not based on generosity or compassion, because it will cause dependence on other parties. Sharia banking is obliged to distribute financing to Muslims in order to help the economic development of Muslims. BSM Area Jambi has become an alternative source of financing for customers by providing financing capital, by monitoring every development of financing customer activities including conducting visits to them who provide early warning if there is a decline in the quality of financing which is thought to pose a risk for the bank. Interview with Andrialdi, Area Micro Banking Manager BSM Jambi Area that: “Sharia banking has been an
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alternative financing for the people of Jambi, including Muslims in Jambi (Andrialdi, 2018)"
Every year there is an increase in the total distribution of funds in 2017 of IDR. 19,425,000,000.00 to various levels of MSMEs in Jambi City. Then an interview with Irman, a BSM Jambi Area customer/MSME player in the photocopy sector whose address is Jl. Arif Rahman Hakim Telanaipura Jambi City that: "Sharia banking has so far carried out business development for me in the photocopy sector, namely adding business equipment and employees (Irman, 2018)."

As a sharia bank that really cares about small business development, Bank Syariah Mandiri (BSM) has a variety of products to help MSMEs. One of them is BSM micro financing. As information from Andrialdi, Area Micro Banking Manager BSM Jambi Area, said: "Micro financing is our program aimed at helping MSME entrepreneurs, especially in providing guarantees that suit the needs of micro businesses (Andrialdi, 2018)."

Interview with Rini, Jambi Area BSM customer/grocery small business actor located at Jl. Captain Pattimura, Alam Barajo District, Jambi City said that: "For me, BSM Area Jambi has really helped my business in the home industry sector, and with the capital distributed, I can develop existing business networks and improve the quality of small business products. "For collateral, I only fulfill it with a house certificate (Rini, 2018)." The contribution of BSM Area Jambi as an alternative source of financing is very large. This community economic empowerment has been carried out by most financing institutions, especially financing institutions such as BSM Area Jambi. Interview with Andrialdi, Area Micro Banking Manager BSM Jambi Area said that: "Currently we have several superior business fields such as workshops, market traders, grocery stores, basic food and restaurant trade, health/paramedics, etc. (Andrialdi, 2018)."

Apart from financing, Mandiri Syariah also regularly provides training and business assistance to improve the competence of small businesses. According to Rini, a customer: I feel very helped by the support from Mandiri Syariah such as business visits. As my business developed, I started to need capital support. Last year I got to know BSM because of its sharia system, fast and satisfying process. From then until now I am comfortable with BSM. I am a Micro customer in the home industry business sector (Rini, 2018).

Then in an interview with Irman, one of the Jambi Area BSM customers, he said: "The Jambi Area BSM always gives positive suggestions for developing my business, such as don't use existing business capital for consumptive needs (Irman, 2018)." In running a business, capital is the initial capital and can even be said to be a determinant for small businesses in choosing the type of business and running the business they have chosen. The amount of capital required by small businesses varies depending on the type of business. The larger and more complex the business, the greater the capital required.

b) Low Small Business Financing Ratio

Several problems faced by the community small business sector include lack of capital, sloppy management and ratio levels that are not favorable to small entrepreneurs, making it impossible for small businesses to take out loans because collateral is also required in the terms of bank financing loans.

Interview with Andrialdi, Area Micro Banking Manager BSM Jambi Area that: "Sharia banking has been helped by micro financing with a low ratio of 18% and really helps small businesses (Andrialdi, 2018)." Based on the results of the interview above, it can be understood that the BSM Area Jambi already has micro financing with a ratio of only 18%.

c) Encouraging Orderly Business Licensing

Building Micro, Small and Medium Enterprises is a concrete manifestation of people-based economic development. In the Indonesian economic order, the people's economy is the largest group of economic actors and has been proven to be the safeguard of the national
The current small business development paradigm is more focused on efforts to create independence, participation, innovation and creativity of small business actors, in this case the government functions as a motivator and facilitator whose aim is to achieve independence, maturity and maturity of small businesses in the face of increasingly complex business competition.

The contribution of BSM Area Jambi as a facilitator in the field of management measures the extent to which BSM Area Jambi provides technical assistance in the field of management such as processing business permits, managing financing, managing human resources, training in using IT, making business management better and helping create business plans.

The results of research with Wati, one of the BSM customers//small restaurant business actors located at Jl. Soemantri Brojonegoro, Jambi City, stated that: BSM Area Jambi already encourages customers to help with processing business permits (Wati, 2018). If you look at the hopes of small businesses for community economic empowerment, small businesses hope that BSM Area Jambi can help with processing business permits as well. The processing of business permits in question is the processing of business permits in the context of development, for example BPOM permits and halal certificates for food.

According to Andrialdi, BSM Jambi Area Micro Banking Manager said that: "The bank in its provisions does not require the processing of a business permit, only that we encourage customers to be able to process the business permit and provide information on the processing mechanism so that it is effective (Andrialdi, 2018)."

Based on the interview above, it can be seen that BSM Area Jambi already encourages customers to help with processing business permits. If you look at the hopes of small businesses for community economic empowerment, small businesses hope that BSM Area Jambi can help with processing business permits as well.

d) Helping with Marketing for Products

The contribution of BSM Area Jambi to small businesses as a facilitator in marketing aspects is a role that is considered important by small businesses. The extensive BSM Area Jambi network and the large variety of customers enable BSM Area Jambi to become a facilitator in the marketing aspect. According to Andrialdi, Area Micro Banking Manager BSM Jambi Area, "For customers who have a business and are successful with their business and also borrow from BSM, we help with marketing through banners, customer meeting invitations and so on which can market the customer’s business (Andrialdi, 2018 )."

The participation of small businesses in the exhibition is also a form of BSM Area Jambi’s contribution as a facilitator for marketing aspects. Small businesses are often included in exhibitions, although there are also those that are never included. Often small businesses are happy to be included in exhibitions, but not very often because of the hassle and lack of employees. However, based on research results, one small business actor hopes to be frequently included in exhibitions. This is because exhibitions can be used as a means of introducing businesses and products to consumers. Apart from that, the income earned at exhibitions is sometimes greater. Apart from participating in exhibitions, BSM Area Jambi can also be a facilitator in providing business premises. This is possible by using CSR funds from BSM Area Jambi or collaboration between BSM Area Jambi and market or kiosk managers.

2. Supporting and Inhibiting Factors for the Contribution of BSM Area Jambi in the Development of MSMEs in Jambi City

Supporting and inhibiting factors for BSM’s contribution in financing MSMEs, especially small businesses in Jambi City are:
a. Supporting factors

Religious factor. Religion (belief or religiosity) influences customers' interest in making transactions. Belief/religiosity has a positive influence on customers' interest in making transactions as explained by one BSM customer who said that: Islamic belief or understanding really influences my interest in applying for small business financing at BSM at this time. Understanding religious principles and the halalness of services and products is the main trigger for making transactions for me. I believe that good and halal products and services will bring blessings and good benefits. Being free from ribawi elements will also affect my interest in transactions, because ribawi elements are prohibited by Islam.

Based on the interview above, it can be seen that religion (belief/religiosity) influences customers' choices in financing small businesses in Jambi City. Government factors. The supporting factor for BSM’s contribution in financing small businesses in Jambi City is the financing policy for the community. Financing with a low ratio makes it easier for small business entrepreneurs to obtain financing without the hassle of providing collateral. Small business entrepreneurs only need to provide collateral worth 30% of the amount of financing provided by BSM. If a small business entrepreneur needs capital of IDR 100 million, he only needs to prepare collateral with a transaction value of IDR 30 million. The rest will be guaranteed by the government. In addition, BSM KUR financing is in line with sharia. This is very necessary for business people who want to implement sharia in all their transactions.

According to Andrialdi, BSM Jambi Area Micro Banking Manager, "One type of financing provided by BSM is micro financing with a financing limit of up to IDR 500 million. This financing can be used for working capital or investment needs. The term for working capital financing is up to 3 years while for investment it is up to 5 years. "For small business entrepreneurs who have limited collateral, micro financing is the right solution (Adrialdi, 2018)."

What is more interesting about the BSMS policy in its efforts to provide financial assistance to small communities is that the management of financial assistance itself must be carried out openly and professionally with the principle of, by and for members. And also in implementing the program, try to utilize groups that already exist in the community as a means of distributing financial assistance.

b. Obstacle factor

Customer Character Factors. The implementation of the risk control process must be used by banks to manage certain risks, especially those that can endanger the continuity of the Bank's business. Risk control can be carried out by banks, including by means of hedging, and other risk mitigation methods such as issuing guarantees, securitization of assets and credit derivatives, as well as increasing bank capital to absorb potential losses. According to Andrialdi, Area Micro Banking Manager of BSM Jambi Area, the factors that are aspects of assessing the feasibility of financing in the Jambi Area BSM are: "The factor that influences BSM's contribution in financing small businesses in Jambi City is the level of loan repayment in the form of installments which is sometimes not smooth, although the percentage has been small since 2010-2017 (Andrialdi, 2018)."

Still in an interview with Andrialdi, Area Micro Banking Manager BSM Jambi Area that: "Customers who are late in paying their obligations according to the predetermined schedule, then the bank, based on the agreement that was made before the contract, charges and the customer agrees to pay a fine (ta'dzir) for the late payment. Funds from fines received by the bank will be allocated as social funds or for the benefit of the
people, in this case it goes to qardhul hasan which contains hardware, software, data base, parameters, process stages, assumptions used, data sources, and output produced so as to facilitate built-in controls and the implementation of audit trails (Andrialdi, 2018).

The customer does not carry out the obligation to pay/repay obligations at the agreed time in accordance with the due date or installment schedule specified in the Promissory Note that the customer has submitted to the bank. Interview with Andrialdi, Area Micro Banking Manager BSM Jambi Area that: "Where the character factor is a priority among the various factors, if the first aspect is not fulfilled then the other factors are not taken into account. The collateral factor is also a factor that greatly influences the approval of financing, considering that in the BSM Jambi area, murabahah financing is more dominant. In determining the financing value, the value of the collateral is a determining factor, namely that the financing value is determined based on the value of the collateral owned by the customer. "So far, the NPF or customers who are in arrears each month are small and can still be tolerated (Andrialdi, 2018)."

Dealing with customers who do not have good intentions in completing their obligations. Problems are often encountered where customers do not have good intentions in completing their obligations. This results in communication between the customer and the bank being broken or not being maintained well. If you cannot be contacted by telephone or can be contacted but this daily warning is not followed up in good faith by the customer, the bank will visit the customer's residence to remind you of the outstanding obligations and find a way out so that the customer can return the obligations that have fallen. tempo.

If this is not followed up by the customer in good faith, the bank will provide a warning letter whose aim is to remind the customer to immediately settle the arrears that are due. Where this warning letter is addressed to customers who are in arrears accompanied by a copy to the KPKNL (State Property and Auction Services Office). This warning letter will be issued a maximum of three times, but if the customer still does not respond, then the action taken by BSM Area Jambi is to submit a summons through the District Court.

The issuance of this summons is intended for customers who truly do not have good faith in fulfilling their obligations. A summons is a warning letter regarding an order delivered by a judge to a customer to immediately fulfill his obligations which he has not yet fulfilled. Subpoenas are quite effective in bluffing customers in murabahah financing, so that they are willing to continue resolving the problem through restructuring.

CONCLUSION

Based on the presentation of the research results above, it can be concluded as follows:

1. The contribution of BSM Area Jambi in financing MSMEs in Jambi City continues to increase every year, there are always innovations from BSM to help the growth and development of MSME businesses. Previously BSM focused on providing business capital only. However, currently, BSM Area Jambi has played an active role in providing business assistance such as arranging business permits for businesses that do not yet have official permits from the government, assisting with promotions and providing consultations regarding business development and facilitating the existence of business premises and providing financial management training.

2. Factors that support BSM’s contribution in financing MSMEs in Jambi City are religious adherents supporting MSMEs in choosing BSM financing and government policy in the form of KUR as a relief financing for MSMEs. Meanwhile, the obstacles from the
customer side are difficulties in assessing feasible and bankable MSMEs that meet bank requirements, limited access to information for MSMEs regarding existing financing facilities causing low public interest in BSM financing facilities and difficulties in fostering MSME management such as financial separation between personal and business finances.

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