



INNOVATION OF SHARIA FINANCIAL AND BANKING PRODUCTS IN MSME DEVELOPMENT

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Abstract As a primary goal, the abstract should render the general significance and conceptual advance of the work clearly accessible to a broad readership. In the abstract, minimize the use of abbreviations and do not cite references. The word length is not more than 250 words, written in English. The innovation of financial products at the KHAS Kempek Micro Waqf Bank, Cirebon Regency is one of several sharia MFIs for community empowerment programs through the establishment of Sharia MFIs around Islamic boarding schools, which in its establishment were facilitated by the Financial Services Authority (OJK) and the Small Business Business Incubation Center (PINBUK). This study aims to find out how to optimize the utilization of existing Islamic products in Micro Waqf Banks for Financial Innovation and Islamic Banking in MSME Development. Method study using a qualitative approach by design descriptive analytical. Source of data used is primary data sources from data obtained by observing and interviewing directly from the source, namely the Micro Waqf Bank KHAS Kempek Cirebon Regency as well as collecting documentation from books, articles, journals, internet and various other sources which are then processed and analyzed with stages of analysis that include data reduction, data display and verification and conclusion. Results from study shows that Islamic Finance and Banking Innovation of Micro Waqf Bank Kempek Cirebon Regency for Economic Empowerment of Micro Business Actors (MSMEs) around the Pesantren Environment is operating with sharia principles that are committed to tackling problems of poverty and inequality by providing access to capital for the productive poor or to micro business actors around Islamic boarding schools to improve their standard of living and help them with loans that are unsecured or collateralized and most importantly with a very low margin of 3% per year, by maximizing cash waqf funds in providing loans capital, coaching and evaluation. It was concluded that the Micro Waqf Bank KHAS Kempek Cirebon Regency had succeeded in empowering the economy of micro business actors around the Islamic boarding school with sharia principles.

Keywords: Financial Innovation, Sharia Products, Empowerment, MSMEs

Introduction

Islamic financial institutions or banking have an important role in building the economy of small and medium communities, especially the collaboration of financial

institutions with sharia principles that are already effective and also more resistant to Apit Farid (in Jaih Mubarok, 2015) during the monetary crisis, so that in time they will be able to answer some of the problems. those who doubt the optimal empowerment of small and medium-sized economies (Mardani, 2011: 12)

Islamic microfinance institutions are believed to be an alternative to be able to provide and empower the economy of small and medium-sized communities (Usaha & Kecil, 2015) . Because Islamic banks have not been able to directly touch the small community due to the bureaucracy and existing regulations, this problem can be overcome by partnering or registering as a member of a sharia microfinance institution to be able to borrow in financing or capital for business development with installments that are not too burdensome. to customers because they use sharia contract principles which are more transparent in their agreement and are not discriminatory in determining policies because they are based on sharia principles.

The presence of Micro Waqf Banks is believed to increase financial inclusion. The community, especially micro, small and medium enterprises (MSMEs) will easily get capital. President Joko Widodo said, Micro Waqf Banks can solve problems that cannot be solved by banks, because when small business actors want to borrow from a bank, they must have collateral and piles of administration before they can go to the bank (Lavinda, 2018)

Unsecured financing with a maximum value of IDR 3 million and a profitsharing margin equal to three percent. In addition, training and mentoring are provided as well as a pattern of per group financing. The institution is not allowed to take deposits from the public because it has a focus on financing accompanied by business assistance. This institution is also the best status as a sharia microfinance institution that is licensed and supervised by the OJK. Chairman of the OJK Board of Commissioners, Wimboh Santoso, said Micro Waqf Banks were spread across various regions, such as in Cirebon, Bandung, Ciamis, Serang, Lebak, Purwokerto, Cilacap, Kudus, Klaten, Yogyakarta, Suabaya, Jombang, and Kediri (Lavinda, 2018) .

Likewise, the Islamic Micro Finance Institution (LKMS) of the Micro Waqf Bank (BWM) Kiyai Haji Aqiel Siradj (KHAS) Kempek Cirebon Regency, by making all efforts and efforts to be able to provide business capital without collateral in empowering the economy of micro and small communities To empower the economy The community in optimizing micro, small and medium enterprises is positively welcomed by various institutions and individuals, both banking and non-bank in their efforts to provide business capital to develop micro, small and medium enterprises without burdening customers and based on sharia principles. Based on the above phenomenon, the authors consider it necessary to examine this issue with a research focus on Islamic Banking and Financial Innovation in Empowering MSMEs for Micro and Medium Enterprises Around Islamic Boarding Schools.

Method

Data on study this using qualitative data. Data qualitative is data that is not shaped number or a certain nominal but more often in the form of sentence statement, description, or description containing score (*values*). Sources of data that will be the basis of guidance in this study in order to obtain concrete and relevant data. There are two sources of data used in the implementation of this research, namely, primary data sources and secondary data sources.

Primary data sources are data sources that are used as sources of research information by taking data from the original source (no through intermediaries) directly through interviews, observations, and documentation to qualified resource persons in this research. The primary sources are managers, employees, heads of Islamic boarding schools, customers and the person in charge of the KHAS Kempek Micro Waqf Bank, Cirebon Regency.

In data collection on basic is an investigative process, that is, our could make definition phenomenon social by gradually and strategic with aim get data as ingredient accurate research. Data collection can be held in various way, various source and various *settings*. In study qualitative, data collection is carried out on *natural setting* (condition natural), primary data sources and technique more data collection many on observation play a role as well as interview deep , and documentation (Sugiyono, 2016).

In use method observation researcher observe by systematic to the object to be examined, intentionally and planned no only accidental by spontaneity, detailed description and contextual on implementation research. Study will held directly on the object of research Institution Finance Micro Sharia (LKMS) Bank Waqf Kempek 's Special Micro Cirebon Regency that plays a role as institution financial product provider micro sharia in empowerment economy perpetrator effort micro all around boarding school (Prof. DR. Hj. Sedarmayanti, M. Pd. & Drs. Syarifuddin Hidayat, 2011).

On basic Interview could grouped into the kind that is Interview structured and Interview no structured, will but the interview process in study qualitative on generally conducted with method no structured, because researcher no knowing by appropriate about what is real want target (Sedarmayanti & Syarifuddin Hidayat, 2011) . With thereby destination interview conducted for look for information as much as possible into the information and held informally.

Referring to on explanation technique data collection with method interview above here researcher will To do semi structured interview as tool excavation information containing ask answer with question by general no structured and character open To use bring up opinion and view from waqf bank manager Kempek 's Special Micro Cirebon Regency, administrator and customers around boarding school.

Documentation is wrong one method used for collect data on study qualitative about things or a variable in the form of notes , transcripts , books , letters news , magazines, inscriptions and related etc with something object (Sedarmayanti & Syarifuddin Hidayat, 2011) . Method this researcher Use for look for and obtain data

from source related research with activities for the use of sharia products for empowerment perpetrator effort micro around Kempek special boarding school Cirebon Regency.

Data analysis can be carried out before the researcher goes down to the object of research, as long as the researcher carries out research on the object of research, up to reporting the results of the study. Data analysis begins when the researcher has determined the research focus and arrives at the completion of the research report.

Data analysis is searching for and systematically compiling data obtained from interviews, field notes, documentation and other data materials, but before that it must be followed by *data processing*. So that it is easy to understand and the findings can be informed to others with full responsibility for all the data that is available and presented. Relevant data will be used as a reference in the discussion.

The technique used in this study is an inductive data analysis technique, namely a mindset based on the existence of specific facts that are studied and ultimately raise general problems. Then after carrying out data collection and obtaining data that is relevant to the existing problems, after that the authors solve problems of a general nature through the formulation of the problem, then seek an understanding of solving the problem formulation of the problem.

In qualitative research, the data analysis technique that has been collected is then analyzed descriptively qualitatively, meaning that the analysis is carried out by examining the data, organizing the data to find meanings that are in accordance with what is systematically studied (Sedarmayanti, & Syarifuddin Hidayat, 2011:166).

Results and Discussion

A. Results

Establishment of a sharia microfinance institution, Bank Waqf Mikro (BWM) from the establishment of a legal entity as a service cooperative by the Ministry of Small and Medium Enterprises (Kemenkop UKM) on October 10, 2017 as evidenced by the Decree of the Minister of Cooperatives and SMEs No. 005665/BH/M.KUKM .2/X/2017 concerning the ratification of the Deed of Establishment of the Sharia Microfinance Institution Cooperative "KHAS Kempek". On October 16, 2017, the Cirebon Financial Services Authority (OJK) Office issued a business license for Sharia Microfinance Institutions as evidenced by the issuance of the Board of Commissioners of the Financial Services Authority Number: KEP-56/KO.0201/2017 concerning the granting of Business Licenses to Sharia Microfinance Institutions KHAS Kempek Micro Waqf Bank, Cirebon Regency.

After obtaining a permit from the Financial Services Authority, a month later the management of the Sharia MFI with the composition of Three Managements assisted by 5 (five) daily activity managers, on November 18, 2017 the Sharia Microfinance Institution started its business activities by holding a *soft launch* with financing disbursement activities to 15 (fifteen) customers who have gone through the stages of forming Community Business Groups around Indonesian Islamic

Boarding Schools (KUMPI) for approximately 2 (Two) working months. To date, as of June 18, 2020, the Islamic Microfinance Institution of the KHAS Kempek Micro Waqf Bank, Cirebon Regency already has 745 (Seven Hundred Forty Five) customers consisting of 114 (One Hundred and Fourteen) KUMPI with a total financing of Rp. 881. 800. 000, - with the pattern of disbursement of financing 2 – 2 – 1 jointly and severally.

1. Institution's Vision and Mission

a. Vision

To become a member-oriented KHAS Kempek Sharia Microfinance Institution as a strong independent business entity as well as a vehicle for business development and entrepreneurship.

b. Mission

To become a business entity based on the active participation of members as a strategy for developing cooperatives, a typical Kempek sharia microfinance institution that is dynamic, comparative and prosperous for members in order to create reliable cadres both as cooperatives and entrepreneurs so that they can build community life in general and special members. his.

c. Source of funds

The source of funds for the KHAS Kempek Micro Waqf Bank was obtained from one of the National Amil Zakat Institutions, Bangun Sejahtera Mitra Masyarakat (LAZNAS BSM) in the form of *cash waqf (cash waqf)*. The Pesantren BWM Program Funds are:

- 1) The program sourced from LAZNAS BSM UMAT is a grant fund that is devoted to the institutional and operational preparation of Sharia MFIs in managing capital for the poor through the Community Business Groups around Indonesian Islamic Boarding Schools (KUMPI) (Heri Sutrisno, 2020).
- 2) The grant funds amounted to 250 million which was intended for the establishment, licensing, mentoring and training of HR for Islamic Microfinance Institutions for Islamic Boarding Schools.
- 3) The grant funds amounting to 4 billion are aimed at capital in carrying out the work operations of Sharia Microfinance Institutions, with details as follows:
 - a) 3 billion endowment funds in the form of Sharia Deposits
 - b) 1 billion is distributed for later in financing to customers which is carried out in stages.
 - c) If there is a deviation or violation in the use of funds received by KUMPI, then it is the responsibility of the group (joint and joint responsibility).
 - d) If a disaster occurs to a member of KUMPI, it is the responsibility of the Sharia Microfinance Institution.

- e) And if the deviation or violation of funds is carried out or occurs in the Islamic Islamic Boarding School, it will be subject to legal sanctions in accordance with the applicable laws and regulations.

2. Organizational structure

The KHAS Kempek micro waqf bank has a management structure in managing the operation of the Sharia Microfinance Institution. In the organizational structure of the LKMS BWM KHAS Kempek, the management structure is determined, most of which are leaders of the Islamic boarding school and some of the students, which aims to be relatively leaner and move well, which consists of 2 supervisors, 2 sharia supervisory boards, 3 people management and 5 managers, which is illustrated in the following chart:

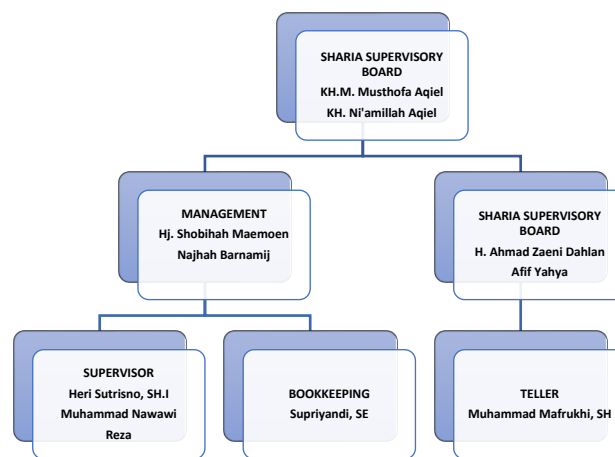


Figure 1

Structure of the Management and Manager of BWM KHAS Kempek

a. Financial Innovation for the Utilization of Sharia Products in Empowering MSMEs

In the midst of difficulty in accessing capital for micro, small and medium entrepreneurs, the Micro Waqf Bank (BWM) was born. The existence of one of the Islamic microfinance institutions is starting to be felt which has a positive effect on small entrepreneurs. The reason is that with a minimum loan of IDR 1 million per customer, the presence of BWM can extend the business breath of micro, small and medium entrepreneurs (Faujjiah, 2012). This can be believed to increase financial inclusion. Especially in the community or micro, small and medium enterprises.

The KHAS Kempek Islamic Boarding School in Cirebon Regency has a desire to be more active in empowering the economic community around the pesantren environment so that they can contribute to alleviating the problem of poverty and inequality in Indonesia, especially in the Cirebon Regency area. With the potential of students in the pesantren environment reaching around 4.2 thousand students, the KHAS Kempek Islamic boarding school in Cirebon Regency itself has promising market potential and human resources, thus making

it more optimal in achieving these goals (Gunawan, 2020) . The KHAS Kempek Islamic Boarding School obtained a permit from the OJK to establish a Sharia Microfinance Institution, a Micro Waqf Bank in an effort to channel funds to micro, small and medium enterprises with the aim of utilizing sharia products at the KHAS Kempek Micro Waqf Bank, Cirebon Regency in optimizing empowerment for micro, small and medium enterprises. environment around the pesantren (Lavinda, 2018) .

KHAS Kempek Micro Waqf Bank, Cirebon Regency, with one of its characteristics as a support for the real sector, with BWM contracts directly related to the real sector, is maximized in order to help the pace of development of micro, small and medium enterprises with a *qard financing scheme* (Sutrisno, 2020a) . Micro Waqf Bank views that the real sector is a priority sector in economic activity because this sector is a sector that is directly related to the welfare of the community, as the purpose of the presence of Islamic banks. The partiality of BWM KHAS Kempek Cirebon Regency to small communities or especially micro, small and medium business actors, is manifested in several programs of providing, financing, and group-based business assistance without interest with low returns (equivalent to 3% per year) and without collateral (LAZNAS BSM , 2017) .

In conducting financing transactions to customers by applying 3% per year and the most important thing is by not applying interest and the absence of collateral in the requirements for every transaction of sharia products available. The financing program implemented can be given to customers using a group scheme pattern with existing provisions starting with the requirements for group members consisting of 15 to 25 people in a large group called HALMI (weekly halaqoh) (Heri Sutrisno, 2020) .

b. Access to Financing for Sharia Products of Micro Waqf Bank KHAS Kempek for Micro and Medium Enterprises

Microfinance institutions in their establishment are specifically to provide development services to micro business actors through loans or financing in the scale of developing micro, small and medium enterprises (MSMEs), by providing some access to capital.

The provision of financial services to the public or micro business actors often requires a variety of strategies to make it easier for prospective customers to understand various types of sharia products in conducting financial intermediation. Therefore, financing for them really needs the capacity of small communities or micro business actors (for example with knowledge, talent, and information technology) before the investment process. The rules governing Microfinance Institutions (MFIs) have been listed in Law Number 1 of 2013 concerning Microfinance Institutions (Financial Services Authority, 2015) . The following is an illustration of a general chart at Microfinance Institutions:



Figure 2
MFI Activity Chart
 Source: (Sutrisno, 2022)

The activities carried out by micro waqf banks themselves are not much different from Microfinance Institutions in general, only in its operation BWM operates with sharia principles which are committed to tackling problems of poverty and inequality by providing access to capital to the productive poor or to the perpetrators. micro businesses around Islamic boarding schools to improve their standard of living and help them with loans that are unsecured or collateralized and most importantly with a very low margin of 3% per year, by maximizing cash waqf funds in providing capital loans, coaching and evaluation (Sutrisno, 2022). The activities are illustrated in the BWM business model as follows:

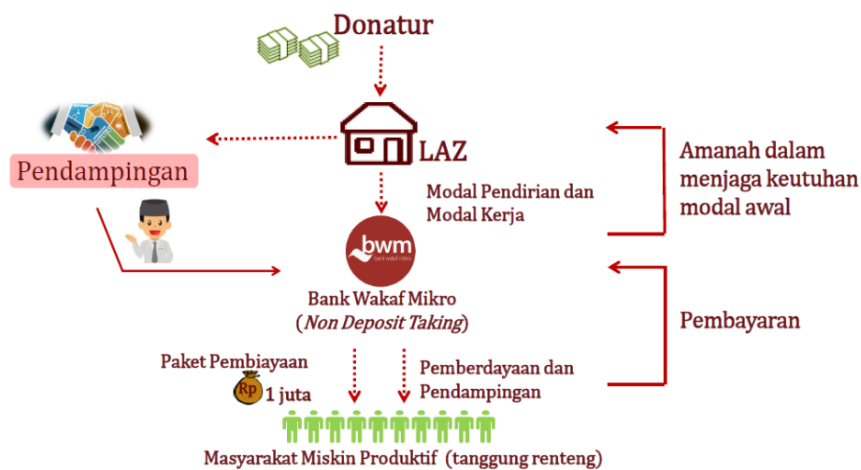


Figure 3
Kempek's KHAS Micro Waqf Bank Scheme in Alleviating Poverty

The process for providing financing to customers. The process of providing financing to customers goes through several stages including:

a. Identification Stage

Customer identification is carried out in collaboration with the village government by asking for data on the productive poor people in the village. That is, the poor must at least have a business even though the business is still small or medium scale. And customer identification can also be done through Rt/Rw, PKK women and payroll women around Islamic boarding schools.

b. Socialization Stage

After obtaining data from the village government, Rt/Rw and related parties mentioned above, then the Micro Waqf Bank conducts socialization to prospective customers regarding the mechanisms and activities in operating capital lending or the utilization of Waqf Micro Bank waqf funds. Then the management socialization also ensures that interested people are then surveyed to potential customers.

c. Survey Stage

This stage is the third stage after socialization which is then carried out by a survey to ensure and determine whether the prospective customer has been included in the survey category. The BWM operator conducts a survey at the homes of prospective customers one by one by asking several things related to the business they have been running so far. As for the eligibility specifications in the assessment, there are 4 criteria that are eligible to join BWM members, namely:

1) Home Index (IR)

IR is carried out to find out the criteria for the prospective customer's house reflecting the socio-economic status of the poor. Judging from the size of the house, which is small, not tiled and the facilities are less than adequate.

2) Income Index (IP)

Based on the categories included in the category of poor families are families with an income of less than Rp. 2,500,000, - (according to local conditions that apply) is a group of poor people.

3) Asset Index (IA)

The Asset Index assessed does not include land owned, but includes household assets, agricultural equipment, livestock, and also liquid assets, such as savings and cash.

4) Land Owners Index

A business capital program that does not own land or owns a plot of land but is not large enough so that the results are not sufficient to meet their needs throughout the year.

d. Group Compulsory Training Stage (Pre PWK)

After the survey stage has been carried out, the next stage of mandatory group training (Pre PWK), in which prospective customers are gathered with one companion each, then the Micro Waqf Bank conveys or introduces the institutions and programs at the Micro Waqf Bank.

e. Group Compulsory Training Stage (PWK)

After the pre-PWK has been carried out and is declared eligible to proceed to the next stage, the prospective customer follows the mandatory group training stage which lasts for five consecutive days. The material presented to prospective customers is related to the institution, rights and obligations of members. And provide an understanding of the benefits of saving, even though the Micro Waqf Bank itself only accepts and focuses on *lending* or channeling funds to the public, not with *funding*.

f. Group training test phase (UPK)

Accompanied by managers and supervisors, this stage is carried out by prospective customers to work on questions that have been provided by the previous manager and are given 30 minutes. And after that, the manager immediately corrected the question by quickly giving a score. In the assessment carried out during the UPK, not only in terms of the results of the answers to questions but also with the categories of discipline and trust.

g. Defrosting Stage

The next step is disbursement. These stages are carried out after the UPK stage and several other stages that have been passed. In this disbursement stage, an internal meeting will then be held directly between the manager and the management to decide whether or not the ACC disbursement is appropriate for prospective customers.

The system carried out in this disbursement is in 3 stages because it uses a 2-2-1 system. The system is implemented with the intention that those who really need the most among the group members themselves are disbursed first, followed by those in front of them and finally the group leader or KUMPI leader who has previously been decided within the group itself.

If the group consists of 15 members, then in the order of disbursement there are 6 people at the back, 6 people after that and the last 3 people sitting in the front and usually the chairman of KUMPI himself.

The initial disbursement of the Micro Waqf Bank provides loans or financing to the customer in the amount of Rp. 1.000.000,- per person and Rp. 25.000,- per week with a period of 40 weeks or 10 months.

h. Weekly Halaqoh Stage (HALMI)

The weekly HALMI or halaqoh meeting is held once a week accompanied by the managers of the Micro Waqf Bank which in each meeting a maximum duration of 1 hour, filled with activities which in this case do not only focus on withdrawing installments but also filled with several studies, starting from the Koran. Asmaul Husna, Sholawat and others as well as

managers provide studies on spiritual education studies related to business or buying and selling that are good and right. So that customers feel helped not only in terms of *finances* but also increase the power of confidence in their spiritual soul. According to one of the halmi heads, her name is Mrs. Hj. Kultsum once told us about the benefits felt by the program from the Micro Waqf Bank. He said " *We feel happy and happy, because with the program from the Micro Waqf Bank, our business can be helped in its development aspect, and not only that, we can also stay in touch and increase knowledge about religious science in particular.*" (Kultum, 2020) .

3. Utilization of Micro Waqf Bank Sharia Products for Empowering Business Actors Around Islamic Boarding Schools

The Islamic microfinance institution is the Micro Waqf Bank, which in this case is a financial institution that only carries out the mandate to channel funds to the public or micro business actors by practicing the principles of sharia financing (Masrukhi, 2020) . In conventional financing, it is more identical to the practice based on rewards in the form of interest, while in Islamic financing here it is based on sharia values which prohibit the elements of *usury, gharar, and Maisyir* .\

In Law Number 21 of 2008 concerning Islamic Banking, a financing based on sharia values, sharia financing is divided into transactions as follows:

1. Profit sharing transactions in the form of *mudharabah* and *musyarakahi*.
2. Lease transaction in the form of *ijarah* or lease purchase in the form of *ijarah vomitiya bittamlik*.
3. Borrowing and borrowing in the form of *qardh receivables*.

Financing or *financing* carried out by Micro Waqf Banks is by using *qardh financing* (Masrukhi, 2020) *Qardh* financing is a pure loan without interest and without collateral (collateral) to the borrower (customer) and in this case the owner of the fund (BWM Syariah LKM) is obligated for the customer to return the principal only to the institution at a certain time.

a. *Qardh* BWM Financing Scheme for Micro Business Actors

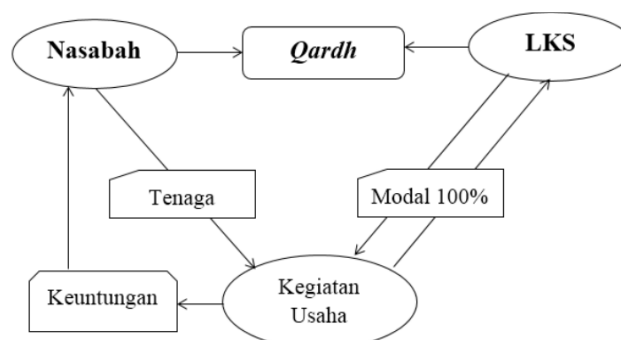


Figure 4

Illustration of *Qardh* Financing Scheme for Micro Waqf Bank KHAS Kempek to Micro Business Actors

qardh financing scheme, after the customer agrees to use the *qardh contract*, the Micro Waqf Bank initially provides loan capital funds to the customer which then the customer will carry out a business activity, in which the customer under his responsibility to the Micro Waqf Bank uses their energy to carry out business activities and from these activities will generate a profit, then for customers the initial capital that has been given from the Micro Waqf Bank, then returned back from the customer to the Islamic microfinance institution of the Micro Waqf Bank (Syari & Nasional, 2001).

KHAS Kempek Micro Waqf Bank in providing financing to customers there is also a financing customer segmentation, where customer financing is divided into two categories, namely customers who are empowered and customers who are not. The scheme applied to empowered customers will use normal financing such as *murabbahah* and *wakalah contracts* with a profit sharing margin equivalent to 3% per year with a ceiling value starting from Rp. 1.000.000, - up to Rp. 3,000,000,-. However, because it is still in the early stages, it is focused on financing customers who are still powerless first in the form of a *qardh contract* which is paid off during HALMI (once a week) which lasts for 40 installments with a nominal value of Rp. 25.000,- per installment. And if in each installment there is a significant development with their business and is active during repayment or HALMI, then they will be given the opportunity to apply for refinancing with a nominal value of Rp. 1.000.000, - up to a maximum of Rp. 3,000,000, - (Masrukhi, 2020). This was also confirmed by Mrs. Kultsum, one of the heads of KUMPI who has a batik business.

Efforts to encourage the achievement of the Micro Waqf Bank's goal to empower the poor in the pesantren environment, from initially helpless customers to productive customers, of course this cannot be separated from the role of the Kempek KHAS Micro Waqf Bank in the form of human resources and financial resources. But if it refers only to the funding resources still obtained from LAZNAS BSM Ummat, then human resources are the most important thing and play a very important role in the sustainability of the program.

The efforts of the KHAS Kempek Micro Waqf Bank are continuously providing financing as well as accompanied by training and business assistance for customers, thus making the condition of the community around the Islamic boarding school or Micro Waqf Bank has the potential to further develop. Efforts of the KHAS Kempek Micro Waqf Bank create economic conditions for the community to be more developed with efforts to empower the community's economy, so that there is cooperation between customers and the Kempek KHAS Micro Waqf Bank. Among these collaborations are cooperation in terms of marketing and supply of raw materials. This was reinforced by Mafrukhi, one of the managers of the KHAS Kempek Micro Waqf Bank, he said,

“Of the hundreds of cumulative customers who are still active, *alhamdulillah*, there are some that we motivate and we invite to cooperate with our fellow customers, and they are suitable and *thank God* it worked. For example, a customer who sells yellow rice cooperates with a basic food shop” (Masrukhi, 2020) .

And a customer of the KHAS Kempek Micro Waqf Bank, Kultsum gave a presentation indicating the availability of easy and uncomplicated access to financing and being able to stay in touch and increase knowledge about religion, saying,

"With the loan of business capital (funding) from the KHAS Kempek Micro Waqf Bank for business development, the benefits are very much felt, because the application process is easier, mas, there is no collateral, no interest and can stay in touch with fellow SMEs and gain knowledge about religion" (Kulthum, 2020)

The existence of the KHAS Kempek Micro Waqf Bank in an effort to create conditions that are able to protect the economic interests of the community by empowering the community's economy. Empowerment of KHAS Kempek Micro Waqf Bank is summarized in the following table:

Table 1
Community Economic Empowerment by Micro Waqf Bank KHAS Kempek
Cirebon Regency

Variable	Indication	Information
Increased potential community economy	Start more effort	Already realized
	growing real sector, good trade, livestock, production, and services	and need upgraded
	performed by BWM customers	
	SPECIAL of Kempek.	
Availability of facilities and easy infrastructure accessible to the public	A. There is a BWM SPECIAL of Kempek who do the financing and assistance to the community.	Already realized
		and need upgraded
poor productive in boarding school environment	B. Opening of cooperation network between fellow customers	
protected economic interest	A. Less moneylenders	Already realized
	B. Changing trends to bank credit	and need upgraded
Public		

Source: *Researcher Modification, 2022.*

4. Analysis of Financing Utilization Run by Micro Waqf Banks for MSME Empowerment.

Based on interviews obtained from customers of the KHAS Kempek Micro Waqf Bank, the financing carried out by the Kempek KHAS Micro Waqf Bank is currently partly right on target. Siti, a customer of the KHAS Kempek Micro Waqf Bank said, "I think the financing carried out by the KHAS Kempek Micro Waqf Bank is right on target because those who get financing are those who really have a business and those who really have a great will to entrepreneurship" (Siti, 2020)

This is a point of view that becomes a review for Micro Waqf Banks in optimizing the use of available financing at KHAS Kempek Micro Waqf Banks that cannot be ignored and there must be development and development in empowering small communities by utilizing sharia products in Micro Waqf Banks. SPECIAL of this Kempek. Thus, in accordance with the condition of the community, the KHAS Kempek Micro Waqf Bank used the *qardh contract* for its financing model, and it was successfully implemented.

The financing carried out by the KHAS Kempek Micro Waqf Bank is intended to finance new micro-business activities and also finance the development of existing micro-enterprises with a *qardh contract* which is set for 10 months or 40 installments. The stipulation is intended to maintain the security of cooperation and measure the level of success in financing. Najhah Barnamij, manager of the KHAS Kempek Micro Waqf Bank, said that the financing that has been carried out must be controlled every time so that it can be analyzed to what extent the results of the financing that have been implemented.

Conclusion

The Islamic Banking and Finance Innovation carried out by BWM KHAS Kempek Cirebon Regency on the understanding that their customers understand the use of sharia products has supported efforts to empower the community's economy, namely the creation of conditions that are able to protect the economic interests of the community. The condition created by BWM KHAS Kempek Cirebon Regency in an effort to empower the community's economy is the establishment of cooperation between customers and BWM KHAS Kempek Cirebon Regency in the form of financing and assistance or cooperation between customers and fellow customers.

In terms of the benefits of financing, some customers think that the financing innovations carried out by BWM KHAS Kempek Cirebon Regency have been useful so far. Statements of customers who consider that the financing carried out by BWM KHAS Kempek Cirebon Regency has brought average benefits because they consider that their business has become more developed after the financing. In addition, they consider that access to capital is easier and less complicated and is not subject to a profit sharing ratio

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