

The Role of BMT Al-Istiqamah Sharia Cooperative in Improving Micro-Economy

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Abstract

This study examines BMT (Baitul Mal WaTamwil) Al-Istiqamah in improving micro-economy in Enrekang. The purpose of this study was to determine the strategic role of BMT Al-Istiqamah in improving micro-economy. This type of research is qualitative with a managerial approach and Islamic economics; the research paradigm is direct involvement and intense interaction with informants; data sources are empirical data obtained in the field through the Founding Board, Manager, Members and BMT Al-Istiqamah customers' and Enrekang district government as primary sources, as well as the documents and books relating to research as secondary data. The result of this study indicated that BMT Al-Istiqamah took part in improving micro-economy in Enrekang. The role played by BMT Al-Istiqamah was the role of empowering human resources and an entrepreneurial spirit, the role of improving the welfare of the micro economy, and the role of alienating people from usury practices. The result of this study also indicated that the factors supporting the success of BMT Al-Istiqamah. The internal support to the microeconomics were strategic location, commitment of the board of directors, management and members, and high participation of members' savings, while the external support were the high demand of micro entrepreneurs to BMT al-Istiqamah, the ease of getting venture capital assistance felt by micro businesses, and government support.

Keywords: Sharia Cooperative, BMT Al-Istiqamah, Improving of microeconomcs

1. Introduction

The teachings of Islam, which are derived from the Qur'an and the hadiths conveyed to mankind, cover all life, both the relationship between creatures and His God as well as the relationship between humans and others and the natural surroundings. The main characteristic of Islamic ideology is that it does not cause conflict and does not separate spiritual and material life, including all elements of life, both individually and socially. Such characters will form the correct patterns in life. Islamic economics (Buchari, 2009; Nasution, 2010) is inherently a logical consequence of the perfection of Islam.

The existence of the sharia economy is actually aimed at the welfare of society in a just and balanced manner, because on this basis the parties involved in the economic process will not oppress or exploit each other (Amalia, 2009), and to protect individual rights in society and are expected to increase general welfare as the main goal of Islam (Antonio, 2000). Moral values are a fundamental part of economic activity.

Islamic teachings place justice as a legal and social concept. Islamic social justice is humanitarian justice which covers all aspects of human life, including economic justice. Absolute justice according to Islamic teachings does not require equal income for all members of society, but according to their nature as human beings with different talents and abilities (Wakaf, 2006).

Observing this phenomenon, economic inequality occurs in various fields, namely individual to individual, group to group, sector to sector, region to region, and country to country. This phenomenon will further disturb the sense of economic injustice for the poor in general (Wakaf, 2006).

When examined further, it turns out that the increase in the number of people below the poverty line is not due to the problem of natural wealth that is not proportional to the population, but the problem of unequal distribution, lack of human resources, and a low sense of solidarity among members of the community. The poverty circle that is formed in society is more of a structural poverty, so that efforts to overcome it must be done through realistic efforts such as job creation, interest-free capital and supervision of micro-businesses that are not too burdensome for the community.

In Islamic doctrine, it is explained that the most substantial thing about the building of an Islamic economy is related to its objective to implement the values of justice and balance the allocation of potential resources for society (Amalia, 2009). This has been summarized in a number of institutions that can be used to distribute a portion of one's assets and for social interests or the benefit of the people and can be produced. One such institution is BMT (*Baitul Mal Wa Tamwil*).

From the other side, BMT in carrying out economic activities and interacting with the community, there are many aspects that need to be considered before taking action. One of them is that BMT must pay attention to the culture and potential of the community in order to be able to assist the community well, as has been done by BMT which still exists today .

BMT Al-Istiqamah Sharia Cooperative is a microfinance institution that was founded in 2002 in Enrekang. BMT has contributed a lot to the development of the micro business sector in Enrekang. From the development of BMTs, researchers are interested in further researching how the role of BMTs in improving micro-enterprises in Enrekang.

2. Research Methodology

This research is a qualitative research using the approach (Nata, 2004) of Islamic Economics and Managerial Islamic Economic Approach. This approach is used to help researchers know and understand the role played by BMT Al-Istiqamah in increasing welfare that is free from the practice of usury, so that the micro economy can develop. While the Managerial Approach. This approach is used to assist researchers in knowing and understanding the strengths, weaknesses, opportunities and challenges of BMT Al-Istiqamah to increase financing in the micro business sector.

Source of data used in the study is the data namely primary empirical data obtained through observations and interviews on the field are sourced from informants and data that have been obtained in BMT Al-Istiqamah consisting of managers from the manager, government and customers BMT Al- Istiqamah , and secondary data in the form of documentaries sourced from books, research results, journals, magazines, print media, and other documents related to this research obtained by searching archives from various libraries.

This research was conducted for two months from 20 October 2019 to 20 December 2019. The location of this research was carried out in two different places. First, it was held at the BMT Al-Istiqamah office which is located at Jalan Industri No.12 Enrekang. The second is held at Enrekang Central Market on market days, namely Monday and Thursday because generally members and customers of the Al-Istiqamah BMT are active in the Enrekang central market.

The instruments used in the study were as follows; Observations have been made to find out and explore all activities carried out by BMT Al-Istiqamah in carrying out its role as a micro-economy driver in the region twice, namely at the BMT Al-Istiqamah office on 23 October 2019 and micro business actors fostered by BMT Al-Istiqamah at the Enrekang central market on 30 October 2019. Guidelines interview, interview has been conducted to find out and explore deeper into all activities carried out by BMT Al-Istiqamah. In this study, researchers conducted seven structured and unstructured interviews, namely the managerial parties, the government, and customers or users of

BMT Al-Istiqamah services. The first interview was held on 23 October 2019; second on 30 October 2019; third on 24 November 2019; fourth on 5 December 2019; fifth December 12, 2019; sixth on 20 December 2019; and seventh on December 23, 2019, and Table T_{abel} and G_{amber}, all the data that has been obtained through observation and interviews have documented in the form of el tabs and images.

3. Results and Discussion

3.1. The Role of BMT Al-Istiqamah in Increasing Micro Economy

Based on the results of observations at the BMT Al-Istiqamah office and the Enrekang Central market and interviews with administrators and micro-entrepreneurs in Enrekang district for two months the researcher found three strategic roles played by BMT Al-Istiqamah, namely the role of human resource development and entrepreneurial spirit, the role of enhancing microeconomic welfare, the role of increasing human resources, and the role of keeping people away from the practice of usury. The three roles, the researchers describe as follows:

a) Human Resource Development and Entrepreneurial Spirit

One of the strategic roles played by BMT Al-Istiqamah is the development of human resources and an entrepreneurial spirit. One of the activities carried out are budding entrepreneurs gather there in the central market Enrekang then conducted training of small and medium enterprise development. In addition, BMT Al-Istiqamah also provided business assistance for one year through continuous supervision and guidance as well as motivation to all members and customers in particular.

b) Improve the welfare of micro businesses

The existence of BMT Al-Istiqamah in Enrekang district has brought positive energy to the development of microeconomics in Enrekang, especially for small and medium entrepreneurs in the Enrekang central market. Based on the results of observations and interviews with micro-business sellers in the Enrekang central market, researchers found that the number of requests for additional business capital for BMT Al-Istiqamah customers has always increased in the last five years. The increase in demand for additional capital and types of micro business can be seen in tables 4.3 and 4.4.

Table 4.3
Development of Total Value of Business Capital Demand for Micro Business Actors

No.	Customer's Name	Type of business	Request (%)					amount
			2015	2016	2017	2018	2019	
1	Amirah	Rice	6 million	6 million	10 million	15 millions	20 million	57 million
2	Muh. Ridwan	Chicken food	-	-	4 million	6 million	7 million	17 million
3	Haeruddin	Drug	2 million	2 million	4 million	5 million	6 million	19 million
4	Hj. Tati	Tailor	2 million	2 million	4 million	5 million	6 million	19 million
5	Amran	Mix	4 million	3 million	4 million	5 million	6 million	22 million
6	Aswil	Watches	2 million	2 million	4 million	5 million	6 million	19 million
7	Rasna	Chicken noodle	3 million	3 million	4 million	5 million	6 million	21 million
8	Ahmad	Shoe Tailors	2 million	2 million	2 million	3 million	4 million	13 million
9	Nasir	Oil	3 million	3 million	3 million	4 million	5 million	18 million
10	Sarma	Food	2 million	2 million	3 million	3 million	5 million	15 millions
Total			26 million	25 million	42 million	56 million	71 Million	220 Million

Source: *BMT Al-Istiqamah Enrekang Office for the period 2015-2019*

Based on the data in table 4.3 mentioned above, it is known that the total demand for requests in the year 20015 reached Rp. 26,000,000, - (twenty six million rupiah). In 2016 the total demand only reached IDR 25,000,000 (twenty five million rupiah), decreased by IDR 1,000,000 (one million rupiah) from the previous year. In 2017, the total demand reached Rp. 42,000,000 (forty two million rupiah), experiencing an increase of Rp. 17,000,000, - (seventeen million rupiah). In 2018 the total demand reached Rp. 56,000,000 (fifty six million rupiah) and continued to

increase by Rp. 14,000,000, - (fourteen million rupiah). And in 2019 the total demand reached Rp. 71,000,000, - (seventy one million rupiah) continued to increase by Rp. 15,000,000.0- (fifteen million rupiah). One of the reasons is the large number of members of the Al-Istiqamah BMT who withdrew their savings on the grounds that they had changed assignments and had urgent needs (Tabi, n.d.). Starting from 2017 to 2019 the BMT Al-Istiqamah management carried out internal improvements so as to create a commitment to rise. This is indicated by the increasing number of requests from customers.

Table 4.4
Development of the Number of Micro Business Operators Customers

No.	Type of business	Number of Micro Business Customers				
		2015	2016	2017	2018	2019
1	Rice	1	1	2	2	3
2	Chicken food	1	1	2	2	3
3	Drug	1	1	2	2	2
4	Tailor	1	1	1	2	2
5	Mix	1	1	3	4	4
6	Watches	1	1	1	2	2
7	Chicken noodle	1	1	2	2	3
8	Shoe Tailors	1	1	2	2	3
9	Oil	1	1	1	1	2
10	Food	1	1	2	3	5
Total		10	10	17	22	29

Source: *BMT Al-Istiqamah Office for the period 2015-2019*

Based on the data in table 4.4 above, it is known that in 2015 and 2016 the number of customers was only 10 types of business. In 2017, there were an increase of 7 types of businesses to reach 17 types of businesses. In 2018 the number of business types reached 22 types of businesses or an increase of 5 types of businesses. And in 2019 it has increased so that it has reached 29 types of businesses or has increased as many as 7 types of businesses. Therefore it can be

concluded that During the last 5 years there has been a significant increase in the number of customers from 2015 to 2019. Based on the results of interviews with ten micro business actors, in principle they really hope that BMT Al-Istiqamah can provide additional assistance for greater business capital so that their business turnover can develop quickly.

Table 4.5
Development of Sales Turnover for Micro Business Doing Customers

No.	Type of business	Total Turnover of Micro Business Customers				
		2015	2016	2017	2018	2019
1	Rice Seller	100 million	150 million	200 million	250 million	300 million
2	Chicken Feed Seller	-	-	50 million	60 million	110 Million
3	Drug Seller	52 million	63 Million	76 Million	90 million	104 Million
4	Tailor	75 million	87 million	100 million	113 Million	127 million
5	Mixed Seller	85 million	97 million	110 Million	123 Million	137 Million
6	Watch Seller	65 Million	77 million	90 million	103 million	118 Million
7	Chicken noodle seller	50 million	62 million	75 million	88 Million	100 million
8	Tailor and Shoe Seller	60 million	73 Million	86 Million	100 million	113 Million
9	Oil Seller	80 Million	92 Million	105 million	117 Million	130 Million
10	Food vendor	50 million	62 million	75 million	88 Million	100 million
Total		617 million	763 Million	857 Million	1,132 M	1,339 M

Source: *Interview Results on 24 November 2019*

Based on the data in table 4.5 above, it is known that all BMT Al-Istiqamah customers have experienced an increase in turnover during the last five years. The increase in turnover by micro business actors varies, namely between Rp. 11,000,000 (eleven million

rupiah) to Rp. 15,000,000, - (fifteen million rupiah) for eight types of micro business actors, and an increase between Rp. 20,000,000 (twenty million rupiah) up to Rp 50,000,000, - (fifty million rupiah) as many as two types of business actors. Therefore it can be concluded that during the last 5 years there has been a significant increase in the number of customers from 2015 to 2019.

c) Keep the community of practice *riba*

One of the strategic roles carried out by the BMT Al-Istiqamah Enrekang management is the socialization of sharia economic empowerment. One of its missions is to enlighten the community and micro-entrepreneurs to avoid the practice of usury.

3.2. Supporting and Inhibiting Factors of BMT Al-Istiqamah

BMT Al-Istiqamah was founded in 1995. Within 24 years of being in Enrekang district, it is an achievement to be proud of. Based on the results of interviews with the Management (Tabi, n.d.) and customers of micro business actors (Hamriah, n.d.), it is known that there are two supporting factors that influence BMT Al-Istiqamah, namely internal factors and external factors.

1) Internal factors

Internally, BMT Al-Istiqamah exists in Enrekang district because it is supported by three factors. The three factors are strategic location, commitment of the Founders and Management Board, and the high participation of member savings. Based on the observations of researchers, one of the advantages of BMT Al-Istiqamah is that it is located in the heart of the district of Enrekang. Currently BMT Al-Istiqamah has its office at Jalan Industri No. 26 sub-district Juppandang, Enrekang sub-district, Enrekang district, about 200 meters from Enrekang central market. In addition, the chairman of BMT Al-Istiqamah is also a clothing trader who runs his business in the market. These two things can facilitate communication, supervision and guidance for all members and customers of micro business actors in the market (Nur, n.d.). This strategic location is one of the causes for the development of BMT Al-Istiqamah and improving the micro economy in Enrekang.

Commitment is a powerful force for the continuity of an organization. A strong organization or institution is very much supported by the commitment of its management in building and developing its potential. The great commitment of the Management and Customers of BMT Al-Istiqamah has made this institution still survive to this day.

The high participation of member savings, In 2016 the turnover managed by BMT Al-Istiqamah has decreased significantly. Even though it has decreased, the management continues to carry out evaluations and always invites members and customers to increase the number of deposits. The maximum effort has produced positive results so that in 2017, 2018 and 2019 it continues to increase. This very positive development is believed to continue to increase in line with the high participation of members and customers in building a micro economy in Enrekang district.

2) External factors

Externally BMT Al-Istiqamah exists in Enrekang because it is supported by three factors. These three factors are the high expectations of micro business actors to BMT Al-Istiqamah, the ease of obtaining capital assistance, and government support, namely; a) The high demand for micro-entrepreneurs to BMT Al-Istiqamah. The existence of BMT Al-Istiqamah is an energy and hope for micro entrepreneurs in Enrekang in increasing their business.

The expectation is the availability of sufficient funds according to their business needs; b) The ease of obtaining business capital assistance is felt by micro business actors. One type of service for the BMT Al-Istiqamah management to its members and customers is the ease of obtaining business capital assistance. To get assistance, you don't need to bother queuing and providing several documents as required by other institutions such as banks and non-sharia cooperatives, and c) Local government support. The Annual Member Meeting (RAT) which is routinely held by BMT Al-Istiqamah has received moral support from the local government of Enrekang district. The government support was conveyed by the Enrekang Regency Cooperative and UMKM Office, each BMT Al-Istiqamah administrator submitting their annual report. The regional government hopes that BMT Al-Istiqamah will continue to exist because its existence is sufficient to help micro entrepreneurs in Enrekang and at the same time the Enrekang micro economy has also experienced a significant increase.

3) Inhibiting Factors

Although the existence of BMT Al-Istiqamah received a positive response from micro-entrepreneurs in Enrekang, this does not mean that BMT Al-Istiqamah is free from problems. The inhibiting factors are internal and external, namely; a) Internal factors. Internally, BMT Al-Istiqamah although it still exists in Enrekang, it does not mean that it does not face obstacles. In general, there are three internal factors that become obstacles

to the management of BMT Al-Istiqamah. The four factors are the lack of human resources owned by BMT Al-Istiqamah, lack of financial capital managed by BMT Al-Istiqamah, and technology problems; b) Lack of human resources BMT Al-Istiqamah. Human Resources (HR) is one of the determinants of the success and success of an institution or company. Although BMT Al-Istiqamah has succeeded in increasing micro-business and economy in Enrekang district, HR problems have also become one of the obstacles internally. One of the obstacles experienced by BMT Al-Istiqamah is the lack of financial capital while customer demand is increasing. To fulfill customer requests, the management cooperates with other cooperatives., and c) Technology. One of the characteristics of the 21st century is the rapid advancement of technology in various aspects. People who do not master technology are considered illiterate in the 21st century. One of the serious obstacles faced by the board of BMT Al-Istiqamah is technology.

BMT Al-Istiqamah although it still exists in Enrekang, it does not mean that it does not face obstacles. Externally, one of the obstacles experienced by BMT Al-Istiqamah is the presence of members or customers who are lazy to pay. There are several factors that cause members or customers who are lazy to pay dues or savings, including; busy taking care of the business he manages, lack of purchasing power for the types of goods sold and limited personnel or employees to collect all members and customers. Although the effect is not very significant, if it continues, it will ultimately affect the survival of BMT Al-Istiqamah.

3.2. The Role of BMT Al-Istiqamah in Improving Micro-Economy

1) Human resource development and entrepreneurial spirit

One of the reasons for the success of BMT Al-Istiqamah in improving the micro economy in Enrekang district is that the management of BMT Al-Istiqamah is able to empower their potential in building human resources and the entrepreneurial spirit of their customers. If empowerment is understood as an attempt to get out of or fight against the determinism of the church and monarchy, then the opinion that the cultivation movement began to emerge in the Middle Ages is probably correct. The concept of empowerment began to become a development discourse, when people began to question the meaning of development.

Keraft operational and economic empowerment can not be formulated generically. Efforts to formulate concepts, approaches, and operational forms of

community economic empowerment in a generic manner are indeed important, but what is far more important is a clear shared understanding of the characteristics of the problem of community powerlessness in the economic field. A clear understanding of this is expected to be more productive in formulating concepts, approaches and operational forms of community economic empowerment in accordance with the characteristics of local problems. The following is an example of a specific problem faced by disabled people in the field of access to capital production factors.

Improving the quality of human resources is an integrated effort to develop physical and spiritual potential as a whole, in harmony, and in balance with the development of body and soul. In this case, the family as the first vehicle to improve the quality of human resources has an important role. Improving the quality of human resources is multi-dimensional and cross-sectoral so that its implementation is carried out through various fields of development. In addition, improving the quality of human resources is a dynamic interaction process between economic growth, socio-cultural and political changes, development of science and technology, appreciation and practice of religious teachings and the noble values of national culture, law, and various other development fields.

The human factor, with its potential expertise integrated with science and technology, is the driving force and plays a decisive main role for social, economic, cultural and defense and security development. Development that relies on quality human resources ultimately leads the nation to move to a better and more prosperous standard of life. Such expectations really require a systematic mechanism, as well as supporting institutions, and a more targeted program. Due to the wide dimensions of improving the quality of human resources, a more comprehensive handling is needed.

The process of an entrepreneurship begins with an innovation that is triggered by personal factors and environmental factors. Personal factors that influence are locus of control, education, experience, commitment, vision, courage to take risks and age. While environmental factors are sociology, organization, family, opportunities, role models, competitors, investors and government policies.

A successful entrepreneur is able to generate new ideas to take advantage of opportunities and address the problems at hand, then turn it into a successful venture. Almost always there are events that trigger new ideas / ventures. Perhaps the entrepreneur does not have better career prospects or is a deliberate career choice. Factors that influence a person to enter an entrepreneurial career. Most of them are shaped by personal nature and environment.

An entrepreneur has a higher rank than non-entrepreneur which means that they have a higher desire to control their own destiny. For that to become a successful entrepreneur, the main requirement that must be had is to have an entrepreneurial spirit and character. The spirit and character of entrepreneurship is influenced by skills, abilities or competencies. Competence itself is determined by business knowledge and experience.

As stated above, an entrepreneur is someone who has a certain soul and ability to create and innovate. He is someone who has the ability to create something new and different (the *ability to create the new and different*) or creative and innovative abilities. This creative and innovative ability is in real terms reflected in the ability and willingness to start a business (*start up*), the ability to do something new (*creative*), the willingness and ability to look for opportunities (*opportunities*), the ability and courage to take risks (*risk bearing*). and the ability to develop ideas and gather resources (Suryana, 2003).

According to Suryana, entrepreneurship is a creative and innovative ability that is used as a basis, tips and resources to seek opportunities for success. The essence of entrepreneurship is the ability to create something new and different (create new and different) through creative and innovative thinking. The development of an entrepreneurial spirit to be creative and innovative must be supported by adequate funds and trust from all parties. With the training programs held by BMT Al-Istiqamah, it is hoped that more people will want to become business people because the BMT Al-Istiqamah program provides training to reduce unemployment if customers who have attended the seminar further develop their business and society. who are not yet entrepreneurs in order to have an interest in becoming a businessman.

Business development is very important for society. Business development occurs because of the large opportunities in running a business which can be seen from the increasing level of quality of life of the community. Good business development will further improve community performance.

The population that is increasing every day requires the use of existing human resources. Creating jobs is one way of increasing human resources. Efforts to improve the quality and development of human resources (HR) of micro and small businesses need serious attention in order to improve their economic performance. This performance can be increased if actors of micro-small businesses or small businesses as business owners and managers have the skills and quality of adequate human resources. Improving the quality of skills and human resources can be done simultaneously by creating a conducive

business climate with an emphasis on cultivating an entrepreneurial spirit through a *learning by doing* approach .

2) Increasing the welfare of business actors

Business development is a form of effort for the business so that it can develop even better and reach a point or peak towards success. Business development indicators can be seen from the amount of revenue, profit, sales value, customers, goods sold and business expansion during a certain period of time. Income is income received by someone from a business or activity carried out within a certain period of time which can be in the form of goods or services. The amount of income can be used as an indicator of the success of a business. If the business income increases followed by an increase in profits and the number of customers, it can be said that the business is experiencing development. Other than that,

Improvement of welfare is a condition in which the standard of their minimum physical needs is met, including psychological and social needs, so that the community can feel good and safe and are able to carry out social functions. Through the financing provided, members can develop their business. From a growing business can automatically increase member income. If needs, health needs, social needs, spiritual needs, and investment needs.

If these indicators are met, members can be said to be prosperous. The the business income of the members increases, the welfare of the members will continue to increase. Member welfare indicators are seen from the member's ability to meet daily needs such as basic needs, additional needs, educational

Influence of BMT Financing on the Perceptions of BMT Members on Business Development to overcome the lack of capital for micro and small entrepreneurs is to finance BMT. Financing is carried out in order to improve the development of micro and small businesses. Business development is measured by an indicator of the increase in the amount of income, profit, goods sold, and others during a certain period. BMT financing is expected to be a solution to the capital problems of micro and small business actors and can be a source of additional capital. So that the higher the amount of financing provided, the perception of business development will increase.

Lending affects the development of micro and small businesses. The type of assistance in the form of BMT financing certainly has a significant influence on the development of traditional market businesses. Increased welfare is measured by certain dimensions,

namely the ability to meet basic, additional, and other needs. Meanwhile, business development is measured by income, profit, sales, and others during a certain period. Based on this description, the more the business develops, the income generated will also increase so that the welfare of members will increase.

3) Keeping People Away from Usury Practices

In this modern era, people's needs are increasing but this increase in needs is not accompanied by an increase in income. With this phenomenon, it encourages people to do something to meet their growing needs. The high level of public demand for funds or capital has made people have to deal with financial institutions such as banks.

But on the other hand, small business actors have capital constraints. Small business actors do not get access to financing in the banking world, because access to financing in the banking world is relatively difficult to provide for small business actors. This happens because Islamic banks still require collateral in their financing applications, which is impossible for them to fulfill small business actors. In addition, it is relatively difficult for small business actors to fulfill administrative requirements when making financing such as financial reports and others. Meanwhile, at the same time these small business actors really need financing to achieve their wishes in running their business. Due to the difficulty of access to financing,

The practice of moneylenders like this is strictly prohibited and prohibited in Islamic teachings because this practice contains elements of usury *nasi'ah*. Where is *riba nasi'ah*, usury that arises due to accounts payable. *Nasi'ah* usury contains the nature of extortion against weak economic groups. So that this practice must clearly be eliminated in the community because it will cause difficulties and damage to the community.

The emergence of this BMT financial institution is to provide an alternative to the lower class of society in obtaining financing with a fairly light repayment obligation so that people do not have to borrow from loan sharks anymore. With the role of BMT in providing easy access financing, it is hoped that it can eliminate the practice of moneylenders in the community. However, in reality, small business actors are still in demand by small business actors to this day.

Todaro argues that the welfare of the middle to lower class society or the small community can be represented from the level of life of the community. The level of living of the community is characterized by the elimination of poverty, better health, the

acquisition of higher levels of education, and the level of community productivity (Muhammad, 2009).

4) Supporting and Inhibiting Factors

Many factors influence the increase in microeconomics in a financial institution. One of them is because of a very strategic location. As big and as good as any company owned, if it is located in an area that is not strategic, it will definitely experience unfavorable conditions for the institution or agency.

In addition, the factors k commitment of p ara p engurus to advance BMT Al-Istiqamah a great asset. Most of a company or financial institution suffers a loss, one of the causes is the low commitment of the management to raise the company or institution. This is proven by the existence of BMT Al-Istiqamah in Enrekang district.

Another factor that becomes excess BMT Al-Istiqamah is high participation savings of its members. One of the reasons is that customers believe that the management of BMT Al-Istiqamah is trusted and trustworthy according to its vision and mission as a sharia-based non-bank financial institution.

The high demand for micro business actors to BMT Al-Istiqamah also one measure of the success of BMT Al-Istiqamah in increasing microeconomics in Enrekang district. According to Ali Hasyim, there are three things that influence economic growth, namely high supply, high demand, and non-economic factors (Ibrahim, 2016).

The ease of obtaining business capital at BMT Al-Istiqamah is a special attraction for micro-entrepreneurs among micro-entrepreneurs in the Enrekang central market. To obtain additional business capital assistance, micro-entrepreneurs are not required to comply with the conditions set by the banking sector. Moreover, the existence of BMT Al-Istiqamah district Enrekang got supporting of government. The main task of this assistant is to facilitate the learning process or reflection and become a mediator to strengthen partnerships between micro, small and medium enterprises and large businesses. Apart from that, the exemplary assistant who was given a wage, apparently still required significant training costs. Therefore, to ensure the sustainability of mentoring, it is time to think about the in situ facilitator, not the temporary ex-assistant. Because the empowerment process is not a one or two year process, but a process of decades.

Economic empowerment for weak communities was initially carried out through an individual approach. This individual approach did not provide satisfactory results,

therefore, since the 80s, the approach taken was a group approach. The reason is, capital accumulation is difficult to achieve among the poor, therefore capital accumulation must be carried out together in a group or joint venture.

Efforts to strengthen the people's economy or empower people in the economy do not mean alienating big businessmen or strong economic groups. Because empowerment does not negate others, but *give power to everybody*. Community empowerment in the economic field is mutual strengthening, where the big ones only develop if there are small and medium-sized ones, and the small ones develop if there are big and medium ones. High competitiveness only exists if there is an association between the large and the medium and the small ones. Because only with fair production linkages, efficiency is built. Therefore, through partnerships in the field of capital, partnerships in the production process, partnerships in distribution, each party is empowered.

Mastery of Production Factors Of the many empowerment programs that have been carried out so far, almost no one has tried to enter into a fairly fundamental aspect, namely the aspect of controlling the production factors by the people. Even if there is generally in the capital production factor. The land production factors (agricultural land, mining, fisheries, forestry) are still untouched. Scarcity or lack of courage touch on this aspect, perhaps due to the high political content. Whatever the reason, this aspect needs attention in the framework of people's economic empowerment. Because basically the strengthening of the people's economy is the strengthening of ownership (specification of rights) over the factors of production. Without entering into this aspect, the people's economic empowerment only touches the surface.

Strengthening Human Resources Almost in every empowerment program, the aspect of developing human resources is one of its components. But also in almost all empowerment programs, this aspect of human resource development is only carried out in moderation. There is no systematic effort and strategic plan for human resource development in the context of people's economic development. Therefore, the development of human resources in the framework of empowering the people's economy must receive serious handling. This is because human resources are the most fundamental element in strengthening the people's economy.

Specific location and problems because the problems faced by the disabled people are specific, both from the location aspect and from the problem aspect, it is impossible to design a generic empowerment program. In reality, almost all people's economic empowerment programs are designed generically. The most fatal mistake that has been

done so far is the assumption that the fundamental problem of the disabled people is a problem of capital, therefore every empowerment program always has a revolving capital assistance component. Even though this assumption is not always true. As a result, there are many people's economic empowerment programs whose results do not touch the main problem.

Many factors are inhibiting the development of BMT in general, and BMT Al-Istiqamah in particular. One of them is the lack of human resources owned by the BMT Al-Istiqamah. Lack of human resources can trigger the slow movement of the wheels of the organization. The real condition shows that the BMT Al-Istiqamah only employs two employees to take care of administration and financing. This is one of the reasons for the slow development and growth of business capital owned by BMT Al-Istiqamah.

In addition, the obstacle or obstacle experienced by BMT Al-Istiqamah is a lack of financial capital. One of the problems faced by the weak is in terms of access to capital. In the money market, rural communities, including farmers, laborers, micro entrepreneurs, small entrepreneurs and medium-sized entrepreneurs, are continuously encouraged to increase their savings. But when they need capital, they are discriminated against by financial institutions. So what happens is the flow of capital from the weak to the strong community. Financial institutions, in their position as intermediaries, share risks with the borrowers, provide information to the borrowers, and provide liquidity.

It is known that one of the ultimate goals of community empowerment in the economic sector is to increase the income of the weak. Community income generally comes from two factors, namely from wages or salaries and from business surpluses. From the wage or salary factor, the server or lander generally the disabled people only receive low wages or salaries. The low salary or wages received by the people of Tunadaya are because they generally have limited skills and bad mental attitudes (*need achievement low, undisciplined*). The low skills of the people with disabilities are due to their generally poor access or opportunities to get educational services. Therefore, a fairly realistic community economic empowerment for disabled workers is through *affirmative action* (for example, educational subsidies for disabled people) in the field of education. To carry out *affirmative action* for the disabled people, the government and the private sector must have sufficient capital.

One aspect of the problem faced by disabled people is capital. The capital factor is also one of the reasons for the absence of new ventures outside the extractive sector. Therefore it is not wrong, if in community empowerment in the economic sector, solutions in this

aspect of capital are important and must be done. There are two things that we need to look at together. First, that the economic weakness of the mentally handicapped community does not only occur in people who have micro, small and medium enterprises, but also people who do not have production factors, or people whose income is only from wages or salaries. Because it is impossible for all members of the disabled community to be able and have talent to become entrepreneurs, capital assistance cannot answer the problems faced by the working community.

Second, what needs to be observed in community empowerment efforts in the economic sector through this aspect of capital are: (1) how the provision of capital assistance does not cause community dependence; (2) how to solve this aspect of capital is done through the creation of a new conducive system for micro, small and medium enterprises to gain access to financial institutions; (3) how the scheme of use or capital allocation policy is not trapped in the subsistence economy or the working economy. These three things are important to solve together. The essence of empowerment is community independence.

Providing capital grants to the public, apart from not educating the public to be accountable to themselves, can also distort the money market. Therefore, one of the elegant steps in facilitating the solution to the problem of capital for micro, small and medium enterprises is to guarantee their credit in existing financial institutions, and/or provide interest subsidies on their loans from financial institutions. In addition to educating them to be responsible for credit repayment, this method can also be a vehicle for them to get used to working with existing financial institutions, and prove to financial institutions that there is no reason to be discriminatory in lending.

Efforts to boost productivity and encourage business growth do not have an important meaning for society, if their products cannot be marketed, or if they can be sold, but at very low prices. Therefore, an important component in community empowerment efforts in the economic sector is the development of production and marketing infrastructure. The availability of marketing and/or transportation infrastructure from the production location to the market can reduce the marketing chain and ultimately increase the income of farmers and micro entrepreneurs, small entrepreneurs and medium-sized entrepreneurs. This means that from the perspective of economic empowerment, infrastructure development projects to support underdeveloped villages are indeed strategic. Thus the role of government is needed to create an efficient market (Islam, 2018).

Another factor that affects the slow development of BMT Al-Istiqamah is technology. It should be noted that changing environmental conditions is an important factor in various business considerations. However, a company is required to always be ready to face changes if it wants to exist in the business world. This is because market demands also change from time to time as environmental conditions change. So it is not surprising that the ability to adapt to change is one of the crucial aspects in the development of a company.

One of the fastest changing environmental conditions is technology. It cannot be denied that technological growth can happen every minute of every day. New discoveries and innovations constantly color all aspects of life not only in developed countries, but also in developing countries, including Indonesia.

All companies are now required to comply with technology standards that apply informally in the midst of society. There is no reference regarding this matter, but technological progress is one of the considerations of society in meeting their needs. The convenience and quality offered by technological advances are a plus in the eyes of the community. One easy example is transportation companies that are now imposing on-line ticket bookings.

These kinds of services greatly influence market interest which ultimately affects the turnover of the company. The enormous influence of technology that is felt to be very important for the business world is elaborated in more specifically on the following chapters. Beside that, costumers were lazy commit capital loan payments . The main capital for BMT development is savings from members and customers. Delays in paying deposits of members and customers will definitely affect the growth of companies / institutions / organizations, including BMT Al-Istiqamah. To overcome this problem the BMT needs to carry out continuous monitoring and evaluation on an ongoing basis.

5. Conclusion

BMT Al-Istiqamah Sharia Cooperative which was founded in 1995 in Enrekang. BMT Al-Istiqamah is a microfinance institution that functions to improve the welfare of the ummah. Its presence provides positive energy for the growth and improvement of the economy in Enrekang district.

Based on the results of the above research, several conclusions can be drawn, namely; the role of developing human resources and an entrepreneurial spirit for customers, and

the role of improving the micro economy, the role of keeping people away from the practice of usury.

Internal supporting factors of BMT Al-Istiqamah are strategic location, commitment of the Founders and Management Board, and the high participation of member savings. While externally, there are high expectations of micro business actors to BMT Al-Istiqamah, the ease of obtaining modal assistance and government support. While the inhibiting factors experienced by BMT Al-Istiqamah internally are the lack of human resources owned by BMT Al-Istiqamah who are both managed and technical who understand the Islamic economic concept and system, the existence of members / customers who quit, and lack of financial capital. managed by BMT Al-Istiqamah, and technology issues. Externally, there are customers who are lazy to pay deposits and the lack of financial assistance provided by the local government.

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