

THE MICRO WAQF BANK AS A MODEL FOR EMPOWERING THE COMMUNITY'S ECONOMY IN ISLAMIC BOARDING SCHOOLS (CASE STUDY OF AL-HIJRAH MICRO WAQF BANK)

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Abstract

Micro Waqf Bank is present as a new institution in the sharia-based financing sector. The target of Micro Waqf Bank is more towards the lower middle class community with affordable financing and no collateral or collateral. The selection of Al-Hijrah Micro Waqf Bank as the object of this research is based on several considerations in terms of quantity and quality. BWM Al-Hijrah has just entered its third year of operation and has creative efforts in empowering the community's economy. This study aims to determine how the model of community economic empowerment in the Islamic boarding school environment is run by Al-Hijrah Micro Waqf Bank and to find out what implications it has implemented. The research method is field research (descriptive research) with a qualitative approach. This research is located at Pondok Darul Hijrah, Cindai Alus Village, Martapura District, Banjar Regency, South Kalimantan. The methods used in this study are observation, interviews, and documentation. The data sources obtained in this study are from notes, books and interviews with BWM Al-Hijrah administrators and related customers. The results of this study indicate that economic empowerment through the implications of Al-Hijrah Micro Waqf Bank financing for the community around the Darul Hijrah Islamic boarding school is said to be empowered because the community's living needs are met, the community is independent and can develop its business, the amount of production and business innovation increases, the target market expands, the community is prosperous and has an independent business.

Keywords — Micro Waqf Bank, Empowerment, Financing Implications.

INTRODUCTION

The model of organizing educational management and financial management of Islamic boarding schools in its development according to needs or running in line with the development of life is considered more effective and efficient. In general, Islamic boarding schools can be classified into three types, namely salafiyyah, khalafiyah, and combination Islamic boarding schools (Anwar, 2011).

The development of Islamic boarding schools in Indonesia continues to increase. According to statistical data from the Ministry of Religious Affairs, there are currently 26,915 Islamic boarding schools spread across Indonesia, and 242 Islamic boarding schools spread across South Kalimantan. Judging from the large number of Islamic boarding schools in Indonesia, it is hoped that great potential can be explored as an economic potential to empower the community that plays a role in eradicating poverty, especially the community around the Islamic boarding school environment.

The independence of Islamic boarding schools in management and development is ensured through economic empowerment activities aimed at developing the potential of Islamic boarding school resources and as a source of operational capital for Islamic boarding schools so it can influence the development of the Islamic Boarding School itself. In maintaining the welfare of the Islamic Boarding School and its resilience, the Islamic Boarding School must stand alone in managing its economy (Haidari, 2004).

Micro Waqf Bank (BWM) was established in October 2017 amidst the difficulty of accessing capital for small entrepreneurs around Islamic boarding schools. BWM is a program to establish a Sharia Microfinance Institution (LKMS) which is a legal entity of a Service Cooperative whose operations are licensed and supervised by the OJK. The presence of Micro Waqf Bank (BWM) is expected to increase financial literacy and inclusiveness, especially for the community and MSME actors to obtain easy capital, becoming a quick solution to provide access to capital and financing for people who have not connected to formal financial institutions, especially in Islamic Boarding School environments (OJK, 2017).

Micro Waqf Bank (BWM) Al-Hijrah Cindai Alus, Martapura, South Kalimantan was inaugurated in 2019, located in the Darul Hijrah Islamic Boarding School environment. BWM AL-Hijrah is the first Micro Waqf Bank established in South Kalimantan with the aim of improving the welfare of Islamic Boarding Schools and the surrounding community. Having been in operation for 4 years since its establishment, BWM Al-Hijrah has provided many services to the Cindai Alus community to advance the economy with the number of customer members currently reaching 192 people (LKSM-BWM, 2019).

In terms of quantity and quality, BWM Al-Hijrah has the potential for development and has creative efforts to empower the community's economy, having only just entered its third year of operation. Based on this, the researcher intends to conduct research and studies on the community's economic empowerment model and the implications of financing carried out by BWM Al-Hijrah in efforts to empower the community's economy to create economic independence in the Islamic Boarding School environment.

RESEARCH METHODS

This type of research is descriptive research with a qualitative approach. Qualitative analysis will be presented descriptively. The data collection technique carried out by means of observation, interviews and documentation.

Data collection from previous theories and using data obtained from direct observation by visiting the place being studied to obtain the data needed to conduct the research. In this study, the researcher attempted to examine more deeply by describing how the financing implications occurred at Al-Hijrah Micro Waqf Bank so that it would be seen the impact of the model of empowering the people's economy in the Islamic boarding school environment.

Table 1 List of sources

Name	Age	Position
Ahmad Fajeriannur, Dip. Lc	33 Years	Chairman of the Management of Al-Hijrah Micro Waqf Bank
HM Reza Fahlaifi, MM	30 years	PartFunding & Credit

RESULTS AND DISCUSSION

Community Economic Empowerment in the Islamic Boarding School Environment carried out by the Al-Hijrah Micro Waqf Bank.

Islamic boarding schools are Islamic educational institutions that have potential for the community. The involvement of Islamic boarding schools in empowering their communities is a responsibility to improve the community's economy.

From the results of field observations, Micro Waqf Bank distributes financing without collateral to the community according to sharia principles using the qardh contract. Qardh financing is a loan transaction without interest, loans given to others will be returned at a predetermined time without any additional returns. Syafi'i scholars argue that al-qardh is something that is given as a capital loan that is intended to carry out social good while Ismail, A. G., & Possumah, B. T. (2010) referred Qardhul hasan principles be applied to micro financing facilities.

As social beings we have an obligation to help each other in life, such as spending wealth or borrowing to be distributed to individuals who need loans. Allah SWT mentioned in QS At-Taghabun verse that when someone lend to Him a good loan, surely He will multiply (*return*) and give forgiveness. Allah is Most Gracious, Most Forgiving (QS At-Taghabun: 17)

The source of financing funds distributed to customers of Bank Wakaf Mikro Al-Hijrah Cindai Alus comes from LAZ BSM or now known as BSI Maslahat where the funds are grant funds from donors, the ASTRA company. The funds that are disbursed are partly for financing the community around the pondok, partly for operational development of BWM (BWM establishment costs, notary deed administration, and operational equipment), and partly transferred to Bank Syariah Indonesia (BSI) as a form of business managed by Bank Syariah Indonesia (Fajeriannur, Dip. Lc. 2023).

Al-Hijrah Micro Waqf Bank empowers customers through financing segmentation. The first financing is IDR 1,000,000.00 (*one million rupiah*), repayment is made every week during HALMI activities (*weekly halaqoh*) for 50 installments or 50 weeks in a year with a nominal of IDR 20,000.00 (*twenty thousand*) installments, but repayment can be shortened in 40 meetings or 40 weeks. If you want to increase the loan amount for the second and third financing, you must see the customer's development figure during HALMI, seen from the customer's ability to pay at what figure each week (Fahlafl 2023).

Joint liability activities to pay customer installments together to micro waqf banks are one of the interesting ones. Joint liability has the meaning of the word responsibility which comes from the term responsibility which means to bear, guarantee, or declare the ability to pay the obligations of others if the person is unable to pay the debt, while the word '*tanggung renteng*' means a collection or series (Rohmah et al., nd) or in this case, cooperative group's approach.

The results of the researcher's analysis found that there were no significant obstacles from customers, of the many customers around 1.2% experienced problematic financing or financing delays, out of 192 people only around 10 to 20 people experienced problematic financing. Customers are unable to pay on time but this can be overcome by being responsible for extending the payment period. Payment delays occurred during the pandemic, this was because many businesses experienced congestion, customers who sold in school canteens were forced to close because they were on holiday (Fahlafl 2023).

Suhendi stated that if someone is unable to pay their obligations, they will be given an additional period of time. If they are still unable to pay off the loan within that period, the

last option is to release the debt and consider it as such paid off, in this case known as *ibra'* (letting go or ignoring) (Nisa 2020).

So far, Al-Hijrah Micro Waqf Bank has handled customers who are experiencing problematic financing in a family manner, such as a joint liability system, the HALMI group providing temporary financing until the customer replaces it, and the last resort is by visiting the customer's home or family.

Implications of Financing Carried Out by Al-Hijrah Micro Waqf Bank in Community Economic Empowerment Efforts to Create Economic Independence in the Islamic Boarding School Environment

Micro Waqf Bank distributes loan funds to customers without collateral with a very low interest rate of 3%. However, the Head of the Darul Hijrah Islamic Boarding School as an advisor to BWM Al-Hijrah emphasized that the management of BWM Al-Hijrah should not take the 3% interest rate, so that it is not burdensome and can ease the burden on the community, and this provision was approved by the OJK (Fajeriannur, Dip. Lc. 2023).

Al-Hijrah Micro Waqf Bank has a main program, namely financing and business mentoring. The distribution of funds is distributed once a year, as well as the business mentoring program called HALMI (weekly *halaqoh*) which is run once a week. The mentoring program when HALMI provides benefits to customers because in addition to meetings to pay installments, it is also filled with entrepreneurial guidance and religious activities such as *tauhid*, *fiqh*, and worship.

HALMI activities include: installment payments, religious activities such as the recitation of surahs and prayers of *Asmaul Husana*, discussions on entrepreneurship if there are questions from customers, if there is a problem with the business, a discussion will be held with the group mentor to get the best solution and way out.

From the above explanation through the results of the interview, it was found that economic empowerment through the implications of Al-Hijrah Micro Waqf Bank financing with the HALMI program (weekly *halaqoh*), business financing using *qardh* contracts without taking *ujrah*, and business assistance, the community around the Darul Hijrah Islamic boarding school is said to be empowered. This is because the community's living needs are

met, the community is independent and can develop its business, the amount of production and business innovation increases, the target market expands, the community is prosperous by having an independent business that is equipped with knowledge about entrepreneurship and religion.

CONCLUSION

Al-Hijrah Micro Waqf Bank has a model of community economic empowerment through financing, HALMI (weekly *halaqoh*) and business assistance. The Micro Waqf Bank is a cooperative legal entity as a sharia microfinance institution that distributes loan funds to customers without collateral with a very low interest rate of 3%. The Head of the Darul Hijrah Islamic Boarding School as an advisor to BWM Al-Hijrah emphasized that the management of BWM Al-Hijrah should not take the 3% interest rate, so that it is not burdensome and can lighten the burden on the community, and this provision was approved by the OJK. The products produced by customers are also marketed at the Darul Hijrah Islamic boarding school. Al-Hijrah Micro Waqf Bank implements a joint liability system, with this joint liability system it can illustrate the attitude of helping each other between groups. If one of the customers in a group is unable to pay their weekly installments, they will be bailed out, when if the installment money is already available, it will be replaced at the next HALMI.

The implications of Al-Hijrah Micro Waqf Bank financing around the Darul Hijrah Islamic boarding school are said to be empowering because the community's living needs are met, the community is independent and can develop its business. The distribution of funds is distributed once a year, as well as the business mentoring program called HALMI (*weekly halaqoh*) which is run once a week. The mentoring program when HALMI provides benefits to customers because in addition to meetings to pay installments, it is also filled with entrepreneurial guidance and religious activities.

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