

Corporate Social Responsibility for Economic Recovery Post-Pandemic: A Lesson from Bank Syariah Indonesia

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ABSTRACT

This study aims to determine the implementation of BSI's CSR programs to support economic recovery post-pandemic, and identify the supporting and inhibiting factors in implementing its programs. The method used for this research is a qualitative method that presents actual data according to conditions in the field by direct interviews with associated parties. The study results show that BSI has set a strategy to optimize its CSR program, one of which is by focusing on empowering MSMEs. In Indonesia, MSMEs are considered the main factor for accelerating economic recovery. In its implementation, CSR at BSI indeed encounters supporting factors as well as inhibiting factors. The supporting factor is the existence of an ecosystem in implementing CSR programs, to which many parties contribute. The obstacles encountered were the lack of public understanding and education of CSR programs.

Penelitian ini bertujuan untuk menganalisa implementasi program CSR BSI dalam mendukung pemulihan ekonomi pasca pandemi, dan mengidentifikasi faktor pendukung dan penghambat dalam pelaksanaan program-programnya. Metode yang digunakan dalam penelitian ini adalah metode kualitatif yang menyajikan data aktual sesuai dengan kondisi di lapangan serta didukung dengan wawancara langsung dengan pihak terkait. Hasil kajian menunjukkan bahwa BSI telah menetapkan strategi untuk mengoptimalkan program CSR-nya, salah satunya dengan fokus pada pemberdayaan UMKM. Di Indonesia, UMKM dianggap sebagai faktor utama percepatan pemulihan ekonomi. Dalam pelaksanaannya, CSR di BSI memang menemui faktor pendukung dan juga faktor penghambat. Faktor pendukungnya adalah adanya ekosistem dalam pelaksanaan program CSR yang banyak disumbangkan oleh berbagai pihak. Kendala yang dihadapi adalah kurangnya pemahaman dan edukasi masyarakat terhadap program CSR.

Introduction

The COVID-19 pandemic is a major event that attacks all countries in the world.¹ The pandemic has overhauled the country's order from all sides, including the pace of the economy.² The country's economy is in a mess because of this pandemic; almost all of the funds have been diverted to handle this case.³ Indonesia is one of the countries affected by the COVID-19 pandemic. In the economic sector, investment, commerce, and micro, small, and medium enterprises (MSMEs) are hampered. Even though the economy is the outline of a country that is said to be developing, if this is not handled quickly, it will have big consequences that will threaten the Indonesian economy.⁴

The government has taken every measure to stop the spread of COVID-19, such as travel restrictions, quarantine regulations, curfews, closing facilities, and prohibiting celebrations or events that cause crowds.⁵ In addition to government policies, company participation and commitment are also considered important for controlling economic problems due to the pandemic.⁶ After the decline in COVID-19 cases, the government is currently placing more emphasis on economic recovery, bearing in mind that the pandemic has had a major impact on the economic sector.⁷ Accordingly, the study found that there is no implementation of Corporate Sosial Responsibility (CSR) concerning the pandemic crisis.

¹ Rani Apriani, Evi Selvi, and Pamungkas Satya Putra, 'Sosialisasi Pemanfaatan Corporate Social Responsibility (Csr) Dalam Menormalisasi Kembali Iklim Usaha Bagi Umkm Di Karawang', *Al-Khidmat*, 4.1 (2021), 16–21 <<https://doi.org/10.15575/jak.v4i1.10370>>.

² Saiev Dzaky El Kemal and others, 'Islamic Economic Empowerment Model During The Covid 19 Pandemic In Lazizmu Surakarta', *Journal of Islamic Economic Laws*, 5.2 (2022), 246–62 <<https://doi.org/10.23917/jisel.v5i2.18449>>.

³ Fadilah et al. 'Strategi UMKM Untuk Meningkatkan Perekonomian Selama Pandemi Covid-19 Pada Saat New Normal', *OECOMICUS Journal of Economics*, 5.1 (2020), 46–62, Nurabdi & Burhanuddin, 'Ancaman Krisis Ekonomi Global Dari Dampak Penyebaran Virus Corona (Covid-19)', 17 (2020)

⁴ Sharfina Nabilah, Muhammad Nursan, and Pande Komang Suparyana, 'Dampak Pandemi Covid-19 Terhadap Umkm (Studi Kasus Umkm Zea Food Di Kota Mataram)', *Inovasi Penelitian*, 1.12 (2021), 2655–60.

⁵ Fadilah et al. 'Strategi UMKM Untuk Meningkatkan Perekonomian Selama Pandemi Covid-19 Pada Saat New Normal', *OECOMICUS Journal of Economics*, 5.1 (2020), 46–62, Hadiwardoyo 'Kerugian Ekonomi Nasional Akibat Pandemi Covid-19', *Baskara: Journal of Business and Entrepreneurship*, 2.2 (2020), 83–92 <<https://doi.org/10.24853/baskara.2.2.83-92>>, Marginingsih 'Program Pemulihan Ekonomi Nasional Sebagai Kebijakan Penanggulangan Dampak Pandemi Covid-19 Pada Sektor UMKM', *Moneter - Jurnal Akuntansi Dan Keuangan*, 8.2 (2021), 110–16 <<https://doi.org/10.31294/moneter.v8i2.10997>>, dan Siagian & Cahyono 'Strategi Pemulihan Pemasaran UMKM Di Masa Pandemi Covid-19 Pada Sektor Ekonomi Kreatif', *Jurnal Teknologi Dan Sistem Informasi Bisnis*, 3.1 (2021), 206–17 <<https://doi.org/10.47233/jitekssis.v3i1.212>>

⁶ Nanang Suparman, 'Dampak Pandemi Covid-19 Terhadap Pengelolaan Keuangan Negara', *Indonesian Treasury Review: Jurnal Perbendaharaan, Keuangan Negara Dan Kebijakan Publik*, 6.1 (2021), 31–42 <<https://doi.org/10.33105/itrev.v6i1.261>>.

⁷ Arina Luthfiana and Alip Sugianti, 'Strategi Pemulihan Ekonomi Pasca Pandemi Covid-19 Di Indonesia', *Seminar Nasional Potensi Dan Kemandirian Daerah: Optimalisasi Potensi Sumber Daya Ekonomi Menuju Kesejahteraan Daerah*, 19 (2022), 1–6 <<https://seminar.umpo.ac.id/index.php/SEMNASPSP2KD/article/view/866>>; Beni Dwi Komara, Heri Cahyo Bagus Setiawan, and Aries Kurniawan, 'Jalan Terjal UMKM Dan Pedagang Kecil Bertahan Di Tengah Pandemi Covid-19 Dan Ancaman Krisis Ekonomi Global', *Suparyanto Dan Rosad (2015)*, 5.3 (2020), 248–53.

However, CSR program is considered capable of helping accelerate economic recovery. CSR is a step that must be carried out by a company or micro and medium-sized business actors in order to support business sustainability. If all existing companies implement CSR programs to contribute to economic recovery, it is certain that the economy can recover more quickly. Currently, many companies have implemented CSR programs to support their business sustainability. However, not all of these CSR programs are directed or focused on economic recovery, and those that have led to economic recovery are also not necessarily successful. The company really needs to re-evaluate the objectives of the CSR program that is in place.⁸ Obstacles to realizing the program are certainly there. So to achieve the expected goals, careful thought and preparation are required. If CSR funds are not used wisely, they will cause losses and new problems.

Bank Syariah Indonesia (BSI) is part of a sharia financial company that implements CSR programs. The number of programs that have been realized is clear evidence of corporate social responsibility towards the surrounding environment. In the last year of reporting, it also stated that its CSR program also seeks to take part in overcoming the problem of the COVID-19 pandemic. Therefore, this study attempts on analysing the CSR implementation of BSI in supporting the economic recovery post the Covid-19 pandemic. The research takes BSI as a sample since BSI is among the biggest Islamic banks in the nation which might represent the contribution of Islamic financial institutions toward economic recovery through CSR programs.⁹

Theoretical Framework

In recent years, the global economy has experienced a decline. This is because, starting in 2019, the world is being faced with an outbreak of a deadly disease, namely COVID-19.¹⁰ Changes in economic conditions in a country will certainly have an impact on other countries due to the mobility of the world's population and global value chains, which indeed have a very high level of connectivity.¹¹

The global economy in 2021 is generally in a period of continuing improvement, although at a different pace between developed and developing countries.¹² For more details, see the following graph of global economic growth:

⁸ Utama 'Pemanfaatan Program CSR Perusahaan Untuk Pemberdayaan Perekonomian Masyarakat Kabupaten Pelalawan Di Masa Pandemi Covid-19', *Unri Conference Series: Community Engagement*, 2 (2020), 77–83 <https://doi.org/10.31258/unricsce.2.77-83>

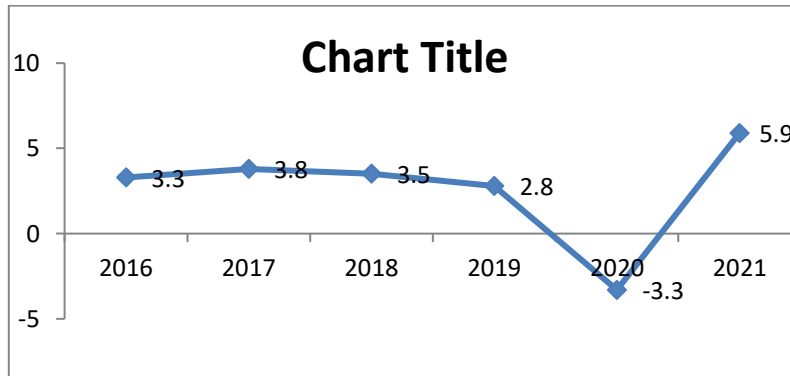
⁹ BSI, 'Laporan Tahunan 2021: Energi Baru Untuk Indonesia', *PT Bank Syariah Indonesia, Tbk.*, 2021, 142.

¹⁰ Yuyang Yi, Zongyi Zhang, and Cheng Xiang, 'The Value of CSR during the COVID-19 Crisis: Evidence from Chinese Firms', *Pacific Basin Finance Journal*, 74.December 2021 (2022), 101795 <<https://doi.org/10.1016/j.pacfin.2022.101795>>.

¹¹ Adib Khusnul Rois and Didik Sugianto, 'Kekuatan Perbankan Syariah Di Masa Krisis', *Musyarakah: Journal of Sharia Economics*, 1.1 (2021), 1–8.

¹² Bank Indonesia *Laporan Perekonomian Indonesia 2021*, 2021

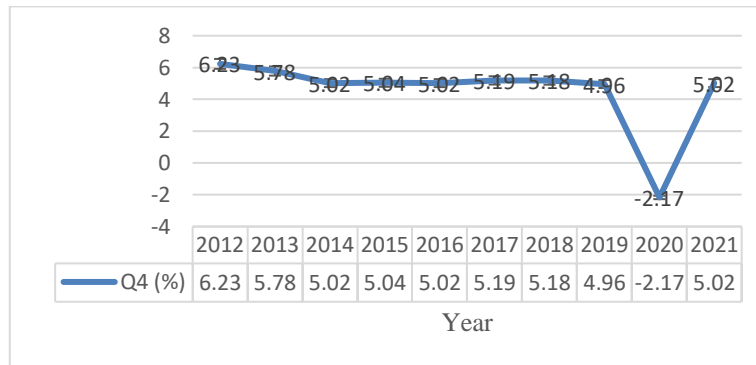
Graph 1. Global Economic Growth in (%)



Source: International Monetary Funds

The last two years have been the toughest for the Indonesian economy.¹³ Indonesia experienced an economic recession in 2020, where its economic growth was recorded at minus 2.07%. This was the second recession after the previous one in 1998.¹⁴ Similar to the world economy, the Indonesian economy is currently in the economic recovery phase. For more details, see the following graph:

Graph 2. Year-on-Year National Economic Growth in the Central Bureau of Statistics (%)



Source: BPS, 2021

Financial institutions have an important role in shaping the economic direction of a nation, especially after the COVID-19 pandemic.¹⁵ One of them is banking. Banking in Indonesia uses a dual banking system, namely the conventional banking system and the Islamic banking system, often referred to as the dual banking system.¹⁶

¹³ Edy Sutrisno, 'Strategi Pemulihan Ekonomi Pasca Pandemi Melalui Sektor UMKM Dan Pariwisata', *Jurnal Kajian Lembaga Ketahanan Nasional Republik Indonesia*, 09.November (2020), 87–96.

¹⁴ Sofaria Ayuni and others, *Laporan Perekonomian Indonesia 2022*, Badan Pusat Statistika, 2022.

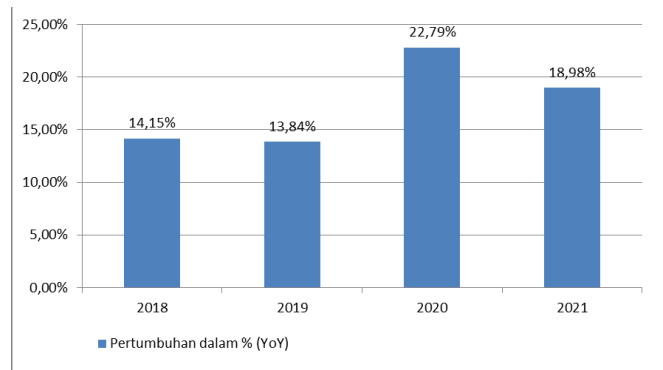
¹⁵ Aminudin Ma'ruf and others, 'Exploring Environmental and Social Risk Management of Indonesian Banks', 2022, 1–5 <<https://doi.org/10.4108/cai.10-8-2022.2320818>>.

¹⁶ Asngari 'Pengaruh Kondisi Ekonomi Makro Dan Karakteristik Bank Terhadap Efisiensi Industri Perbankan Syariah Di Indonesia', *Jurnal Ekonomi Pembangunan*, 11 (2013), 91–110 dan Rois & Sugianto 'Kekuatan Perbankan Syariah Di Masa Krisis', *Musyarakah: Journal of Sharia Economics*, 1.1 (2021), 1–8

The banking sector is one of the sectors affected by the COVID-19 pandemic.¹⁷ However, the COVID-19 pandemic has not caused the sharia banking system to fall into a slump; instead, sharia banking has shown positive performance.¹⁸ This can be used as evidence that Islamic banking is able to maintain its existence in the face of the economic situation, even though it faces challenges in terms of human resources.¹⁹

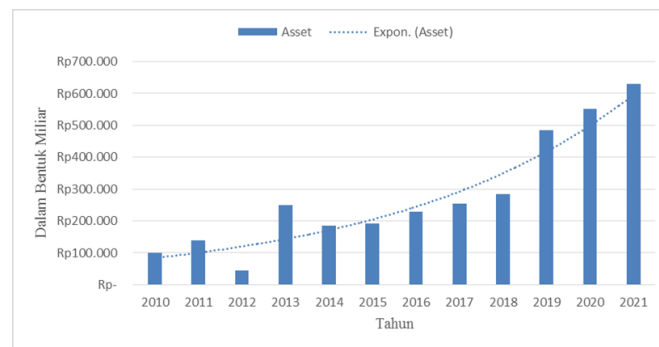
Although Islamic banking shows positive growth that compared to conventional banking, sharia banking market penetration is still quite low.²⁰ To find out more about the development of Islamic banking in Indonesia, see the following graphs:

Graph 3. The Growth of the Islamic Finance Industry



Source: Otoritas Jasa Keuangan (OJK), 2021

Graph 4. Assets of Islamic Banking in Indonesia



Source: Otoritas Jasa Keuangan (OJK), 2021

¹⁷ Nasution & Husni Kamal ‘Analisa Perbandingan Kinerja Perbankan Syariah Dan Konvensional Pra Dan Pasca Covid-19’, *At-Tasyri: Jurnal Ilmiah Prodi Muamalah*, 13.1 (2021), 29–38 <https://doi.org/10.47498/tasyri.v13i1.470>

¹⁸ Asngari ‘Pengaruh Kondisi Ekonomi Makro Dan Karakteristik Bank Terhadap Efisiensi Industri Perbankan Syariah Di Indonesia’, *Jurnal Ekonomi Pembangunan*, 11 (2013), 91–110, Fiqri et al ‘Peluang Dan Tantangan Merger Bank Syariah Milik Negara Di Indonesia Pada Masa Pandemi Covid-19’, *El Dinar*, 9.1 (2021), 1–18 <<https://doi.org/10.18860/ed.v9i1.11315>>, dan Rois & Sugianto ‘Kekuatan Perbankan Syariah Di Masa Krisis’, *Musyarakah: Journal of Sharia Economics*, 1.1 (2021), 1–8

¹⁹ Mohammad Zen Nasrudin Fajri and others, ‘The Effect Covid-19 and Sectoral Financing on Islamic Bank Profitability in Indonesia’, *Journal of Islamic Economic Laws*, 5.1 (2022), 38–60 <<https://doi.org/10.23917/jisel.v5i1.17181>>.

²⁰ Fiqri et al. ‘Peluang Dan Tantangan Merger Bank Syariah Milik Negara Di Indonesia Pada Masa Pandemi Covid-19’, *El Dinar*, 9.1 (2021), 1–18 <<https://doi.org/10.18860/ed.v9i1.11315>>

According to WBSD (World Business Council for Sustainable Development), CSR is a business commitment to support sustainable economic development by working with company employees, the employees' families, local communities (local), and society as a whole to improve the quality of life. CSR is a must for companies to support the sustainability of their businesses. There are many positive benefits from the implementation of CSR, which of course will impact the existence of a company, increase performance, and achieve the expected profit.²¹ From there, it can be concluded that CSR is an important matter to be implemented in a company's operations. Not only will the company benefit from the existence of a CSR program, but the surrounding community and government agencies will also feel the positive impact of effective CSR.²²

However, the implementation of CSR in companies varies because each company has different policies and strategies to maximize its CSR program. Most forms of CSR implemented by companies include CSR for environmental development, human resources and education, energy sustainability, and social and community development. Hence, this paper is an attempt in filling the untapped area of CSR studies in relation to Islamic financial system. The study is hoped to be a reference for future study in the area of CSR and Islamic financial system.²³

Research Methods

The paper is a qualitative research with the data that was obtained through interview and literature available. The data were collected from various relevant literature sources and supported by direct interview with the party concerned to strengthen the findings. The goal of the study is to provide information as accurately as possible. With qualitative research, the situation or process under study will be described as a whole.

The data source for this research was collected from primary data that was obtained directly from the main sources such as company and government official websites and supported with interview with related party. The interview was conducted virtually using the Zoom application on Thursday, March 30, 2023, with one guest, Mr. Aris Widi Setiawan, as Vice President Sustainable Finance at Bank BSI's head office. For secondary data, namely using literature books, annual reports and sustainability reports from Bank BSI, statutory regulations, Bank Indonesia (BI) reports, BPS reports, and reports from previous research.

Results and Discussion

1. Implementation of CSR at BSI

In Indonesia, BSI is the largest Islamic bank and was formed from the merger of three leading Islamic banks in Indonesia, Bank BRI Syariah, Bank Mandiri Syariah and Bank BNI Syariah. OJK gave approval for the merger of the three Islamic banks on January

²¹ Utama. 'Pemanfaatan Program CSR Perusahaan Untuk Pemberdayaan Perekonomian Masyarakat Kabupaten Pelalawan Di Masa Pandemi Covid-19', *Unri Conference Series: Community Engagement*, 2 (2020), 77–83 <https://doi.org/10.31258/unricsce.2.77-83>

²² Yoon Joo Lee and Moonhee Cho, 'Socially Stigmatized Company's CSR Efforts during the COVID-19 Pandemic: The Effects of CSR Fit and Perceived Motives', *Public Relations Review*, 48.2 (2022), 102180 <<https://doi.org/10.1016/j.pubrev.2022.102180>>.

²³ PT Astra Agro Lestari Tbk 'Sustainability Report 2021', 2021 <<https://www.timkensteel.com/>>

27, 2021, through Letter No. SR-3/PB 1/2021, which was inaugurated by President Joko Widodo on February 1, 2021. This merger automatically combines the advantages of the three Islamic banks, so it is expected to offer more comprehensive services, wider coverage, and better capital capacity.²⁴

As the largest sharia bank in Indonesia, BSI also realizes that implementing CSR programs is an important part of its responsibility to society and an important effort to create a sustainable business. In this case, BSI is oriented towards economic, social, and environmental aspects, with the hope that it can provide a positive influence and minimize the negative impact of every activity it carries out. The foundation for BSI's CSR implementation refers to maqashid sharia, SDGs: 17 sustainable development goals (TPB), ISO 26000: global standard for CSR implementation, Law No. 40 of 2007 concerning limited liability companies, Law No. 25 of 2007 concerning investment, Law No. 23 of 2011 concerning the management of zakat, MUI DSN Fatwa No. 123/DSN-MUI/XI/2018, and POJK No. 51/POJK 03/2017.

Departing from the guidelines and regulations it adheres to, BSI collects CSR funds from zakat funds and benevolent funds (infaq/sodaqoh, fines, non-halal income, donations/grants). This is certainly different from conventional banking CSR funds, where they use company funds originating from company profits for their CSR funds. The zakat fund itself consists of corporate zakat, which is taken from 2.5% of the company's net profit; employee zakat, which is taken from 2.5% of employee salaries; zakat from customers; and general zakat from the community. According to the annual report of the bank, the CSR program, in 2021, BSI will have distributed IDR 187.14 billion. The nominal increased by 2.95% from the previous year, which in the previous year was IDR 181.77 billion.

According to the source, BSI is currently focusing on developing its business and distributing CSR in Aceh Province. Aceh province was chosen because it is one of the regions that implements the qanun system. Qanuns are legal regulations similar to regional regulations governing the governance system and life of the people of Aceh province, where the sharia system is implemented. Qanuns are legal regulations similar to regional regulations governing the governance system and life of the people of Aceh province, where the sharia system is implemented.²⁵ Thus, BSI, as the largest Islamic bank in Indonesia, was asked to be able to improve the economy in Aceh. According to the source and supported by data in the 2021 annual report and the sustainability report from Bank BSI, it is known that the CSR programs that exist at Bank BSI include the following programs:

²⁴ BSI. 'Laporan Tahunan 2021: Energi Baru Untuk Indonesia', *PT Bank Syariah Indonesia, Tbk.*, 2021, 142

²⁵ Amsori and Jailani, 'Legislasi Qanun Jinayat Aceh Dalam Sistem Hukum Nasional', *Ar Raniry : International Journal of Islamic Studies*, 4.2 (2018), 221 <<https://doi.org/10.20859/jar.v4i2.138>>

Table 1. Implementation of BSI's CSR

Distribution Area	Realization
Field of Human Rights	<ol style="list-style-type: none"> 1. Avoid involvement in activities that violate human rights. 2. Handling stakeholder complaints properly 3. Do not carry out discriminatory actions. 4. Carry out the fulfilment of civil and political rights 5. Fulfilment of economic, social, and cultural rights Fulfilment of fundamental principles and rights in the work environment
Fair Operation	<ol style="list-style-type: none"> 1. Prevent conflicts of interest. 2. Enforcement of the prohibition of risywah (bribery) and insiders 3. The integrity of the banking system, such as avoiding money laundering, drugs, and terrorism 4. Prevention of corruption with financial management that can detect corruption
Environment	<ol style="list-style-type: none"> 1. Energy efficiency, paper use, water use, and emissions 2. Preservation of biodiversity 3. Use of environmentally friendly materials 4. Waste management
Employment, occupational safety and health	<ol style="list-style-type: none"> 1. Gender equality in employment opportunities 2. Equality in education and training programs 3. Remuneration, in accordance with applicable regulations and above the minimum wage standards in force in the bank's operational areas 4. Promotion and career path 5. Retirement training: equipping employees who will enter retirement through various trainings 6. Internalization of AKHLAK's cultural core values in employment activities 7. Health activities: provide a budget to include employees in BPJS health 8. Occupational safety, facilitating BPJS employment, old age security, death security, work accident insurance, and pension security
Products and Customers	<ol style="list-style-type: none"> 1. Establish a product and service information center as well as a complaint system for consumers. 2. Service quality improvement program 3. Digitalization of services and operations
Social Society	<ol style="list-style-type: none"> 1. Development of sustainable financial products 2. Green Campaign and Efficiency 3. Social and spiritual activities with BSMU, which consist of three programs: <ol style="list-style-type: none"> a. Educating the people: <ol style="list-style-type: none"> 1) Scholarships for junior high school 2) Scholarships for the undergraduate level

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- 3) Islamic Sociopreneur Development Program, or ISDP (business coaching and training for students to become young entrepreneurs)
 - 4) Established a tahfidz house
 - 5) Organizing Islamic economic and financial literacy activities
 - 6) Organizing Al-Qur'an and Braille Al-Qur'an waqf programs
- b. Community Partners
- 1) Village development activities
 - 2) Food security program
 - 3) Distribution of ready-to-eat food (Warteg Mobile)
- c. People's Sympathy
- 1) Provision of assistance for various Asnaf
 - 2) Disaster response and risk reduction program
 - 3) Medical ambulance assistance and funeral services for the poor
 - 4) Assistance with oxygen cylinders for people affected by COVID-19
 - 5) Assistance with vaccination activities
 - 6) Assistance with isolation packages
 - 7) Hospital medical equipment assistance
 - 8) Business assistance funds for families affected by COVID-19
-

Looking at the CSR programs implemented by Bank BSI, almost all existing programs have an impact on economic sustainability in Indonesia, either directly or indirectly. Implementation of CSR in the social sector is a leading program in efforts to restore the economy, including:

First, Community partner program

Mitra Ummah is a program that concentrates on improving the community's economy through coaching and capital assistance to MSME actors. This program can be said to have the most impact on efforts to recover the economy post the COVID-19 pandemic, as it is today. MSMEs are very important for the Indonesian economy, especially during times of crisis, so the recovery of the MSME sector must be the first step to recovering the national economy.²⁶

The village development program is considered one of the programs that has a significant impact on economic recovery efforts. Rural communities and SMEs are the program's target options because SMEs are the foundation of the economy in Indonesia, and rural communities are felt as human beings who need to be developed

²⁶ Saputra dan Ali, 'Penerapan Manajemen Poac: Pemulihan Ekonomi Serta Ketahanan Nasional Pada Masa Pandemi Covid-19 (Literature Review Manajemen Poac)', *Jurnal Ilmu Manajemen Terapan*, 3.3 (2022), 316–28 <<https://doi.org/10.31933/jimt.v3i3.733>>

further to improve their capabilities so that this potential can develop in the future following the era and be able to compete outside.²⁷

The latest evidence of the success of this program is the empowerment of low-income BSI villages in Aceh, to be precise in the Lhokseumawe area, East Aceh. There are 2-3 assisted villages with around 100 pond farmers who receive capital. One of them, BSI, launched Meunasah Asan Aceh Timur village to become a prosperous village for Indonesia to be able to go global. In this program, BSI has three main programs for carrying out coaching: supporting and increasing the production of milkfish fishery clusters; adding solar panels to the area to power the pond wheel device with the aim of increasing milkfish production and preserving sustainability by converting sunlight into electricity; and planting 10,000 mangrove trees in the coastal area of Meunasah Asan Village to reduce carbon emissions and prevent disasters.

The program has shown results with an increase in crop yields; where previously it was once a year, after coaching it became three to four times per year. In addition, they also achieved quite a drastic increase with the penetration of export markets in South Korea and Japan. From one example of the program, it can be seen that the program launched by BSI has a significant enough impact to encourage economic recovery as well as improve the standard of living of people in Indonesia. Especially now that around 1,600 households have benefited from the BSI village program spread across 12 provinces, 22 districts, and 24 villages throughout Indonesia. The more villages that are assisted, the faster our economic recovery will be, and it is undeniable that the beneficiaries of mustahik will become muzakki.

Second, Community education program

This program for educating the people indirectly also has an influence on the sustainability of the Indonesian economy. Where the program is aimed at facilitating school-age children and high school graduates to have the opportunity to attend college to improve their standard of living. More and more Indonesian children with higher education will have an impact on the progress and welfare of society in the future.²⁸

Currently, the impact on economic development can already be felt through the program. The system applied to this program is almost the same as the village development program, where the BSI provides capital assistance, business assistance, monitoring, and evaluation. Many parties have benefited from this program, including students in Bogor who received coaching and successfully launched a Hong Kong caterpillar cultivation business. Where the business has penetrated the export market to various countries, including Malaysia, the Netherlands, and Australia, with a turnover of hundreds of millions of rupiah. The program is in line with government programs to support the growth and development of MSME businesses.

²⁷ Fauzul Hanif Noor Athief, 'Embedding Crowdfunding Structure in Islamic Venture Capital for SMEs Development', *Economica: Jurnal Ekonomi Islam*, 10.1 (2019), 1–28 <<https://doi.org/10.21580/economica.2019.10.1.3186>>.

²⁸ Ela Nur Aini and others, 'Pengaruh Tingkat Pendidikan Terhadap Tingkat Kesejahteraan Masyarakat Di Kelurahan Kesatrian Kota Malang', *Technomedia Journal*, 3.1 (2018), 58–72 <<https://doi.org/10.33050/tmj.v3i1.333>>.

Third, Community Sympathy Program

This program really deserves to be appreciated because it teaches us to always be alert and responsive to the disasters that happen around us. With this program, survivors affected by disasters can get proper treatment and services, thereby reducing the risk of fatal impacts.

His program of building mosques also brings many benefits for society. Not only is it able to provide proper worship facilities, but this program will indirectly help the people's economy. Such as the construction of a mosque in the Tengger Semeru tourist area, of course it will have an impact on the recovery of the tourism sector, which in turn will have an impact on the economic recovery of the surrounding community.

2. Supporting factors and inhibiting factors of CSR implementation

There is an ecosystem that works well together in the procurement of CSR funds or their distribution. In the allocation, there are many parties who support it, including companies, employees, customers, and the general public, who are moved to distribute some of their wealth. In addition, BSI also cooperates with various parties that have the same concentration in the field of *amil zakat*. Even though BSI has its own CSR program, BSI also provides space to collaborate in channelling benevolent funds from the wider community.

One of the efforts made is to facilitate existing LAZNAS to be able to carry out ZISWAF fundraising transactions digitally, one of which is through the goamal.org platform. With goamal.org, *muzakki* can donate as easily as a QR scan, and donations can be made anywhere at any time. That way, it can be said that BSI's CSR is a combination of LAZNAS in Indonesia. BSI hopes that with wider collaborations, there will be a wider range of beneficiaries.

Meanwhile, one of the obstacles experienced by BSI in implementing this CSR program is the lack of public education and outreach about CSR programs. The general public knows the term CSR comes from western culture, where they put aside the elements of *sharia*. In fact, basically, CSR has been taught since approximately 1444 years ago, only with different terms. Since the time of the prophet, it has been explained in detail how the terms of distribution work, what is permitted, and what is prohibited.

Building public trust is important for overcoming this obstacle. BSI, as a company engaged in *sharia* has a commitment to carry out all its activities in accordance with applicable Islamic *sharia*. The company has researched, weighed, and decided things very carefully. For this reason, BSI seeks to provide education to people who are still unfamiliar with CSR programs that are in accordance with *Sharia*, including through social media, outreach, etc.

With the existence of this CSR program, it is hoped that it can build positive relationships between business and society, encourage the use of ethical and transparent business practices, create a good reputation and garner community support, explore and increase the potential of MSMEs by channelling joint financing, participating in environmental preservation programs, improving the quality of education and health welfare, supporting religious practices, and improving other public facilities. Not only does BSI distribute CSR, but it also strives to continuously optimize its CSR programs. They hope that their CSR can grow and that more people can feel the benefits. Because

basically, an Islamic business does not only think about business profits but also has to be able to increase the benefit for those around it.

In an effort to optimize its CSR program, BSI makes observations according to current conditions, is sensitive to its surroundings, and considers every decision very carefully. The success of zakat institutions lies not solely in their ability to raise funds but also in their ability to distribute and utilize them.²⁹ Bank BSI strives to be right on target in channelling its CSR funds, both to those who receive them and to the programs they arrange. If the funds disbursed are not on target, then the expected goals or benefits cannot be achieved. To optimize its CSR program, BSI has a due diligence process for each CSR core subject, which includes employee and customer satisfaction survey, improving staff skills in the field of CSR and sustainable finance through training conducted by BSI Corporate University in collaboration with affiliates who are experts in the field of CSR and sustainable finance, and implement the Bank's policy to allocate financing to the MSME, commercial, and corporate segments to meet the requirements of the Environmental Impact Analysis.

In practice, the leadership of BSI Bank is committed to continuing to increase its CSR funds and programs so that they can provide wider benefits. However, as we know, CSR is not a one-sided responsibility but the responsibility of all parties involved in it. The CSR program will be successful if all lines contribute, including the government, private companies, and other businesses.

Conclusion

Based on the study conducted, it can be concluded that BSI, as the largest Islamic bank in Indonesia, has implemented a CSR program in accordance with applicable laws and regulations and, Islamic law. The planned programs have been adapted to the surrounding conditions since the CSR was given. As we are currently in a post-pandemic economic recovery period, BSI has set a strategy to be able to optimize CSR programs so that they can benefit many people. One of the efforts to optimize the CSR program at BSI focuses on empowering MSMEs. Where MSMEs are considered to be the main factor for accelerating economic recovery.

In its implementation, CSR at BSI certainly encounters supporting as well as inhibiting factors. The supporting factor is the existence of an ecosystem in the process of implementing CSR programs, to which many parties contribute. The obstacles encountered were the lack of public understanding and education about CSR programs. Supporting factors can be used as motivation to continue to progress and develop. As for the inhibiting factors, of course it is a challenge as well as a correction to what has been implemented. Inhibiting factors that are handled properly can be a stepping stone to being able to upgrade to be even better.

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