

## Awareness and Perceptions of Islamic Micro-entrepreneurs on *Mudharabah* Finance and Justice for Financing Access in Malang Territory Indonesia

Hendrik Suhendri<sup>1,2\*</sup>, Iwan Triyuwono<sup>3</sup>, Aji Dedi Mulawarman<sup>4</sup>, Zaki Baridwan<sup>4</sup>

<sup>1</sup>Tribhuwana Tunggadewi University, Telaga Warna Street, Malang, Indonesia, <sup>2</sup>Doctoral Program of Accounting Science, Brawijaya University, Malang, Indonesia, <sup>3</sup>Brawijaya University, Malang 65145, Indonesia, <sup>4</sup>Brawijaya University, Malang 65145, Indonesia.

\*Email: h3ndr1k5g5@gmail.com

### ABSTRACT

Micro business becomes one of the backbone of the Indonesia national economy. Besides to most of the workforce has been absorbed by this sector. In the midst of the instability of the price of basic commodities, fuel, and the application of a 1% tax on sales turnover from micro, small and medium enterprises, it is necessary for other compensation for micro business to be given ease in accessing financing in Islamic banking. The research was to understand the Islamic micro-entrepreneurs (IME) understanding of the products of *Mudharabah* financing. It also wants to know the perception of IME related access to financing in Islamic banking. The results of this study indicate that the IME lack an understanding and familiarity with the products of *Mudharabah* financing. In fact they felt that financing is the same as a regular credit financing. In addition mostly respondents convey disapproval or feel treated unfairly, when IME access the Islamic banks finance.

**Keywords:** Micro Small Medium Enterprises, Islamic Micro-Entrepreneurs, *Mudharabah* Financing, Islamic Banks

**JEL Classifications:** D63, G21, G32, M21

### 1. INTRODUCTION

In the Government Act of the Republic of Indonesia no. 20 year 2008 stated that the government recognizes the role of Micro Enterprises in expanding employment, equity, increasing community income, stimulating economic growth and guarding national economic stability. Stated that the government recognizes the role of micro enterprises in expanding employment, equity, increasing community income, stimulating economic growth and guarding national economic stability. The robustness of micro business has been tested in 1997-1998 which is shown by the ability to survive the monetary crisis that hit Asia and its last excesses that hit Indonesia. Conversely, at that time many large companies collapsed due to default obligations in the national banking industry. The economic crisis, can be considered for the government to further strengthen the populist economic sector, in this case micro business. In fact populist economy is dominated by many real business sectors.

The national economy that is not supported by the populist economy, at times will become a time bomb that ready to wrack the national economic growth of a country (Nikensari et al., 2012). Nevertheless, strong national economic fundamentals, supported by the people's economy, need to be supported by the financing of the corporative partnership of the Islamic banking community in particular. Meanwhile, up to the fourth Quarter of 2013, micro business which are part of National Small Medium Enterprises contribute to Indonesia's economic growth of 99%. In addition, the micro, small and medium enterprise (MSME) sector contributes to gross domestic product by 56%. Not only that as much as 97% of the workforce has been absorbed by this sector (Martowardjo, 2013). Thus, MSMEs in this case play a role in eliminating the level of poverty (Obaidullah et al., 2011).

Amid the threat of rising fuel prices, diesel fuel prices and government regulation number 46 of 2013 year on 1% tax income, this condition will cause the production cost of MSME business

will increase (Afriyandi, 2013; Prabowo, 2014). This will threaten the business sustainability of millions of MSMEs, in this case also micro business. One of the efforts to mitigate the challenges or obstacles faced by micro-enterprises, it is necessary to provide capital assistance or access to financing in the form of partnership cooperation, i.e., between the banks with micro business.

## 2. LITERATURE REVIEW

In this regard, the appropriate form of financing for partnership cooperation is the product of *Mudharabah* financing. This financing is distributed for productive business purposes (Yaya et al., 2014). Although this financing comes from pre-Islamic times or Europeans, it is accepted and applied by the Arabs at that time. Even in Islamic times, this model of *Mudharabah* cooperation has been exemplified and implemented by the prophet considering his benefit. At that time Rasulullah SAW get a mandate from Siti Khadijah to use the capital given to trade up to the country of Sham (Saifullah, 2011). Until now this form of financing pattern is a form of partnership financing pattern expected by millions of micro business actors in Indonesia. Banking on the one hand as the owner of capital (*shahibul maal*), while on the other hand micro business actors as business actors (*mudharib*).

This pattern of financing is accord with Indonesia government goals that seek to achieve economic growth, equity and increase in people's income, job creation, and poverty alleviation (Law No. 20 of 2008 on MSMEs). *Mudharabah* financing products are the main characteristics of Islamic banking. *Mudharabah* financing is a form of business cooperation between the owner of capital (*shahibul al-mal*) with another party, i.e., business manager (*mudharib*). Business profit is shared between *shahibul al-mal* and *mudharib* (*Fatwa* no. 07/National Sharia Board-Council of Ulama Indonesia/IV/2000).

*Mudharabah* financing products that are synonymous with profit-sharing cooperation, in fact, are the main characteristics of Islamic banking. This role is in accordance with the mandate of article 2 of Law of 2008 concerning Islamic banking, where Islamic banking acts as a financial intermediary institution to mobilize the economy of society without any element of discrimination. People's economy is a pillar of national economic development. Thus, Indonesia as the largest Muslim country in the world should be able to become a barometer in providing capital access through Islamic finance for millions of micro businesses. Many research results prove that this *Mudharabah* financing pattern is able to empower productively millions of micro business in Indonesia (Nurhasanah, 2010; Saleh, 2010; Arianto, 2011; Mujibatun, 2013; Trimulato, 2016; Wardani and Pramono, 2016). It should be noted that the true characteristics and spirit of *Mudharabah* financing are identical to the spirit of local values owned by the Indonesian people, namely "kekeluargaan"<sup>1</sup>, "tolong-menolong"<sup>2</sup> and "kegotong-royongan"<sup>3</sup> in business (Fajarini, 2014). Then this financing pattern is very appropriate to solve economic problems

and job creation in Indonesia. *Mudharabah* financing will create equitable income distribution and contribute to economic stability (Siddiqi, 1994). Ironically the practice of *Mudharabah* as exemplified by the Prophet SAW, at this time it began to be abandoned by Islamic banking in Indonesia in particular and in the world at large (Samad, 2012).

### 1.1. Limitations of Knowledge and Perception

Individual perceptions can arise from personal experience and observation of the experience of others. The combination of the impression of personal experience and the experience of others will result in an opinion, assumption or conclusion on the events it undergoes. Kotler (2003) defines perception as an interpretation process towards the information input selected and generate to create a depiction of meaning. Meanwhile, the perception of each micro entrepreneur to the financing products offered by Islamic banking is not the same. This condition is influenced by the vast amount of knowledge or information obtained by Islamic micro-entrepreneurs (IME), both from personal sources as well as external environmental sources.

### 1.2. Limitations and Characteristics of Micro Enterprises

Based on Article 1 of the Law of the Republic of Indonesia No. 20 of 2008 stated that micro business is "productive business owned by individuals and or individual business entities." This micro business has maximum net wealth of Rp. 50 million. This is beyond the value of land and buildings. Micro businesses have maximum annual net sales of Rp. 300 million (article 6).

## 2. RESEARCH METHODS

This research is directed to find out how much knowledge about the Muslim micro entrepreneurs of *Mudharabah* financing and the extent of their perceptions of the problems of access financing in Islamic banking. Based on the characteristics of the problems of the purposes of this study, this research is a descriptive study that measured carefully about certain social phenomena. Descriptive study developed the concept and gather facts, but no hypothesis testing (Singarimbun and Effendi, 2006). This study uses primary data. The primary data obtained through interviews that use structured questionnaire. The sample was IME who are in Malang.

The research sample was taken 53 people with purposive sampling technique. This is a technique of selecting a group of subjects was based on the characteristics or a particular trait seen have close links with known population (Marzuki, 1995; Nugroho, 1994). There are several criteria defined in acquiring these samples: (1) IME registered in the Office of Cooperatives and SMEs Malang City, (2) IME that once offered financing or credit by sharia banking, (3) micro entrepreneurs who are Muslims. How to determine minimum number of samples. The minimum sample size that can be taken in this descriptive study is 10% of the total population (Gay and dan Diehl, 1992).

### 2.1. Research Design

The characteristics of the problem of a study will determine what appropriate approach for the study. Based on that approach, then

1 Brotherhood.

2 Mutual help.

3 Mutual cooperation.

it can be determined the design research. While the design of this research is descriptive research. Arikunto (2003) defines that a descriptive research study aimed at collecting information about the status of an existing symptoms, i.e., symptoms according to what their situation at the time of the study.

Thus the purpose of descriptive research is to make a systematic description, factual, and accurate information with regard to the facts or the nature of the population or a particular region. In other words, descriptive research is not looking for or explain the relationships or comparisons between variables. In short, descriptive research does not require the hypothesis.

## 2.2. Method of Collecting Data

In this study, the instrument used to collect data was a questionnaire. As for the kind of question is semi-open questions. Semi-open question contains the answer has been arranged and the reason for choosing the answer (Singarimbun and Effendi, 2006). Researchers gave 387 copies of questionnaires directly to the respondents to be filled. Up to the end of the specified time limit, which is dated December 10, 2016, researchers have been checking the completeness of questionnaire respondents include stuffing identity and answer. On that date, based on the examination of the completed questionnaires, then selected 53 questionnaires were eligible to be processed. 53 questionnaire is a response of 53 IME in Malang.

## 3. RESULTS AND DISCUSSION

Characteristics of this respondent is 39 people IME is engaged in the sale of goods products, while 14 people IME is engaged in the sale of services. IME spread in Landungsari Traditional Market, Merjosari Traditional Market, Regional Tlogomas, and The Malang Large Market. Characteristics of respondents by age is dominated by respondents aged 19-29 years in the amount of 32.08%. While the IME aged 30-40 years amounted to 26.42%. Furthermore, the IME with age 41-51 years of 18.87%. Others are IME with age 52-62 years old and 63-73 years old, which was respectively 15.09% and 7.55%. The characteristics of respondents by gender are balanced between men and women, respectively 45.28% and 54.72%. This indicates the IME little more dominated by women.

### 3.1. Understanding of *Mudharabah* Finance Concepts

*Mudharabah* financing is a form of financing based on business cooperation between the owner of capital (*shahibul al-mal*) with another party, i.e. business manager (*mudharib*). Business profit is shared between *shahibul al-mal* and *mudharib*. If the loss is not due to negligence *mudharib*, then the loss of business is borne by *shahibul maal*. Conversely, if there is a loss of business due to negligence *mudharib*, then the loss is the responsibility *mudharib*.

The Table 1 illustrates the opinion of IME about *Mudharabah* finance concepts. Most respondents that as many as 50.94% of the total respondents understand the concepts of *Mudharabah* finance. Amounted to 13.21% is doubtful or hesitate to be answered. 13.21% of respondents stated that they know less about the *Mudharabah* finance concepts. On the other hand, as many

as 22.64% of respondents do not know or do not understand the concepts of *mudharabah* finance. Based on respondents' answers that they "do not understand," "less know" and "hesitant" about the concept of *Mudharabah* financing, it is certain that *Mudharabah* financing among IMEs is not well known. They assume that *Mudharabah* financing is the same concept as regular financing.

*Akad* is an agreement between two parties who transact, i.e., between parties *shaibul maal* with *mudharib*. In order to have the power of law, usually the agreement is stated in writing. Both parties must know the contents of the "akad" written and agree on its contents voluntarily or without coercion. In short, the new "contract" is declared valid if: (1) The existence of two or more parties that bind each other with "akad," (2) the existence of something that becomes attachment, (3) the statement of handover or "ijab Kabul" (Yaya et al., 2014). In relation to the knowledge of "akad," 30.19% of respondents understand what is a *Mudharabah* financing contract. On the contrary, 26.42% of respondents did not know what "akad" especially in *Mudharabah* financing. 24.53% of respondents stated that they lack understanding of "akad" forms in *Mudharabah* financing. Even about 15.09% are unsure or doubtful about the form and content of "akad" of *Mudharabah* financing. In relation to the answers of the majority of respondents who feel "hesitant," "lack of understanding" and "do not understand," this is an indication of the lack of knowledge of IME regarding "akad" in Islamic financing, specifically *Mudharabah* financing (Table 2).

Understanding the content of terms and rukun in *Mudharabah* financing is essential. If any of the terms and conditions in the *Mudharabah* financing are not fulfilled or executed, the *Mudharabah* financing agreement shall automatically be null and void. This is the same as praying 5 times. If one of the five pillars of prayer is not fulfilled, then our prayer is invalid or void. The knowledge level of the IME on terms and conditions in *Mudharabah* financing is varied. Most of the respondents did not understand the terms and principles of *Mudharabah* financing (45.28%). Furthermore, 5.66% of respondents lack understanding

**Table 1: Distribution frequency response respondents regarding *Mudharabah* finance concepts**

Criteria	Frequency (%)
Very aware	0 (0)
Knowing	27 (50.94)
Neutral/doubtful	7 (13.21)
Less knowing	7 (13.21)
Not know	12 (22.64)
Amount	53 (100)

Source: Primary Data (processed)

**Table 2: Understanding of financing *Akad* (financing agreement)**

Criteria	Frequency (%)
Very aware	0 (0)
Knowing	16 (30.19)
Neutral/doubtful	8 (15.09)
Less knowing	13 (24.53)
Not know	14 (26.42)
Amount	53 (100)

Source: Primary Data (processed)

of terms and conditions in *Mudharabah* financing. Meanwhile, 24.53% of respondents were not sure or hesitant to know the terms and conditions in *Mudharabah* financing. A total of 24.53% of respondents understand the terms and principles of *Mudharabah* financing. Most respondents have no knowledge of terms and conditions in *Mudharabah* financing. Though this awareness is important to know the items, rights and obligations of each party, which if there is one unfulfilled, then the *Mudharabah* financing is null and void (Table 3).

The profit-sharing system is a characteristic of *Mudharabah* financing. The results or advantages of cooperation between *shahibul maal* and *mudharib* must be shared. The size of the profit-sharing ratio depends on the agreement between the two parties as stated in the written agreement. The Table 4 shows the IME's response to the statement that *Mudharabah* financing is identical to profit sharing. This response is the result of IME knowledge and experience. A total of 67.92% of respondents understand that *Mudharabah* financing is synonymous with profit sharing. Meanwhile, 3.77% of respondents hesitantly answered, because their perception of *Mudharabah* financing can be a profit or not. Furthermore, 1.89% of respondents stated that they do not understand that *Mudharabah* financing is synonymous with profit sharing. In contrast, as many as 26.42% of respondents do not understand or do not know that *Mudharabah* financing is synonymous with revenue sharing. Their perception that *Mudharabah* financing is the same as ordinary credit financing. This perception further reinforces previous assertions that conventional financing or credit financing is better known than *Mudharabah* financing.

The fundamental difference in *Mudharabah* financing with regular credit or conventional financing is on the basis of its financing system. *Mudharabah* financing is based on profit sharing, while interest-based credit financing. The size of the profit-sharing is determined by the profit gained by *mudharib*. Instead of the base of interest, the owner of fixed capital gain interest even if a business financed by the owner of the capital is losing money. In addition, in conventional financing, in the condition of the business losers the borrower still must be responsible to return the principal plus interest charged by the banks. Associated with the difference between *Mudharabah* financing with credit financing or conventional financing. The majority of respondents i.e., 52.83% stated that between financing *Mudharabah* with conventional financing clearly "different." The reasons are different because: (1) The *Mudharabah* is the cooperation of people investing funds for the business, (2) other credit financing recognizes the term interest on the loan, while the *Mudharabah* financing does not recognize the term interest, (3) because the interest of conventional banks is greater, (4) because credit financing does not contain elements Akad at the beginning, (5) the meaning of giving capital is not the same as the meaning of lending. Approximately 15.09% of respondents answered "hesitant" or less sure that *Mudharabah* financing is different from conventional financing (Table 5).

Respondents answered "slightly different" about 5.66%. Based on their experience, on the contrary, 26.42% of respondents answered unequivocally that "there is no difference" between *Mudharabah*

**Table 3: Knowledge of the terms and the rukun (pillars) *Mudharabah***

Criteria	Frequency (%)
Very aware	0 (0)
Knowing	13 (24.53)
Neutral/doubtful	13 (24.53)
Less knowing	3 (5.66)
Not know	24 (45.28)
Amount	53 (100)

Source: Primary Data (processed)

**Table 4: An understanding of *Mudharabah* financing that was identical to the profit sharing**

Criteria	Frequency (%)
Very aware	0 (0)
Knowing	36 (67.92)
Neutral/doubtful	2 (3.77)
Less knowing	1 (1.89)
Not know	14 (26.42)
Amount	53 (100)

Source: Primary Data (processed)

**Table 5: Distribution frequency response respondents about the difference *Mudharabah* finance with conventional finance**

Criteria	Frequency (%)
Very different	0 (0)
Different	28 (52.83)
Hesitate	8 (15.09)
Slightly different	3 (5.66)
No different	14 (26.42)
Amount	53 (100)

Source: Primary Data (processed)

financing and conventional financing. Interestingly, the reason is as follows: (1) Islamic banks are the same as ordinary banks, (2) every month there is interest. The "hesitant and no difference" answer is the fact that IME knowledge and experience on conventional financing is more dominant than *Mudharabah* financing. Again, this statement further strengthens the justification of previous statements regarding *Mudharabah* financing. *Mudharabah* financing is the same as conventional or regular credit.

This relates to statements or attitudes of IMEs if other people with high income or economic wealth on the respondents are more likely to have access to financing in sharia banking than their own respondents. Incidentally income or wealth in the form of physical assets is taken into consideration as a guarantee by the banking. In relation to this matter, most respondents felt that they received "unfair" discrimination if they experienced the incident (41.51%). Some reasons respondents say unfairly, namely: (1) should if the Islamic bank should not favoritism, (2) because we (IME) also need help, so must be balanced in channeling funds, (3) krn the bank does not want to lose, so Have more assets. Whereas both require funding, (4) because most IMEs are considered to have no collateral or land certificates, (5) most banks are concerned with the rich because the rich are better able to pledge their assets than the poor, (6) bank loans generally do not look at the economy Of the clients, no matter how rich or poor they still have to provide

guarantees, (7) although this is the rule, the government should try to bridge to provide easy credit, if need be unsecured, (8) small business or micro small income who also want to start a business, (9) should be weak economy should first be assisted, it is just fair, (10) because Islamic banking prefer the people enough (Table 6).

Furthermore, as many as 30.19% of respondents said unfairly if people whose income or economic wealth is higher than respondents, more easily get financing from Islamic banking. The reasons are: (1) The reason people get credit is because of ability, there is integrity, not because the person has wealth. Yes, if the concept is rich, the poor are the poorer the poor, (2) the service to all customers must be the same, (3) because we are not enough guarantee then sometimes more complicated to get business capital than the rich, (4) Because there is an ability and integrity, not because the person has wealth, (5) because the micro business also needs attention from the aspect of capital, (6) loans from the owners of capital should and should not be based on economic wealth, (7) should be more facilitated are people with lower middle-class economy, because they need more loans to improve their standard of living, (8) not necessarily people with less economics can not have the expertise and responsibility for their obligations, (9) we as clients must get the same rights and treatment, (10) we feel disappointed because small businesses that only need a small loan, while the rich need a large loan. The percentage of "unfair and unjust" responses can be interpreted as public expectations for Islamic banking in practice not to contradict the contents of Law no. 21 year 2008 regarding the reason for establishment of Islamic banking.

Islamic banking is expected to become the main motor of financing for people's economy. In other words, Islamic banking is expected to be antithetical to conventional banking. In contrast, each respondent, 15.09% and 13.21% stated that it is "fair" and "fair enough." Some of the reasons respondents who answered fair are: (1) This is reasonable because with the guarantee strongly support the loan target, (2) because the above economics I considered more able to pay monthly installments. As for the respondents who gave the answer fairly, the reason is as follows: (1) The wealth is also very taken into account by the Islamic banking, (2) the rich are more capable and guarantee to return the loan, (3) because everywhere any bank is not solely provide loans. The answer of this respondent can be interpreted that Islamic banking in giving access financing still consider economic rationality (profit and loss) as done by conventional banking, although actually this reality contradicts the content or spirit of Law No. 21 of 2008 on Islamic banking.

This is a question in the form of a case example and how the IME responds to the case. The case is as follows: "Amir is someone who is rich enough to own several assets, in the form of land and buildings. In addition he has a vehicle of various brands. Meanwhile, Bahrul is someone who lives modestly and he is skilled in trying, but he does not have the wealth as the Amir had. One time the Amir more easily obtain a capital loan in a financial institution in order to develop a new business. Meanwhile, Bahrul is more difficult to obtain loans in order to expand his business, because he does not have enough guarantee of wealth. What is your

opinion?" In relation to the case examples given, the majority of respondents of 64.15% responded that the difference in treatment between the Amir and Badrul was an unjust treatment. Reasons for the respondents to be unfair, because: (1) The person who is unable to require capital to develop his business, (2) the bank should be more favorable to the more needy, (3) should the sharia banks be more lenient in terms of financing by first survey the results/profit daily, (4) the loan from the owner of the capital should and should not be based on economic wealth, (5) very unfairly, the wealth (physical assets) should not be a parameter or measure of someone to get a loan from the provider of funds. Everyone should get the same rights, in this case, equal opportunity for capital loans, (6) unfair, because most Islamic banking is concerned only with the rich because it is more assured of its assets, (7) which is supposed to be given support for the better and success. Basically the bank provides capital in the form of a loan to reduce the burden, (8) unfair, therefore the right of everyone, (9) should a weak economy like Bahrul made operational standards suitable for him, so he is easy to borrow, (10) should the financial institution provide opportunities for the less wealthy (Table 7).

While this person (the Bahrul) is diligent in running his business. A further 13.21% of respondents stated that the different treatment of these two persons was "unfair." Conversely, respectively 16.98% and 5.66% of respondents thought that the treatment is "fair" and "fair enough." The underlying reasons are: (1) The wealth is very calculated by the bank, (2) the bank is afraid of losing, (3) the provisions of the bank must have a guarantee, whereas Bahrul has no guarantee. Thus, most of the answers that suggest that the difference in treatment is unfair and unfair can be interpreted as the hope of the IMEs so that they will gain equal access to financing from banks, whether conventional banking or Islamic banking.

## 4. CONCLUSIONS AND RECOMMENDATIONS

### 4.1. Conclusion

**Table 6: Respondent's feelings about the ease access to financing in the bank**

Criteria	Frequency (%)
Very fair	0 (0)
Fair	8 (15.09)
Fair enough	7 (13.21)
Less fair	16 (30.19)
Unfair	22 (41.51)
Amount	53 (100)

Source: Primary Data (processed)

**Table 7: The views of respondents to a case**

Criteria	Frequency (%)
Very fair	0 (0)
Fair	9 (16.98)
Fair enough	3 (5.66)
Less fair	7 (13.21)
Unfair	34 (64.15)
Amount	53 (100)

Source: Primary Data (processed)

Based on the results of research and discussion that have been raised, it can be concluded as follows: the concept of *Mudharabah* financing among IME less well known. This is indicated by the magnitude of the answer that states that they "do not understand," "less know" even "hesitant" over their awareness of *Mudharabah* financing. Based on the open answer, they state that *Mudharabah* financing is tantamount to regular credit financing. Likewise with regard to knowledge of "akad," more than half IME lack understanding and do not know form and content of contract in *Mudharabah* financing. In addition to the awareness of terms and conditions in *Mudharabah* financing, most IMEs are also less aware and do not know. Rukun in *Mudharabah* financing is a valid pillar of the agreement that is implemented by both parties. Meanwhile, related to IME understanding about *Mudharabah* financing which is identical with profit sharing, most respondents understand it. On the other hand, 26.42% did not understand that *Mudharabah* financing is identical with profit sharing. They have the perception that *Mudharabah* financing is no different from ordinary credit financing. Associated with the knowledge of the difference between *Mudharabah* financing and conventional financing, based on IME knowledge or experience, most respond differently.

Interestingly, not a few respondents who answered that *Mudharabah* financing is the same as conventional financing. The reason is that the practice of financing applied by Islamic banks is the same as regular banks. In addition, each month also bears interest. Furthermore, respondents' statement about other people whose income or economic wealth is higher than the respondents themselves is easier to get access to financing in sharia banking, indicating that the majority of respondents (71.70%) feel received unjust and unjust treatment with the argument that: (1) Islamic banks should not take favoritism or balance in channeling their financing, (2) all entrepreneurs also need equity, (3) fair if weak economies or small-income micro enterprises first get financing help. On the contrary, 28.30% of respondents feel that it is fair and fair, for reasons that are quite interesting, namely: (1) Because with the guarantee of wealth strongly supports the target of loan repayment, (2) the Bank takes into account the wealth owned by the prospective customer, (3) everywhere the bank does not merely lend, but also calculates the profit-loss. The core of this respondent's answer indicates the efforts of sharia banks to avoid losses in providing access to IME financing. Meanwhile, to strengthen and deepen the statement of respondent's attitude toward the easiness of accessing financing in sharia banking, then given a question in the form of a case example.

In relation to this case example, the majority of respondents (64.15%) expressed their attitude that the different treatment of two people with different economic positions is an unjust treatment with some of the main reasons: (1) Economically disadvantaged people, (2) the bank should be more favorable to the needy, (3) the loan or financing should not be based on economic wealth alone, (4) the wealth (physical assets) should not be the main parameter or measure to get financing. Everyone should have equal opportunity and rights to obtain capital financing, (5) should the economically weak like Bahrul figure is given the appropriate operational standards to easily obtain a loan or capital assistance.

## 4.2. Suggestions

Given the important role of micro enterprises in creating national economic stability and resilience. Indonesian government and Islamic banks need to create justice in accessing Islamic finance. The steps are as follows: First - Micro-enterprises need to be given top priority in obtaining access to Islamic financing. Second - Guarantees in the form of physical assets are not the only ones as a parameter or measure for Islamic banks in disbursing their financing. Other parameters that can be used are: the potential of micro business creativity, the database of the growth of the number of customers or buyers of micro business, and the results of the survey of daily or weekly profit growth of micro business.

In order to recognize the importance of *Mudharabah* financing as a synergetic partnership financing pattern for economic empowerment of the community and the equitable distribution of business opportunities, it is necessary to make the following efforts: First. Islamic banking needs to generate and re-promote *Mudharabah* financing products intensively to the community, especially the IME. This needs to be done considering the characteristics, roles and functions of Islamic banking that is different from conventional banking. Second. The religious leaders provide continuous education and enlightenment to the world of Islamic banking and society that the practice of *Mudharabah* financing has been exemplified by Rasulullah SAW and his companions. Thirdly, the Sharia Supervisory Board placed in Islamic banking should monitor the products of Islamic banking so as not to conflict with the values of sharia. The practice of financing is highly recommended in Islam because it contains many good values, namely fostering the spirit of brotherhood and mutual help, fair business cooperation and a positive impact on the distribution of wealth or reduce the economic inequality of the community.

## REFERENCES

- Afriyandi, Y. (2013), Dilema PPh UMKM, Juli, 2. Available from: <http://www.koran.bisnis.com>. [Last accessed on 2017 Mar 18].
- Arianto, D.A.N. (2011), Peranan al-*Mudharabah* sebagai salah satu produk perbankan syariah dalam upaya mengentaskan kemiskinan di Indonesia. Jurnal Ekonomi and Pendidikan, 8(2), 164-185.
- Arikunto, S. (2003), Prosedur Penelitian: Suatu Pendekatan Praktek. Jakarta, PT: Rineka Cipta.
- Fajarini, U. (2014), Peranan kearifan lokal dalam pendidikan karakter. SOSIO Didaktika, 1(2), 123-130.
- Fatwa Dewan Syariah Nasional-Majelis Ulama Indonesia. (2000), Nomor 7 Tahun Tentang Qirad (Pembiayaan *Mudharabah*).
- Gay, L.R., dan Diehl, P.L. (1992), Research Methods for Business and Management. New York: MacMillan Publishing Company.
- Kotler, P. (2003), Manajemen Pemasaran, Analisis, Perencanaan, Implementasi, dan Pengendalian. Jakarta: Salemba Empat.
- Martowardjo, A. (2013), UMKM Mendominasi 99% Pertumbuhan Ekonomi Indonesia, Oktober 5. Available from: <http://www.liputan6.com>. [Last accessed on 2016 Nov 04].
- Marzuki. (1995), Metodologi Riset. Yogyakarta: BPFE-UII.
- Mujibatun, S. (2013), Prospek ekonomi syariah melalui produk mudarabah dalam memperkuat sektor riil. *Economica*, 4(1), 141-154.
- Nikensari, S.I., Sugiarti, I., dan Sariwulan, T. (2012), Pembiayaan *Mudharabah* dan kaitannya dengan non performing financing (NPF) dan bagi hasil. Jurnal Ilmiah Econsains, 10(2), 233-247.
- Nugroho, W.H. (1994), Tehnik Penarikan Sampel: Teori dan Aplikasinya.

- Malang: IKIP Malang.
- Nurhasanah, N. (2010), Optimalisasi peran *Mudharabah* sebagai salahsatu akad kerjasama dalam pengembangan ekonomi syariah. *Jurnal Syiar Hukum*, 12(3), 285-296.
- Obaidullah, M., Salma, H., Latiff, H.A. (2011), Islamic finance for micro and medium enterprise. *Knowledge Review*, 1(1), 6-15.
- Prabowo, D. (2014), Imbas Kenaikan Harga BBM, Pelaku UMKM Terancam "Nganggur" November, 21. Available from: <http://www.kompas.com>. [Last accessed on 2017 Mar 18].
- Saifullah, M. (2011), Etika bisnis islami praktik bisnis rasulullah. *Walisono*, 19(1), 127-154.
- Saleh, F. (2010), Pemberdayaan ekonomi umat dalam perspektif fiqh modern: Penerapan konsep mudarabah pada program gerakan masyarakat aceh darrusalam. *At Tasyri*, 1(3), 254-266.
- Samad, A. (2012), Are Islamic bank promises delivered or failed? Evidence from cross country Islamic banks. *Bank and Bank Systems*, 7(3), 97-102.
- Siddiqi, M.N. (1994), *Issues in Islamic Bank*. United Kingdom: The Islamic Foundation.
- Singarimbun, M., Effendi, S. (2006), *Metode Penelitian Survai*. Jakarta: LP3ES.
- Trimulato. (2016), Potensi pengembangan produk pembiayaan *Mudharabah* di bank syariah pada sektor riil UMKM. *Media Trend*, 11(1), 35-51.
- Undang-Undang Republik Indonesia. (2008), Nomor 20 Tahun 2008 Tentang UMKM.
- Undang-Undang Republik Indonesia. (2008), Nomor 21 Tahun 2008 Tentang Perbankan Syariah.
- Wardani, B.K., Pramono, J. (2016), *Perbankan Syariah: Alternatif pendanaan usaha mikro, kecil, menengah (UMKM)*. Among Makarti, 9(17), 60-78.
- Yaya, R., Martawireja, A.E., Abdurahim, A. (2014), *Akuntansi Perbankan Syariah: Teori dan Praktik Kontemporer*. Jakarta: Penerbit Salemba Empat.