



Implementation Of The Sharia Productive Financing Program To Increase Income At The Pujon Syariah Madani National Capital

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Abstract. *The aim of carrying out this research is to find out the implementation of the Sharia productive financing program in increasing income at PT Pemodalan Nasional Madani Syariah Pujon. The type of research used in this research is field research (Field Research). This research approach is descriptive analysis. This research aims to determine the impact of the Sharia productive financing program on increasing the income of women's MSMEs in Pujon. In preparing this research, the author clarified the data sources into 2 types, namely: 1) Primary data; 2) Secondary Data. Data collection techniques in this research were obtained through the following methods and stages: 1) interviews; 2) Observation and 3) documentation. The results of this research are the productive financing application mechanism at PT Permodalan Nasional Madani, namely that prospective customers submit applications by bringing initial documents and filling in the financing application form. Customers who take out or carry out productive financing with PT Permodalan Nasional Madani as a business need, the micro-business run by the customer experiences an increase in income. So that with this financing, the business run by the customer can develop and increase the customer's income. By increasing the stock of goods or equipment in the business run by the customer, the business also experiences progress in terms of income, production and performance*

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INTRODUCTION

Financial institutions have an important role as intermediaries in various community activities, including trade transactions, savings and loans, as well as providing other services. They are divided into two main types: bank financial institutions and non-bank financial institutions. Bank financial institutions, more commonly known as the banking sector, operate

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differently from non-bank financial institutions such as microfinance institutions, savings and loan cooperatives, venture capital companies, and insurance companies. In Indonesia, the development of both bank and non-bank financial institutions has experienced rapid growth (Mulyana, 2018)

The development of the sharia banking industry or sharia financial institutions in Indonesia has experienced rapid and significant growth. Since PT Bank Muamalat Indonesia (BMI) first appeared on November 1 1991, this growth has triggered many other financial institutions to follow in its footsteps. According to Sharia Banking statistical data released by the Financial Services Authority (OJK) in April 2018, there were 13 Sharia Commercial Banks (BUS), 21 Sharia Business Units (UUS), and 168 BPRS with total BUS and UUS assets reaching Rp. 423,944 Billion. Apart from that, there are also 13 sharia insurance companies, 50 UUS insurance companies, 7 sharia financing institutions, 40 UUS financial institutions, 1 Sharia Pension Fund, 4 Sharia Special Financial Institutions, and 42 Sharia Microfinance Institutions (Suretno & Bustam, 2020)

Islamic banks are closely related to providing financing. Financing from banks or other sharia financial institutions has a crucial role in accelerating people's economic progress and functions as the main driver of their economic growth. The availability of financing allows households to increase their consumption levels and provides opportunities for companies to make investments that they might not be able to make themselves. Banks play a very important role in allocating capital and monitoring to ensure that public funds are allocated to activities that provide optimal benefits (Pudjiraharjo & Nur Faizin Muhith, 2019)

In terms of types of financing distribution, there are two categories, namely productive and consumptive financing. However, the focus of this research is only on productive financing. Productive financing, according to needs, can be divided into two parts: working capital financing and investment financing. Sharia banks, apart from not using an interest rate system, can also be classified based on the contracts used. A contract that produces a definite profit is called a Natural Certainty Contract (NCC), while a contract that produces a profit that is uncertain or cannot be ascertained at the beginning of the contract is called a Natural Uncertainty Contract (NUC). (Ryandono et al., 2018)

Productive financing is a source of funds provided by one party to another party to support planned investments, whether made by individuals or institutions. In simple terms, financing is the allocation of funds to support previously planned investments. Recognizing the importance of capital assistance for society, the concept of productive financing emerged which aims to help entrepreneurs increase their business capital. One form of productive

financing is Women's MSME Financing, which aims to improve the welfare of women groups with weak economic conditions, especially those in rural areas. This productive financing program is implemented by PT. Civil National Capital and aims to meet production needs, increase business activities, trade and investment(Suretno & Bustam, 2020)

Currently, many entrepreneurs experience difficulties in developing their business because of the limited capital they have. This limitation becomes an obstacle in moving their business in a more advanced direction. In an effort to overcome this challenge, PT. Madani National Capital offers solutions in the form of working capital financing for micro businesses. The aim of this financing is to help increase entrepreneurs' income. It is hoped that with the increase in income for business actors, there will also be significant growth in the number of entrepreneurs in Pujon District.

Productive financing in the form of working capital at PT. Madani National Capital is based on the principle of mudharabah contracts as the basis for cooperation between banks and customers. In the PNM mudharabah contract, the bank provides all the working capital required by the customer, with the bank being fully responsible for this capital. The terms of this contract are that the bank provides all the capital required, while the customer acts as manager. Profits are shared based on a previously agreed profit sharing ratio.

Pujon District in Malang Regency is an area that has quite positive entrepreneurial growth. Many people are currently interested in starting their own business because the income opportunities are quite promising compared to being an employee at a particular company. The existence of financing and capital assistance provided to the community is an important factor that makes it easier for those who want to become entrepreneurs. Currently, many micro businesses are developing in Pujon District, such as culinary businesses, the fashion and beauty industry, and the handicraft industry. This is due to the many tourist locations located in the Pujon area, such as Coban Rondo, Caffe Sawah, Santera, and other places.

Based on initial observations made by researchers, the majority of women in Pujon who are married will pursue professions as small entrepreneurs and farmers which require capital that is not large enough, namely around 2 million to 7 million. So that several female MSMEs in Pujon chose National Civil Capital as the financing institution they used on the grounds that the loans provided did not require collateral, then accompanied by socialization and guidance for MSMEs, so that apart from being helped financially, these female MSMEs were also empowered by the existing system.

Researchers found that the outreach carried out by this financing institution was not carried out on a massive scale, but the PT Permodalan Nasional Madani financing institution

has a very large number of customers. In fact, as of 2023, there will be around 2,200 PT Permodalan Nasional Madani customers. After the researchers looked more deeply into this matter, it was because socialization was carried out by the customers themselves towards potential customers through word of mouth. Therefore, it is interesting to know how the implementation of the financing program increases customer income, considering that every year there is always an increase in customers.

The involvement of funders in the business sector has great relevance because it can guide the direction of the community's economy in a positive way. With the injection of working capital from the funding provider, the business can run according to the plans that have been set. The impact of productive financing is to improve the economic condition of society as a whole. Furthermore, the positive impact of the financing provided by PT. Madani National Capital can be seen from its ability to stimulate business growth or development for customers who receive financial support from this institution. The effects of financing on micro businesses include factors such as the profit sharing ratio applied, business growth supported by financing, easy access for customers to obtain funds, and the level of return on investment provided.

Research (Pudjiraharjo & Muhith, 2019) on female entrepreneurial MSMEs in Manado City revealed that the profit growth performance of MSMEs that have access to financial institutions tends to be lower than those that do not have access to financial institutions. According to this research, providing financing by banks can help increase income for cooperative business partners, especially for small entrepreneurs with home-scale industries. The results of Lambey, Sudrajat, and Sodiq's research conducted at Sharia Commercial Banks in Indonesia also show that providing working capital credit affects customers' business income as an indicator of business performance.

However, the results of Ichsan and Shafriyani's research on BMT As-Salam customers show a different view. They found that not all working capital provisions can increase small business income and growth. This is thought to be due to the capital received from credit not being fully used for business purposes. This situation is not in line with expectations, which previously expected an increase in income as a result of additional capital or productive financing in developing their business.

LITERATUR REVIEW

Financing

Financing generally refers to the funding or financing process carried out to support planned investments, whether carried out by individuals independently or by other parties. In a more specific context, financing refers to funding provided by financial institutions, such as Islamic banks, to their customers (Ryandono et al., 2018). According to article 1 number 12 in Law no. 7 of 1992 concerning banking, which was later amended by Law no. 10 of 1998 concerning Banking, financing based on sharia principles is the provision of money or bills that are considered equivalent to that money, which is carried out based on an agreement between the bank and another party. This agreement requires the party receiving the financing to return the money or bill after a certain period of time, in return or sharing of profits (Pudjiraharjo & Muhith, 2019)

Productive Financing

Productive financing is important to support business growth, especially in the production and trade sectors. Without adequate financial support, many small and medium businesses will find it difficult to develop and reach their maximum potential (Azam Al Hadi, 2017). Productive financing can help business actors in various ways, such as increasing production capacity, expanding market reach, developing new products, and increasing operational efficiency. Through productive financing, business actors can utilize available funds for investments that have the potential to generate long-term profits. This includes purchasing production equipment, building facilities, increasing inventory, as well as various other needs that support business growth. Thus, productive financing not only provides benefits for the recipient of the financing, but also for the economy as a whole by encouraging growth and creating new jobs. (Ilham Sholihin & Ahmad, 2015).

MSMEs

Kasmir revealed that entrepreneurship involves the courage to take risks in establishing and developing a business in various situations. The aspect of creating a company requires the ability to continuously use creativity and innovation to find concepts or solutions that are unique and different from those that previously existed. According to (Hasan, 2019), an entrepreneur is an individual who creates a new business by accepting risk and uncertainty with the aim of achieving profit and growth. They do this by identifying existing opportunities and combining the necessary resources to set up the business (Mahdalena et al., 2021).

METHODOLOGY

The type of research used in this study is field research. This research approach is descriptive analysis. This research was conducted to determine the impact of the Sharia productive financing program on increasing the income of female MSMEs in Pujon. This research was carried out at one of the financing institutions in Pujon District, namely PT Permodalan Nasional Madani Pujon Branch which is located in Sebaluh Pujon Village. In preparing this research, the author clarified the data sources in 2 types, namely (Sujarweni, 2019): 1) Primary data is data obtained directly from research objects, individuals, groups and organizations. In this research, primary data was obtained directly from observations and interviews with employees and customers. from PT PNM Pujon Branch, especially regarding productive financing; 2) Secondary data is data obtained from library literature such as books and other sources related to the research title. Data collection techniques in this research were obtained through the following methods and stages: 1) interviews; 2) Observation and 3) documentation.

RESULTS AND DISCUSSION

Productive Financing Program at PT Permodalan Nasional Madani Pujon Branch

Financing products for micro entrepreneurs in micro financial institutions, both conventional and sharia, have differences in terminology but the aim is the same, namely to support business growth. In conventional microfinance institutions, creative products are often used, while in sharia microfinance institutions, such as PT Permodalan Nasional Madani Pujon branch, Ar-rum products are used.

Ar-rum is a productive financing product that helps women MSMEs without collateral. This abbreviation comes from Ar-rahn for Micro and Small Enterprises, which is financing for micro and small entrepreneurs using sharia principles. Ar-rum products at PT Permodalan Nasional Madani Pujon branch help women MSMEs obtain business capital to support their daily activities. This product also provides additional capital in an appropriate amount for business needs, with minimum financing starting from Rp. 2,000,000.00 to Rp. 15,000,000.00. Technically , Ar-rum financing uses a rahn contract and an ijarah contract. In a rahn contract, customers use items such as unused family cards and KTPs as collateral for financing provided by sharia microfinance institutions.

The conditions for applying for Ar-rum financing have several provisions. First, customers must have a productive business that has been established for at least 6 months before the application. Second, prospective customers must not be customers of conventional

microfinance institutions or already Ar-rum customers at other Permodalan Nasional Madani branch offices. This aims to prevent the risk of bad financing, which can be identified from customer portfolios and through BI checking.

Third, the type of business owned by the customer must not conflict with the principles of Islamic law. For example, businesses such as selling liquor or those that violate other sharia provisions are not permitted. Fourth, the customer's business location must be in an area that is not prohibited and does not disturb the order of the surrounding community. For example, a customer's business may not operate in a location that is unclear or causes unrest.

Fifth, customers must fulfill identity requirements such as Resident Identity Card (KTP), Family Card (KK), and marriage certificate for those who are already married. Lastly, the distance between the business location and the PT Permodalan Nasional Madani branch office must be in the same sub-district to make it easier for company employees to monitor business developments. With these provisions, it is hoped that Ar-rum financing can provide maximum benefits for customers while still paying attention to sharia principles and sustainable business continuity.

The process of applying for financing at PT Permodalan Nasional Madani involves several steps. First, the customer submits an application by bringing the initial documents and filling in the financing application form. Then, the Account Officer will receive the initial forms and files, then submit them to the Administration and Finance Office for input into the system. After customer data is input, the next process is carried out by the Account Officer and Senior Account Officer. They will conduct a survey of the customer's business premises to analyze the feasibility of the business. The survey was carried out by the team within two days after the funding application and was only carried out once. The survey results are then submitted to the Micro Assistant to determine the feasibility of the prospective customer's business. After that, the financing files are submitted to the branch leadership for approval and socialization and empowerment are carried out. After two rounds of socialization and empowerment, the process of disbursing funds can be carried out by the cashier.

PT Permodalan Nasional Madani does not provide collateral in the form of securities such as vehicle certificates or BPKB. The conditions for applying for a loan only require an ID card and family card. However, to avoid bad credit, the company sets the replacement money at 10% of the loan nominal. This replacement money is used as a precaution if customers have difficulty paying installments. If the loan goes smoothly and the customer wants to stop the loan, the replacement money can be returned in full. Apart from that, if the customer experiences a decline in business and is unable to pay the installments, UP (Replacement

Money) can be used as payment guarantee. This helps protect the company from the risk of reduced business or payment failure from customers. The loan amounts and installments that customers can take are as follows:

Table 1 Table of productive financing installments of PT Permodalan Nasional Madani Pujon Branch

Loan	50 weeks	(Replacement Money)
2,000,000	50,000	200,000
3,000,000	75,000	300,000
4,000,000	100,000	400,000
5,000,000	125,000	500,000
6,000,000	150,000	600,000
7,000,000	175,000	700,000
8,000,000	200,000	800,000
9,000,000	225,000	900,000
10,000,000	250,000	1,000,000
11,000,000	275,000	1,100,000
12,000,000	300,000	1,200,000
13,000,000	325,000	1,300,000
14,000,000	350,000	1,400,000
15,000,000	375,000	1,500,000

Source: secondary data from PNM Pujon Branch, Malang Regency

Through productive financing products or Ar-rum at PT Permodalan Nasional Madani, small female entrepreneurs in the surrounding area can obtain additional business capital that is not too large with an easy, fast and collateral-free process. In this way, small businesses around PT Permodalan Nasional Madani can develop.

Implementation of the Productive Financing Program at PT Permodalan Nasional Madani Pujon Branch to increase customer income.

According to Ryandono et al., (2018)him, productive financing can be said to be implemented well if it meets the following objectives: 1) is able to improve the community's economy, which means that the financing obtained by customers is able to improve the community's economic level; 2) further funds are available to scale up the business; 3) increasing productivity, which means that financing provides opportunities for increasing production power; 4) encourage increased employment opportunities and the opening of new jobs; 5) and the availability of income distribution.

Data from these 4 customers all experienced an increase in profit or income. With the funding, in terms of increasing employees, the 4 customers who were used as informants all experienced an increase in income, productivity, recognizing that at PT PNM there were funds available to improve the business, and there was encouragement to open new jobs (Martono & Febriyanti, 2023). This is in line with the findings that Ryandono et al., (2018)productive financing can be declared to be implemented well if it meets the following objectives: 1) is able

to improve the community's economy, which means that the financing obtained by customers is able to improve the community's economic level; 2) further funds are available to scale up the business; 3) increasing productivity, which means that financing provides opportunities for increasing production power; 4) encourage increased employment opportunities and the opening of new jobs; 5) and the availability of income distribution.

Based on research results, productive financing distributed by PT Permodalan Nasional Madani Pujon Branch contributes to the development of customers' businesses. This development can be seen from several indicators such as increasing income, increasing stock of goods, and increasing the number of buyers. This is in accordance with (Rochman & Pawenary, 2020), which states that business success is synonymous with business development.

Business development includes increasing revenue, number of customers, and various other improvements. Customers of PT Permodalan Nasional Madani Pujon Branch who received productive financing showed an increase in income. This is caused by the addition of goods or tools that support their business, which are utilized optimally by customers to increase their income.

Furthermore, in relation to the number of products owned by each member who receives productive financing, there is an increase in the number of stock items and optimization of business profits (Yuliyawati & Mardiana, 2023). Apart from that, increasing business income will have an impact on the amount of profit earned. This is caused by an increase in the number of goods sold, which will ultimately increase income and affect the amount of business profits (Ningsih & Tasman, 2020).

The results of this research are in line with research (Raehana, 2021), showing that brick entrepreneurs who receive productive financing experience an increase in income compared to before receiving financing. This shows that access to adequate funds can help entrepreneurs increase production and efficiency of their businesses. Apart from increasing income, productive financing also has a significant impact on brick entrepreneurs. For example, entrepreneurs can increase production capacity, improve product quality, and expand market reach. This can all help increase the competitiveness and profitability of their business. Thus, the research results show that productive financing plays an important role in supporting the growth and progress of brick entrepreneurs. Therefore, it is important for financial institutions and the government to continue to support productive financing programs to provide greater encouragement for the micro, small and medium business sector, including brick entrepreneurs (S. A. Kurnia, 2020).

Customers experienced many changes after obtaining productive financing from PT Permodalan Nasional Madani Pujon Branch. It can be concluded that this productive financing is able to increase customer income, both on a large and small scale. This difference is caused by variations in the type of business between customers and varying levels of productivity from one customer to another. Research on the effect of productive financing on increasing customer income at PT Permodalan Nasional Madani Pujon Branch is in accordance with theory, which shows that access to capital can increase income, in accordance with economic principles. This confirms that the implementation of productive financing is in accordance with the expectations and principles espoused in economic theory.

CONCLUSIONS AND RECOMMENDATIONS

The finding that customers who take productive financing from PT Permodalan Nasional Madani experience an increase in income is a positive indication. However, it must be acknowledged that the amount of increase in income can vary from one customer to another, depending on the type of business and individual capabilities. PT Permodalan Nasional Madani can continue to increase customers' understanding of productive financing by providing better education. This can be done by providing more complete and clear information about the financing products offered, the application process and the benefits that can be obtained. Apart from that, it is important to increase sustainable business empowerment for financing recipients. This can be done by providing training and assistance that is appropriate to the customer's needs and level of business development. In this way, customers can be more effective in managing their business and maximize growth potential. These efforts will help ensure that productive financing provides sustainable positive impacts for customers, such as increasing income, production and overall welfare. This will create a more inclusive and sustainable environment for MSME entrepreneurs, especially women, so that they can continue to develop and contribute more to the local economy.

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