

The Analysis of Micro and Small Enterprise Development in Sharia Based Financing The Case of Indonesia

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Abstract—This study aims to analyze the development of micro and small enterprises in terms of increased profits and enterprise expansion after getting funding from BMT agencies. The study takes samples of BMT institution's customers in Indonesia. The analysis of the data used to test the validity and reliability questionnaire instrument and the Wilcoxon test was used to examine differences in the development of micro and small enterprises after got financed from BMT. The hypothesis suggested that the concept of Islamic studies in BMT institutions have a profound impact on the economy by developing the micro and small enterprise in Indonesia.

Keywords— Islamic, micro and small enterprises, institutions BMT, Benefits, Enterprise Expansion.

I. THE RESEARCH BACKGROUND

THIS concept in institutions Baitul Maal Wat Tamwil (BMT) implies that there must be an enterprise transaction in accordance with the rules Syar'i. Syar'i or sharia is a device rule or law or Islamic law given by God Almighty to carry out the purposes of human coexistence [1] BMT has an important role other than as an Islamic financial institution that provides financing for the procurement of goods or services to micro and small entrepreneurs as well as the development of extension principles of Islamic law in the economy.

Based on data from the Government State Budget Draft (RAPBN Indonesia) in 2015, economic growth in 2015 is expected to reach 5.6 percent [10]. Circumstances of which was relieved may be caused by the following things:

(1) Increase in Indonesia's UMR to Rp.2,400,000,- in 2014 which is around 30% of increasing [7]

(2) Lending for Micro, Small and Medium Enterprises (SMEs) up to Rp.5 billion in 2010 [8]

(3) The increase in the number distribution of People's Enterprise Credit (KUR) of Rp. 666,639.7 billion in 2014 [9]

In RAPBN Indonesia in 2014 stated the empowerment of micro, small, and medium enterprises is an effort to drive the local economy, because all of its enterprise activities in the field of enterprise, so it is quite a role in employment and income generation for low income people.

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II. THEORETICAL BACKGROUND

A. 2.1. Micro and Small Enterprises

Micro, Small, and Medium Enterprises Act No.20 of 2008 according to the research Ananda Fitria, [2], is a productive enterprise owned by individuals and / or entities that meet the criteria of individual micro-enterprises as stipulated in this law. In Indonesia, RAPBN mentioned that the Micro and Small Enterprises affect poverty reduction efforts in Indonesia because it provides employment and does not require a large capital to get started. In terms of capital, due to competition and the need to maintain the enterprise, Micro, Small and greatly assisted by the BMT financial institutions [2].

B. 2.2. The development of micro and small enterprises in Indonesia

According to Ismawan [2], states that the development of micro finance for the poor service within the scope of the world have gained a momentum, namely the Micro-credit Summit conference (MS) held in Washington on December 2 to the February 4, 1997. While the classification of Microfinance Institutions in Indonesia by Bank Indonesia [2] namely:

1.1. Bank

1.2. Non- Bank

Baitul Maal Wat Tamwil as in the research is categorized into Non-Bank institution.

According to Indonesian Bank, the total outstanding of Micro-Small and Medium Enterprises Credit in Indonesia have reached 666,639.7 billion rupiahs as per May, 2014. It is 19, 08 percent out of the total banking credits in May 2014. This have resulted the increasing of conventional and Islamic rural banks Credit from 27,495.3 billion rupiahs in 2013 to 31,211.1 billion rupiahs in 2014.

C. Sharia -Based Financing

Presentation of financial statements of Islamic banks will be closely linked to the concept of investment and moral norms and social in the business of banks [11].

Financing adheres to the principles of Islam prioritizing treaty or agreement between two or more parties to the transaction (contract), [3]. Therefore further mentioned [3],

engagement is based on the principles of justice gets the advantage of the grace of Allah, SWT as mentioned in the Qur'an.

D. The Hypothesis of the study

Based on the literature combined hypothesis are as follows:

1. Presumably there is a difference of Micro and Small enterprise capital after receiving BMT financing of institutions in Indonesia
2. Presumably no difference advantage for Small and Micro enterprises after obtained financing of BMT in Indonesia
3. Suspected no expansion or development of micro and small enterprises after obtaining financing of BMT in Indonesia.

III. THE METHODOLOGY OF THIS RESEARCH

A. 3.1 Research Objectives

The purpose of this study was to obtain data on the variables used in this study.

B. 3.2. Place and Time of Research

This study was conducted in Indonesia and is the subject of micro and small enterprise owners. The study was conducted from May 2014 to sample as many as 20 trials of Micro and Small enterprise entrepreneurs in Indonesia BMT customers until September 2014 that is for sampling.

C. 3.3. Population and Sampling Techniques

a. Population

The population of the study subjects in the trial was the community of micro and small enterprise owners in Indonesia.

b. Samples

Sampling was done by purposive sampling of 40 enterprise owners, determined that the enterprise owners are considered the best samples are enterprise owners who are actively borrowing from the institution as well as the benefit of BMT and managed to expand its enterprise. Instrument in this study consists of variables question, namely: (1) questionnaire Micro and Small enterprise development and (2) the principles of sharia -based financing.

IV. RESULTS

A.4.1. Research Object Description

Data research before getting financing has a mean value of 39.81 and 40th modes Skewness values skewed to the right because its value is $3.182 > 0$ while the kurtosis of processing the data obtained value of 2.46. Data obtained after obtaining financing and the value of the mean value 38.45 mode Skewness values obtained $-2.08 < 0$ while the kurtosis of processing the data obtained value $0.306 < 0$.

A.4.2. Data Validity and Reliability

Data Sharia-Based Financing is the primary data compiled from the questionnaire. Shariah -based financing instrument has two indicators, namely the principles of sharia -based

financing and understanding the principles of sharia -based financing.

A.4.2. Data analysis

In this study we want to know whether there was development of micro and small enterprises after getting sharia -based financing of BMT agency in Indonesia. Wilcoxon sign rank test was conducted to determine whether there was development of micro and small enterprises obtain financing after BMT. Hypotheses are drawn to the variable X is:

H0: there is no development of micro and small enterprises after Sharia -based financing.

Ha: there is development of micro and small enterprises after getting Shariah-based financing.

By using the Wilcoxon sign rank test was obtained sig.0,046 value < 0.05 and the Sign test obtained significantly $0.035 < 0.05$ so H0 is rejected, which means there is a small development of microenterprises and after getting sharia -based financing of BMT.

V.CONCLUSION

Based on the research that has been done then the conclusion can convey researchers are: There is the development of micro and small enterprise capital, enterprise profit after receiving and obtaining financing from BMT Indonesia

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