

# Productive Poor Perception Towards Easily Micro-Business Financing Based on Micro Waqf Banks in Indonesia

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DOI: <https://dx.doi.org/10.47772/IJRISS.2024.802086>

Received: 05 February 2024; Revised: 17 February 2024; Accepted: 21 February 2024; Published: 12 March 2024

## ABSTRACT

Indonesia still has the problem of poverty rates in the last five years, with the number of poverty data tending to decrease. The importance of ease of obtaining business financing is a great opportunity for the productive poor to improve welfare and get out of poverty. The research aims to determine the perception of micro waqf bank customers on the ease of obtaining micro-business financing, analyse the contribution to reducing poverty potential from the existence of micro waqf banks, and determine the performance of micro waqf banks in Banten province. The research used qualitative methods with a case study and descriptive approach analysis at a micro waqf bank in Banten province. The results showed that the agree or positive perception are ease of becoming a customer is 81%, the ease of the process of obtaining financing is 89.1%, the ease of guarantee is 97.9%, the ease of understanding the financing contract system is 77.8%, the ease of receiving financing is 95.1%, the ease of returning funding is 96.8% and the ease of participating in weekly halaqah activities is 98.9% and can reduce the potential for poverty by 0.49% in Banten Province. The research implications are that the easier perception it is for the productive poor to obtain micro-business financing, the faster it will reduce poverty and increase public trust in micro waqf banks in Indonesia. Further research needs to be strengthened to examine the relationship between aspects of convenience obtained by customers.

**Keywords:** perception, productive poor, business financing, micro waqf banks, financing

## INTRODUCTION

The majority of Muslims in Indonesia have great potential to provide welfare for the entire community, with a population of 270,200,000 people or 87.7% of the total population (BPS, 2021b). However, on the other hand, the poverty rate in Indonesia is categorised as 27,540,000 people or 10.14%. At the same time, in Banten province, there are 867,230 people or 6.66% below the poverty line with an income of

Rp.508,091/capita/month (BPS, 2021a; BPS, 2021b). This phenomenon is still being studied by various approaches to overcome the problem of poverty.

Indonesia was named the most philanthropic country globally revealing that the main trend among millennials and individuals in Indonesia is to contribute resources, especially to established philanthropic organisations (Charities Aid Foundation, 2022). Philanthropy includes various activities to achieve a harmonious balance between material giving and receiving, aiming to encourage the transformation of society (Latief, 2016). This connection explains Indonesia's position as having a great opportunity to develop philanthropic activities as social activities to help each other.

In Indonesia, waqf is one part of philanthropy that has similar receipts and distributions aimed at the public interest, including economically weak communities (Fauzi & Gunawan, 2022). These connections use philanthropy and endowments for social, economic, and religious empowerment within the framework of the Islamic social financial system. In addition, there is an increase in the participation of the middle class in religious activities, which in turn contributes to the development of social capital and facilitates coordination among them. This involvement also extends to philanthropic efforts (Arpanudin et al., 2021).

The proceeds of waqf funds greatly contribute to reducing poverty that plagues the community (Syamsuri et al., 2020). Given the huge potential of waqf in Indonesia, this can be seen from most of its population who are Muslims. If the government or stakeholders maximise this, it can be ascertained that Indonesia can prosper with waqf funds collected and distributed fairly and equitably.

The definition of poverty in various literature mentions several factors, including income, housing conditions, the fulfilment of primary needs and work productivity (BPS, 2020). This study uses the term productive poor where they are still in the productive age between 16-64 or physically or mentally can carry out productive activities but have not met the elements of sufficient income (Rahayu, 2018; Baznas, 2020).

This social investment activity in the form of cash endowments will be able to create a foundation for the implementation of permanent social capital fertilisation. It can be used to help the implementation of program credit that will strengthen the creation of moral and social foundations for the creation of community welfare (Hasan, 2010). Then, the existence of waqf institutions within the framework of Islamic social finance provides useful facilities to fill gaps in social intermediation that exist in society (Shaikh et al., 2017).

The integration of Islamic social finance aims to include philanthropy, endowments, and community empowerment, aiming to foster a prosperous and equitable economy for all Indonesians. Since 2017, the Financial Services Authority (OJK) has implemented regulations regarding Islamic microfinance institutions (IMFI) and micro waqf banks (MWB). This regulation is designed to increase the availability of funds, capital, and financing options for low-income people who do not have access to banking services or formal institutions (Bank Wakaf Mikro, 2019).

Micro waqf banks are Islamic financial entities that facilitate access to financing for micro-small enterprises that face challenges in obtaining credit from traditional banks (Arinta et al., 2020). The funding system runs with interest-free mutual assistance, usually using a *Qordhul Hasan (Qardh)* contract that is considered valid based on the fatwa of the national Sharia council of the Indonesian Ulema Council (MUI), thus ensuring sharia compliance and legal validity.

In the context of micro waqf banks, several benefits can be seen. These include the provision of mentoring and training initiatives, the absence of interest costs, the availability of unsecured capital, the nature of banks that do not deposit, and a profit-sharing rate of at least 3% per annum (Nasution, 2022). Then micro waqf Bank has increased the promotion of financial literacy and inclusion, incorporation of shared

responsibility concepts, potential poverty and inequality alleviation, employment opportunities, and avoidance of exploitative lending practices (Fauzi & Widana, 2022; Fauzi et al., 2023).

As a synergy measure, micro waqf banks are focused on Islamic boarding schools by carrying out microfinance business models with consideration of having a diversity of customs and cultures, religions, and loyalty so that institutionally micro waqf banks have the goal to become micro waqf banks institutions that are more independent and efficient in finance and contribute to assistance, empowerment, and services for micro and small enterprises in communities experiencing poverty (Darmawan et al., 2021).

The obstacle faced by the productive poor is the absence of convenience in the aspect of business financing and the aspect of waqf literacy in Indonesia still needs to be improved so that more people know about waqf management from various sources and their distribution. This will provide a great opportunity for the weak to take advantage of conveniences, one of which is through micro waqf banks (BWI, 2020; Ramly, 2022).

Based on the background and previous research, this study aims to determine the ease of the community as customers of micro waqf banks in obtaining micro business financing and to determine the contribution to the potential for poverty reduction in Banten province from the existence of micro waqf banks.

## **THE ROLE OF MICRO WAQF BANK IN POVERTY REDUCTION LITERATURE REVIEW**

In economic and business managerial empowerment provided to the community, micro waqf banks focus on strengthening capital and business volume, business and marketing assistance and strengthening financial inclusion obtained from Islamic social and financial institutions. Thus, Micro Waqf Banks play a good role in business economic and managerial empowerment programs through increasing capital and business volume, business assistance, marketing and financial inclusion and reducing poverty potential.

The results of waqf funds in micro waqf banks have significantly reduced community poverty (Syamsuri et al., 2020). Given the huge potential of waqf in Indonesia, this can be seen that most of the population is Muslim. If the government or stakeholders maximise this, inevitably, Indonesia can prosper with waqf funds collected and distributed fairly and equitably. This social investment activity in the form of money endowments will be the foundation for the implementation of permanent social investment. It can be used to assist the implementation of credit programs that will strengthen the creation of moral and social foundations for community welfare. Then, the existence of waqf institutions within the framework of Islamic social finance provides functional facilities to fill the gap in social intermediation (Shaikh et al., 2017).

This is the best opportunity to improve people's living standards and narrow existing economic and social gaps. The micro endowment bank also offers digital humanities training and operational assistance to ensure its customers receive full benefits. In addition, the long-term utilisation of micro waqf banks is expected to encourage sustainable Islamic social finance through charitable resources.

This is supported by those who revealed that Islamic microfinance institutions help alleviate poverty by providing financial services to people experiencing poverty in the informal economic sector and are usually funded using Sharia social funds such as *zakat*, *infaq*, *sadaqah* and *waqf* (ZISWAF) (Ginanjar & Kassim, 2020). Referring to the business scheme and the role of micro waqf banks in the previous material is a very appropriate instrument to empower the economy of the community around the Islamic boarding school in improving its welfare.

In some literature, the results above are supported by the results of waqf funds greatly contribute to reducing poverty that plagues the community because it is known that the source of funds from MWB comes from

ZISWAF managed by national zakat institution (LAZNAS) (Syamsuri et al., 2020). For this reason, good management is needed in its management so that fund management is well-schemed, neat and orderly and has a role in improving community welfare (Apriliawan et al., 2021).

Thus, the role of micro waqf banks in creating welfare in Banten province, which is marked by the management of MWB by management, managers and supervisors by guidelines determined by OJK and borrower customers cumulatively, has increased relatively so that the MWB business scheme becomes an opportunity and alternative to manage LAZNAS funds sourced from ZISWAF, this has implications for the increase in customer operating income, reduce poverty, increase family resilience and improve community welfare.

## METHODOLOGY

This type of research is a qualitative method with a case study approach. Qualitative research aims to explore and understand the meaning ascribed to social and humanitarian issues by several individuals or groups (Creswell & Creswell, 2018). Case studies are a way to search for information and data to discover phenomena that occur in individuals or groups (Ridhlo, 2023). The focus of the study is becoming a member of MWB (BM), obtaining process (OP), facility on the guarantee (FG), and system (AS), receiving business (RB), financial return (FR) and halaqah weekly (HW).

The research location is at the Micro Waqf Bank of El Manahij, Lan Taburo and An Nawawi in the Banten Province of Indonesia. Sample Data collection techniques use questionnaires, literature studies, and documentation. Questionnaires were given to each Micro Waqf bank customer, totalling 284 customers, using a proportional random sampling technique. Questionnaire measurements use a 1-3 Likert scale, namely disagree, neutral and agree. The data analysis technique uses triangulation: data collection, enrichment, interpretation, and conclusion (Miles et al., 2005). Data were analysed using descriptive analysis using SPSS 26 to explain the phenomenon of the results obtained.

## RESULTS AND DISCUSSION

### Micro Waqf Bank Performance

Based on the development of the performance of micro waqf banks in Banten province since 2019-2023, it is shown in the following table:

**Table 1. Performance of Micro Waqf Banks in Banten Province 2019-2023**

Performance	Rupiah (Rp)				
	2019	2020	2021	2022	2023
Cumulative Financing	4.7 billion	5.6 billion	6.8 billion	8.9 billion	9.5 billion
Outstanding Financing	1 billion	606 million	1 billion	778 million	997 million
Cumulative Customers	2700	3100	3700	4400	5300
Outstanding Customers	900	616	790	676	775
Groups (Kumpi)	247	251	259	177	252
Micro Waqf Bank	3	3	3	3	3

Table 1 above explains that the development of micro waqf bank performance in Banten province in 2019-2023 shows an increase in the performance of the cumulative financing amount, cumulative number of customers and number of *kumpi* (BWM, 2023). Then, there was a decrease in the amount of financing

outstanding, and the number of customers *outstanding* in 2019-2020 showed a shock related to the Covid-19 pandemic. Micro Waqf Bank has implemented a new system by collecting data on customers affected by the pandemic, simplifying instalments and closing the financing process (Nugrahana & Zaki, 2020). However, the decline increased again from 2021 to 2023.

This means that the management, managers, and customers of micro waqf banks in Banten province are also feeling the impact of this pandemic, which is marked by limited socio-economic activities which have an impact on decreasing income due to micro businesses dealing with consumers, which has implications for delays in regular instalments being deposited. For this reason, the efforts of micro-waqf banks are to make breakthroughs so that customers who have received financing make efforts to avoid entering bad financing.

As for according to OJK, the advantages of Micro Waqf Banks include providing mentoring and training activities without interest, unsecured capital, *non-deposit taking*, the lowest profit sharing equal to 3% per year, promoting financial literacy and inclusion, the concept of mutual responsibility, reducing poverty and inequality and avoiding the entanglement of loan sharking (OJK, 2020). For this reason, strategic steps are needed by micro waqf banks to expand their goals and objectives so that effectiveness provides the creation of community welfare, especially for the productive poor.

The comparison of performance micro waqf banks in Banten province in the following table:

**Table 2. Performance of Micro Waqf Banks in Banten Province 2023**

Performance	Rupiah (Rp)		
	An Nawawi	The Manahij	Lan Taburo
Cumulative Financing	1,8 billion	3,0 billion	3,7 billion
Outstanding Financing	255 million	166 million	177 million
Cumulative Customers	1200	1400	1700
Outstanding Customers	232	128	215
Groups (Kumpi)	89	45	68

Table 2 shows that between 2018 and 2023, the number of assisted products carried out by the three micro waqf banks in Banten each amounted to three superior products, including cakes, snacks, molen bananas, fried raw noodles, crackers, peanut brittle, banana chips and panel flower bouquet (BWM, 2023). However, they have yet to utilise local resources or the characteristics of each region to carry out more product innovation variations to provide a more substantial market potential and brand image. The three MWBs in Banten province show that Lan Taburo is superior more than An-Nawawi and El Manahij, including the cumulative financing, outstanding financing, cumulative number of customers, outstanding customers and *kumpi*.

Micro waqf banks in Banten are running. There is a gap condition between the COVID-19 pandemic and the increasing number of *kumpi*, cumulative customers, and outstanding customers, indicating that there are more and more potential new customers and providing support for the socialisation carried out by MWB in the surrounding area. Table 2 above shows that for the 2019-2023 period, there was an increase in both the amount of cumulative financing, cumulative customers, and the number of *kumpi*; this proves that the role of micro waqf banks around Islamic boarding school residents is going well, so they get a positive response.

Then, in 2019-2020, it showed an increase in outstanding financing but not the number of outstanding customers, which decreased in 2020; this is because, in the first year, there was a caution at MWB in Banten province in selecting and financing. After all, this model was first implemented in Indonesia. The decline in 2019-2020 indicates a COVID-19 pandemic with restrictions on socio-economic activities, including MWB



activities in Banten.

Explaining the performance of micro waqf banks in reducing poverty and increasing welfare in Banten province as in the following table:

**Table 3. Population and Poverty in Banten Province 2021**

Subdistrict/Regency/ Province	Man	Woman	Amount	Shops	Poor	Poor Line (Rp/month)
Lebakgedong Subdistrict (Lebak Regency)	11.191	10.673	21.864	680	120.830	334.509
Cibadak Subdistrict (Lebak Regency)	36.612	34.227	70.839	949		
Tanara Subdistrict (Serang Regency)	20.982	19.490	40.472	111	83.090	362.102
Banten Province	—				867.230	508.091

Table 3 shows the performance of micro waqf banks in creating the welfare of the community around Islamic boarding schools in Banten province based on the number of poor people in Banten province was recorded at 867,230 people (6.6%) with a poverty line income level of Rp. 508,091/person/month (BPS, 2021a). Then, with the number of cumulative MWB customers in Banten province, as many as 5300 people with a cumulative financing amount of Rp. 6.8 billion. Thus, from the data mentioned above, it is explained that the role of micro waqf banks in Banten province can create the welfare of the community around Islamic boarding schools by 5300 people and increase income by Rp. 3,130,000/person/month and have the potential to reduce poverty by 0.49% to 861,930 people (6.11%).

However, 2020-2021 shows an upward trend where financing and customers outstanding are due to the relaxation of financing issued by the government with economic stimulus. The MWB-issued policies to reduce the socio-economic impacts on society, especially on people with low incomes, it is necessary to open new customers or finance or increase capital with sufficient conditions so that they can carry out activities in small businesses.

**Data Tabulation Analysis**

Data tabulation showed that the focus and easy access or facilities from respondents who have stated agree to become a member easily is 81%, the agree ease of the process of obtaining financing is 89%, the agree of facility on the guarantee is 98%, the agree ease of understanding the financing system is 78%, the agree ease of receiving financing is 95%, the agree easy return of financing facilities is 97%. The agreed ease of following the weekly halaqah activities is 99% as follows:

**Table 4. Perception Tabulation Data Analysis**

No	Statement	Perception			Total
		Agree	Neutral	Disagree	
1.	Ease of becoming a member or customer of a Micro Waqf bank (BM)	230 (81%)	20 (7%)	34 (12%)	284 (100%)

2.	Ease of process of obtaining business financing through Micro Waqf Bank (OP)	253 (89.1%)	20 (7%)	11 (3.9%)	284 (100%)
3.	The facility on guarantee of business financing through micro waqf bank	278 (97.9%)	4 (1.4%)	2 (0.7%)	284 (100%)
4.	Ease of understanding the business financing <i>Aqad</i> system through Micro Waqf Bank (AS)	221 (77.8%)	33 (11.6%)	30 (10.6%)	284 (100%)
5.	Facility to receive business financing through micro waqf bank (RB)	270 (95.1%)	10 (3.5%)	4 (1.4%)	284 (100%)
6.	Business financing return facility through Micro Waqf Bank (FR)	275 (96.8%)	5 (1.8%)	4 (1.4%)	284 (100%)
7.	Convenience of following the weekly halaqah activities of the Micro Waqf Bank (WH)	281 (98.9%)	0 (0%)	3 (1.1%)	284 (100%)

Source: Author Analysis

### The Process of Becoming a Micro Waqf Bank Customer

Data analysis showed that the focus and easy process of becoming a Micro waqf bank customer from respondents who have stated that they agree to become a member easily is 81%, the neutral easily become a member is 7%. The disagree of easily becoming a member is 12% as follows:

**Table 5. The Perception of the Process of Becoming a Micro Waqf Bank Customer (BM)**

BM					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	34	11.9	12.0	12.0
	Neutral	20	7.0	7.0	19.0
	Agree	230	80.7	81.0	100.0
	Total	284	99.6	100.0	
Missing	System	1	.4		
Total		285	100.0		

Most respondents agreed or had a positive perception of the ease of becoming a member because Micro waqf banks are not-for-profit financial institutions like the banking system but part of Islamic microfinance institutions sourced from *zakat*, *infak*, *shadakah* and *waqf*. For this reason, the process carried out by the manager of the Micro Waqf bank is that each prospective customer collects personal identity and forms that must be filled out and groups of between 8 and 10 people. After a survey by the manager and supervisor of the Micro Waqf bank for a maximum of 14 days, prospective customers who have eligibility will receive mandatory group coaching and training for five days. Then, if it is considered active and disciplined, it can

be accepted as a customer of a micro waqf bank.

Ease of administration and assessment will provide clarity for prospective customers, and the certainty of Micro Waqf Bank managers in coaching and financing their customers' businesses will give customers and groups to concentrate on developing their businesses (Rahib et al., 2021).

The convenience is carried out by micro waqf banks, where managers help and direct prospective customers in detail on what requirements and components should be done. On the other hand, the thoroughness and patience of Micro Waqf Banks in providing training and information make them prospective customers who are close to their managers (Rahman & Widayanti, 2021).

Therefore, the principle of micro waqf banks as accountable institutions given the authority to train, assist and finance businesses to their customers continues to apply the selection system by standard operating procedures regulated by the Financial Services Authority.

### The Obtain Process of Micro Waqf Bank Business Financing

Data analysis showed that the focus and easy obtain process of a Micro waqf bank customer from respondents who agreed easy obtain process is 89,1%. The neutral, easy-obtain process is 7%. The disagree of easy obtain process is 3,9% as follows:

**Table 6. The Perception Obtain Process of Micro Waqf Bank Business Financing (OP)**

OP					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	11	3.9	3.9	3.9
	Neutral	20	7.0	7.0	10.9
	Agree	253	88.8	89.1	100.0
	Total	284	99.6	100.0	
Missing	System	1	.4		
Total		285	100.0		

Most respondents agreed or had a positive perception of the ease of obtaining the process due to Micro waqf banks being with the group as customers; micro waqf banks function, among others, to remind each other and strengthen each other to get financing. Likewise, with the process of obtaining business financing, each customer and group member independently compiles what business will be developed or pioneered. For new customers, they will receive Rp. 1 million/person and will be increased with certain considerations by the managers and supervisors of micro waqf banks. The application stage process is to get a maximum of 7 days of financing in cash to each customer in groups.

The process is easy and fast in getting financing, then customers will be able to do their business quickly. This is in line with the opinion which states that the financing obtained by each customer ranges from Rp. 1 million – Rp. Three million in cash by prioritising customer effectiveness to do business quickly and easily (Ghofur et al., 2018).

Thus, the process of obtaining business financing through micro waqf banks still pays attention to procedural aspects even though it is simple with a shorter period because the purpose of the process is to make customers take advantage of business financing by the initial submission made.



### Micro Waqf Bank Business Financing Guarantee

Data analysis showed that the focus and easy business financing guarantee a micro waqf bank customer from respondents who have stated agree easy business financing guarantee is 97.9%. The neutral, easy-obtain process is 1.4%. The disagree of easy business financing guarantee is 0.7% as follows:

**Table 7. The Perception of Micro Waqf Bank Business Financing Guarantee (GF)**

GF					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	2	.7	.7	.7
	Neutral	4	1.4	1.4	2.1
	Agree	278	97.5	97.9	100.0
	Total	284	99.6	100.0	
Missing	System	1	.4		
Total		285	100.0		

Most respondents agreed or had a positive perception of the ease of business financing guarantee due to Micro waqf banks ‘ limiting poor people from getting business financing is a guarantee because almost all the assets or collateral are used daily, including bicycles or motorcycles. This limitation is understood by the Financial Services Authority so that business financing through micro waqf banks does not use any guarantees from customers. This is done so that important operational assets owned by customers can be used properly without being guaranteed, either documents or physical.

This policy is certainly a breakthrough for microbusiness financing to run its business without being constrained by operational assets that are used daily. It is in line with states that micro waqf banks do not have to have guarantees from customers for business financing provided so that the benefits of assets owned by customers will be more productively used to support the business carried out (Hadibowono & Suprayogi, 2021).

Thus, the guarantee made by micro waqf bank customers is not an obstacle in micro-business financing, it provides the widest opportunity for customers to utilise their business assets to increase productivity and business income.

### Micro Wakaf Bank Financing Aqad System

Data analysis showed that the focus and easy financing *aqad* system a micro waqf bank customer from respondents who agree financing *aqad* system is 10.6%, the neutral easy financing *aqad* system 11.6%. The disagreement of easy financing *aqad* system is 77.8% as follows:

**Table 8. The Perception of Micro Wakaf Bank Financing Aqad System (AS)**

AS					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	30	10.5	10.6	10.6
	Neutral	33	11.6	11.6	22.2
	Agree	221	77.5	77.8	100.0
	Total	284	99.6	100.0	

Missing	System	1	.4		
Total		285	100.0		

Most respondents agreed or had a positive perception of the ease of financing the system due to Micro waqf banks being in the agreement or contract; a customer of a micro waqf bank is bound by a written agreement that must be understood and obeyed by the parties. This is so that customers can take advantage of micro waqf bank business financing responsibly. The consequences that must be received by customers with the existence of an agreement system to remind the initial purpose of business financing are carried out. The agreement system adopted by micro waqf banks is *Qardhul Hasan (Qardh)* for Lan Taburo and El Manahij micro waqf banks and *Mudharabah* contract for An Nawawi micro waqf banks.

Micro Waqf Bank financing is currently carried out with a qard contract with administrative fees only. The *qardh* agreement is an agreement that aims to lend funds without being accompanied by interest. At the same time, the *qardhul hasan* transaction is social financing because there is no profit taken in the financing process (Itang, 2015). The existence of social nature is what adds to the good image and makes the community loyal to the financing of *qardhul hasan* (Nisa et al., 2023).

The financing of *qardhul hasan* is carried out in groups and without collateral. Several stages are carried out before the disbursement of funds. Financing instalments are rent-bearing. That is, if there are customers who have not been able to pay instalments, they are borne by their group members. Customers feel helped by *Qardhul Hasan* financing because they get additional capital to develop their business.

*Mudharabah* is a contract involving two groups, namely capital owners or investors, who entrust their capital to the manager (*mudharib* or customer) for use in trading activities (Itang, 2015). The practice of *mudharabah* is when a person hands over the property to someone else to manage it and the profits are divided between the two according to the agreement of both. *Mudharabah* is decreed with the *ijma* of the companions and *imams* of the *mujtahid*.

In applying the principle of *mudharabah*, depositors act as capital owners (*shahibul maal*) while the bank is *mudharib* (manager/customer). The Bank distributes financing to borrower customers in need using the funds obtained in the form of a *mudharabah* contract. The operating proceeds are distributed to the depositor customer based on an agreed ratio. If the bank uses it to perform the second *mudharabah*, then the bank is responsible for the losses incurred (Masturoh & Haniatunnisa, 2022).

The defaulting customer at the Micro Waqf Bank is a customer who does not keep the instalment schedule, even though the performance at this Micro Waqf Bank uses group financing with a joint responsibility system if this customer often defaults in terms of instalment payments. Other group members are no longer willing to bear the rent back, so Micro Waqf Bank must make efforts or mechanisms to resolve default customers.

Therefore, every customer must know and understand the content and purpose of the contract carried out, either *Qardh* or *Mudharabah*, so that the agreement system carried out effectively helps customers get business financing, utilisation, profit and return of business financing.

### Receipt of Micro Waqf Bank Business Financing

Data analysis showed that the focus and easy receipt business financing micro waqf bank customers from respondents who have stated agree receipt business financing is 1.4%, the neutral easy receipt business financing is 3.5%. The disagree of easy receipt business financing is 95.1% as follows:

**Table 9. The Perception of Micro Waqf Bank Receipt Business Financing (RB)**

RB					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	4	1.4	1.4	1.4
	Neutral	10	3.5	3.5	4.9
	Agree	270	94.7	95.1	100.0
	Total	284	99.6	100.0	
Missing	System	1	.4		
Total		285	100.0		

Most respondents agreed or had a positive perception of the ease of receipt of business financing due to Micro waqf banks. After the customer receives micro-business financing, the role of the group leader and supervisor of the micro waqf bank becomes important because it is to ensure business financing is used properly and avoid misuse. This is so that customers are educated and trained to consistently utilise financing by the objectives and system agreements that have been carried out.

Business assistance and community empowerment from managers and supervisors of micro waqf banks are very important to direct customers to improve their knowledge, skills and business cooperation further. For this reason, the uniqueness of the micro waqf bank established by the Financial Services Authority has its advantages, including getting easy and fast business financing, without collateral, without profit sharing, small administrative costs of only 3%, training and business assistance and community empowerment (OJK, 2018; Sulistiani et al., 2019; Hidayat & Makhrus, 2021).

Thus, the receipt and utilisation of business financing for micro waqf bank customers are one of the important parts of improving their knowledge and skills through cooperation and exchange of information on how to increase their income and business so that their ability to manage their business is better and get better profits.

**Return of Micro Waqf Bank Business Financing**

Data analysis showed that the focus and easy business financing return micro waqf bank customers from respondents who stated agreed business financing return is 1.4%, and the neutral, easy business financing return is 1.8%. The disagree of easy business financing return is 96.8% as follows:

**Table 10. The Perception of Micro Waqf Bank Business Financing Return (FR)**

FR					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	4	1.4	1.4	1.4
	Neutral	5	1.8	1.8	3.2
	Agree	275	96.5	96.8	100.0
	Total	284	99.6	100.0	
Missing	System	1	.4		
Total		285	100.0		

Most respondents gave agree or positive responses to the ease of business financing return due to Micro

waqf banks as distributors of *zakat*, *infaq*, *sadaqah* and *waqf*-based business financing aim to make good use of them and return them well so that they can be used for other communities. The business financing return system for micro waqf bank customers is carried out within 10 months or 40 weeks. The obligation to return individually or in groups is so that customers discipline themselves to prepare business financing returns periodically and on time. This means that this will be a consideration for micro waqf bank managers in extending or increasing business financing the next time.

The return of business financing is very important to increase the trust of managers in individuals and groups so that it can be done for business financing for other customers. The timeliness and sustainability of business financing returns are important between managers and customers because an agreement or contract binds them. For this reason, for micro waqf banks to be categorised as healthy and have good performance, it is necessary to carry out intensive supervision of customers, as argued with the rate of return on business financing on time, which will increase trust in customers to improve their welfare (Putri & Marasabessy, 2023).

Thus, managers, supervisors and customers must have the same understanding and obedience related to the return of business financing. This becomes a mandate if carried out properly because the funds used come from the ummah, managed by the ummah and used and returned by the ummah.

### Weekly *Halaqah* Activities for Micro Waqf Bank Customers

Data analysis showed that the focus and easy weekly *halaqah* micro waqf bank customers from respondents who agree weekly *halaqah* is 1.1%, and the neutral easy weekly *halaqah* is 0%. They disagree with easy weekly *halaqah* is 98.1% as follows:

**Table 11. Perception of Weekly *Halaqah* Activities for Micro Waqf Bank Customers (WH)**

WH					
		Frequency	Percent	Valid Percent	Cumulative Percent
Perception	Disagree	3	1.1	1.1	1.1
	Agree	281	98.6	98.9	100.0
	Total	284	99.6	100.0	
Missing	System	1	.4		
Total		285	100.0		

Most respondents agreed or had a positive perception of the ease of weekly *halaqah* due to Micro waqf banks in terms of providing financing and assistance; this is in weekly *halaqah* activities (*halmi*). *Halmi* is a meeting between 2-3 groups held once a week, on the same day and time every week, within 60 minutes, consisting of the initial 30 minutes to read the pledge and make financing transactions and 30 minutes after that to assist by providing coaching to customers by supervisors.

The provision of knowledge discusses religious education, business development and household economic management. In addition, customers can submit special materials that customers need to the manager of the Micro Waqf bank. Sometimes, they also hold grand *halaqah* activities that are carried out and attended by all customers by inviting mentors from outside to add insight and knowledge to customers so that they continue to increase the enthusiasm of these customers in running a business.

Weekly *halaqah* (*Halmi*'s) routine activities aim to maintain and increase business motivation as well as religious education based on Islamic boarding schools; this is an advantage received by micro waqf bank customers. The good impression of *halmi* activities is the main attraction, especially women who use the

study association or *majelis taklim* in which to increase business and family income. This is in line with the existence of *halmi* by the principle of community empowerment in the Islamic perspective previously explained where the Muslim community must have a sense of concern for others and must help each other (Istiq'omah, 2023).

## CONCLUSION

The perception easily business financing obtained by micro waqf bank customers is categorised as productive poor, including in the process of becoming customers, the process of obtaining business financing, business financing guarantees, financing contract systems, business financing receipts, business financing returns and customers' weekly *halaqah* activities. The presence of micro waqf banks in Banten province has the potential to reduce the number of poverties by 5300 people or by 0.49%. The performance of micro waqf banks in Banten province is developing well even though it declined during the COVID-19 pandemic. The research implications are that the easier it is for the productive poor to obtain micro-business financing, the faster it will reduce poverty and increase public trust in micro waqf banks in Indonesia. The limitation of this study is only in the scope of Banten province with three micro waqf banks. Further research needs to be strengthened to examine the relationship between aspects of convenience obtained by customers.

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