

THE ROLE OF BAITUL MAAL WAT TAMWIL (BMT) IN THE ISLAMIC ECONOMY

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Abstract: This research aims to determine the role of Baitul Maal wat Tamwil (BMT) which is active in the Islamic economy. The existence of BMT is also a form of economic business support that is able to encourage activities to connect and facilitate financing for small communities with a profitsharing system between parties. The method used in this research is literature study. The conclusion of this research is that in Islam all aspects of people's lives are not only related to how to conduct an economy in accordance with sharia but also in carrying out social life, for example in society and neighbors. Another problem that often arises in everyday life in society is the existence of loan sharks or loan sharks. This is because people have no other choice in meeting their needs, the only way for people to cover their urgent needs is to borrow money from loan sharks. It is very easy for loan sharks to provide loans to the public, without having to require certain requirements. Therefore, the presence of Baitul Maal Wat Tamwil can play an active role in improving this situation.

Keywords: Role of BMT, Baitul Mal, Baitut Tamwil, Islamic Economics

Introduction

The current economic system developing in the world is the Islamic economic system. This system assumes that poverty is the same as injustice, suffering, misery and wealth that revolves only around some unproductive groups. Poverty is a national problem which must be anticipated immediately and cannot be postponed for any reason and must be a top priority (Husaeni, 2017). One way to eradicate and break the chain of poverty can be achieved through sharia microfinance institutions with empowerment groups (Sobana & Husaeni, 2019). Sharia microfinance institutions are also one of the best ways to empower and develop small businesses to increase income and reduce poverty (Husaeni & Dewi, 2019).

The goal of Islamic economics is to achieve happiness (falah) which prioritizes the benefit of the people which of course does not conflict with the Islamic economic system. One application of the Islamic economic system is the existence of sharia banking and Sharia People's Financing Banks (BPRS). Sharia banking and BPRS as sharia financial institutions have an important role and function in realizing Islamic economic goals, where bank interest is usury which is prohibited by law both in the Koran, MUI fatwa and in the Bible. However, sharia banking and BPRS have not been able to reach the lower classes of society. Therefore, sharia microfinance institutions were formed for savings and loan activities known as Baitul Maal Wat Tamwil (BMT).

Baitul Maal Wat Tamwil is a sharia micro economic institution which is used as a distributor of part of a person's assets to the small community for the benefit of the people or social interests and can be productive, for social ones such as zakat, infaq and alms or for profit through a profit sharing system such as distribution and financing of business capital. Baitul Maal Wat Tamwil has a sharia microfinance concept that integrates economic and social aspects (Wulandari, 2019). The existence of BMT is also a form of economic business support that is able to encourage activities in terms of connecting and facilitating financing for small communities with a profit sharing system between the BMT and funders. Apart from that, BMT is quite resilient in facing national economic shocks as evidenced by BMT's strong resilience to crises (Darsono, 2017).

BMT has a general role in carrying out funding and guidance in accordance with the sharia system. This BMT coaching activity is carried out through sharia transaction training such as providing evidence of transactions, prohibiting cheating on goods weighing issues and being honest with consumers and others. BMT has an important task as a sharia microfinance institution in developing Islamic missions in all areas of community life because it directly touches the lives of lower class people and as an important means and place to practice sharia economic management practices while also carrying out the mission of rahmatan lil aalamiin.

In Islam, all aspects of people's lives are not only related to how to conduct an economy in accordance with sharia but also in carrying out social life, for example in society and neighbors. Another problem that often arises in everyday life in society is the existence of loan sharks or loan sharks. This is because people have no other choice in meeting their needs, the only way for people to cover their urgent needs is to borrow money from loan sharks. It is very easy for loan sharks to provide loans to the public, without having to require certain requirements. The large influence of loan sharks on the community's economy is due to the lack of institutions capable of meeting the urgent needs of ordinary people who do not understand how to deal with banks. Therefore, it is hoped that Baitul Maal Wat Tamwil can play an active role in improving this situation.

Literature Review

Understanding Baitul Mal Wat Tamwil (BMT)

Baitul Maal wat Tamwil (BMT) is the origin of the combination of the words baitul maal and baitut tamwil. The word baitul maal comes from the word bait which means residence/building, while al-maal means wealth or property. Baitul maal literally resembles wealth or a house of treasure, but is more commonly understood as a (state or general) treasury. Baitul Maal is a financial institution that is built and run based on sharia and the obligations of Muslims, so it is not allowed to mix anything in it or distribute it in any form that is not contrary to the provisions of sharia. Baitul Maal is a collector of funds originating from zakat, infaq and alms and is more directed towards non-profit businesses, which are then distributed to them in accordance with its regulations and mandate. Furthermore, baitut tamwiil is a place or house to develop assets or to develop the business of a managed institution. Baitut tamwil collects funds from its own capital in the form of mandatory savings, principal savings or reserve funds, sourced from government programs in the form of Ultra Micro, LPDB, KUR etc., sourced from participation capital, loan capital or sourced from Islamic social funds in the form of waqf (Rohman, Laila & Shofawati, 2022).

Jayengsari and Husaeni said that Baitul Maal wat Tamwil is a sharia microfinance institution that carries out business activities in harmony, namely management and distribution of Islamic social funds (maal) as well as commercial business activities in the form of sharia financing (tamwil) (Jayengsari and Husaeni, 2021). The Baitul Maal wat Tamwil concept, from the Baitul Tamwil side, is engaged in developing productive businesses to increase income for members and lower class entrepreneurs. Meanwhile, from the baitul maal side, the BMT business operates as a recipient of deposits based on zakat, infaq and alms funds and also uses them to improve the quality of the economy and improve the welfare of the poor and lower class with the aim of fighting poverty.

The Small Business Incubation Center (PINBUK) defines Baitul Maal Wat Tamwil as a community economic institution with the aim of assisting small entrepreneurs in developing productive businesses and investments based on cooperative principles and sharia principles. Presentation by Novita Dewi Masyithoh (2014) BMT is a financial institution that was born with the concept of sharia by combining the concepts of tamwil and maal into one unit in an institutional practice. The purpose of BMT's presence is to channel the aspirations of the community, especially Muslims who are concerned about economic activities based on sharia principles, as well as financial support to develop their activities in empowering small and medium businesses, especially for small people who reject usury and are less bankable because they are directed towards a people's economy.

Furthermore, BMT is an institution that has a social, commercial and also religious nature, where in carrying out its social nature, namely collecting and distributing public funds not for profit. Apart from that, it seeks and obtains profits from financing activities, collections or other services as an Islamic financial institution from partnership activities with its members (Irwanuddin, 2017).

Business institutions (Baitut Tamwil) and social institutions (Baitul Maal) are two BMT activities with the ultimate goal of business being social. Because, someone is said to be noble when he can do many things for other people. The benchmark is how many people have become BMT members and the level of economic empowerment of the community. Baitul Maal Wat Tamwil has several objectives as a sharia financial institution, including:

1. Collect and distribute funds.
The usefulness of the value of money can increase if money is stored in BMT, resulting in one party having excess funds (surplus units) and a party lacking funds (deficit units).
2. Source of income, with BMT, job vacancies can be created and provide income for employees.
3. Information provider, with the existence of BMT, it can provide information that the public needs regarding the benefits, opportunities and risks associated with the institution.
4. The guarantee requested does not burden the customer is the main advantage of having BMT.

Baitul Maal Wat Tamwil has main principles in running its business, namely:

1. Faith and devotion to Allah SWT in carrying out muamalah activities by applying sharia principles.

2. Integrated, namely moral and spiritual values that drive and direct business ethics that are fair, progressive, moral and dynamic.
3. Kinship, namely prioritizing public interests over personal interests.
4. Togetherness, namely the unity of ideals, attitudes, thought patterns among all BMT elements.
5. Independence, namely not depending on loans or aid, but always being proactive in raising community funds.
6. Professionalism, namely high work enthusiasm which is not only based on worldly life but also the life of the afterlife and is based on faith.
7. Be persistent and not give up..

Early History of the Formation of Baitul Maal Wat Tamwil

The history of the origins of Baitul Maal Wat Tamwil, namely in 1984, was developed by ITB students at the Salman Mosque who tried to provide assistance to small entrepreneurs through financing according to sharia principles. After that, BMT continued to be empowered as a movement whose operations were under the auspices of the Small Business Incubation Center (PINBUK) by ICMI. BMT officially became a sharia financial institution starting with the ratification of Law no. 7 of 1992 concerning Banking which stipulates a financial system for profit sharing, free determination of rewards, as well as the issuance of Government Regulation no. 72 of 1992 concerning the provision of strict limits on banks that are permitted to carry out business activities according to the principle of profit sharing. Since then, banks have begun to emerge that use the sharia system, such as Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSM), BNI Syari'ah, BRI Syariah, BPRS-BPRS, and Baitul Maal wat Tamwil (BMT).

The presence of Baitul Maal Wat Tamwil which operates in the real sector and is a sharia microfinance institution that protects lower and middle class society together with the presence of Bank Muamalat Indonesia (BMI). Because BMI's presence in its operations cannot be accessed by the lower classes, BMT can meet the needs of the lower classes and become a sharia microfinance institution.

Islam can provide solutions to achieve peace and security in the world as well as safety in the afterlife. Such as the elimination of the practice of usury in muamalah which is an alternative that is done in two ways by humans. The first way, through alms or qardhul hasan which is the answer to avoid the practice of usury which is detrimental to anyone. Meanwhile, the second method is the sharia financial system, namely collecting funds such as deposits, savings and current accounts and then channeling them as financing according to the principles of buying and selling (murabahah, bai' bithaman ajil, salam and istishna'), the principles of profit sharing (mudharabah, musyarakah) and lease principles (Ijarah, IMBT, takjiri bai'at and so on). Of these two methods, they are systematically managed and regulated by an institution known as Baitul Maal wat Tamwil which pays attention to aspects of virtue in people's lives.

Method

This research uses literature study. In obtaining research data, researchers collected, analyzed, organized sources from articles, books, previous research about the importance of the existence of Baitul mal wat tamwil (BMT). Then the researcher concluded and presented data related to Baitul mal wat tamwil (BMT).

Result and Discussion

Operational Principles of Baitul Maal

The operational principle of Baitul Maal is basically to collect and distribute Zakat, Infaq and Alms funds. In this case Baitul Maal is only waiting for ZIS funds from the people which will then be distributed and are passive. The only active position is Baitul Maal officers who urge the public to give zakat, infaq and alms. The core tasks of Baitul Maal include:

1. Fundraising

In carrying out fund collection, the funds sought by Baitul Maal are in the form of zakat, infaq and alms funds. Apart from receiving these funds, Baitul Maal also receives funds in the form of grants, endowments, donations or other social funds.

2. Distribution of Funds

In carrying out the distribution of funds, BMT has special characteristics, especially those originating from zakat, because the method for distributing zakat is clear in the Koran, namely the eight ashnaf (fakir, poor, amil, converts, fisabilillah, ghorimin, servants, and travelers) Meanwhile, apart from zakat funds, they can be used to develop lower-class businesses, build educational institutions, mosques and operational costs for social activities.

Operational Principles of Baitut Tamwil

Baitut tamwil aims to collect and distribute funds to finance a business. This effort is an inseparable part of BMT as an institution that supports the activities of lower class Islamic communities. There are several operational principles of Baitut Tamwil, namely:

1. Wadi'ah;

Wadi'ah can be understood as a pure deposit either from individuals or institutions to be used or not based on agreed terms and must be kept and returned whenever the party who keeps it wishes (Astuti, 2017). The party receiving the deposit is obliged to look after and look after the items entrusted as well as possible.

2. Mudharabah

Mudharabah is technically a cooperative agreement between two partners, where the first partner provides all the funds and gives them to the other partner as manager to use as capital to make a profit. The profits obtained are distributed to the partners according to the agreement stated in the contract. If a loss occurs, the partner who owns the capital must bear it as long as the loss is not caused by the managing partner's negligence.

There are two types of Mudharabah financing, namely Mudharabah Muqayyadah and Mudharabah Mutlaqah. Mudharabah muqayyadah is a capital management partner who is free to manage his funds according to an agreement with the capital provider partner, both in terms of type, place, time of business and so on. Meanwhile, Mudharabah mutlaqah means that capital management partners cannot determine the type of business and where to manage it (Pitaloka & Wirman, 2021).

3. Musyarakah

Musyarakah contract or association contract is a collaboration between two or more partners where each partner includes a capital contribution in accordance with the

agreement to share profits or losses. Musyarakah itself in Islamic banking is understood as part of a cooperative mechanism that can link labor and capital to produce goods and services. Of course, this production can be useful for many people and also for yourself.

4. Murabahah

Murabahah is a sale and purchase agreement in which BMT appoints a member as an agent who is authorized to buy a product, then acts as a seller and then sells the goods for a profit that has been mutually agreed between BMT and the customer (Suryanto & Sa'adah, 2019).

5. Ijarah

Ijarah contracts are permitted in Islam (Firdayanti Oktafia, 2020). Ijarah is the transfer of the benefits of an item for a predetermined period of time with ujah or compensation without being accompanied by a transfer of ownership of the item (Rahayu, 2020).

Baitul Maal Wat Tamwil (BMT) Field of Work

Muslims must work and strive to live a decent life so that they can help fellow Muslims who are still poor together or collectively, this is a social responsibility. Alleviating people's poverty is everyone's noble responsibility which is carried out through zakat, infaq and alms funds. In the social sector in distributing zakat, infaq and alms funds, BMT functions as a mediator so that collective work runs better for people in need. The use or expenditure of BMT assets must be managed in a trustworthy manner and as well as possible. According to Taqiyuddin An-Nabhani (1990) in (Al-Jawi, 2004) the use or expenditure of assets is determined based on six rules, namely:

1. Assets that have cash, namely zakat assets. If Baitul Maal has zakat assets then these assets must be given to eight ashnaf as explained in the Al-Qur'an.
2. Assets to overcome shortages and to carry out jihad obligations given by BMT, such as providing for the poor, Ibn Sabil and jihad needs. If the assets do not exist, then the distribution can be postponed until a sufficient amount has been collected, then handed over to the rightful person.
3. Assets as a replacement/compensation given by Baitul Maal are assets that are the rights of the person who has provided their services, for example salaries of soldiers, judges, civil servants, etc.
4. Assets that are not a replacement/compensation managed by Baitul Maal, but are generally for the benefit and benefit, such as schools, mosques, water, roads and other facilities that are considered important, whose absence would cause the people to suffer/harmful.
5. Assets due to the benefits and benefits provided by BMT are not a substitute/compensation, such as opening a new hospital, building an alternative/second road, and so on.
6. Assets due to emergency elements distributed by Baitul Maal, such as hunger, disasters, earthquakes, typhoons.

The six rules above show the position of BMT as intermediary finance from zakat, infaq, alms and waqf assets which must be based on the rules above so that BMT can create equitable development, create social justice and carry out its functions with trust.

Development of Baitul Mal Wat Tamwil (BMT) in Indonesia

The development of Baitul Maal wat Tamwil (BMT) in Indonesia from the 1980s until now met its momentum, namely during the crisis in 1997. Baitul Maal wat Tamwil has become a prima donna for the national sharia economy, because it was born purely from Indonesian society which cannot be separated from the portion of society large lower and middle classes. Currently, Islamic finance is one of the sectors in the global financial industry that is experiencing the fastest growth, surpassing conventional financial markets. The market share of sharia finance in Indonesia is in line with the target of reaching 10% and is targeted to reach 15% in 2022.

Minister of Cooperatives and SMEs Teten Masduki revealed that the sharia economic and financial sector is expected to become a new source of growth for Indonesia, considering its strong performance in the midst of the Covid 19 pandemic and the relevance of its basic principles. Teten hopes that micro and small business actors can be consolidated into a cooperative by strengthening cooperative institutions so that they can act as offtakers, namely being able to buy members' products. With this, small and micro businesses, breeders or farmers no longer think about how their products are marketed. Cooperative capital will be strengthened by LPDB KUMKM (Kemenkopukm, 2021). BMT will continue to be developed into the production sector, not just the trade sector, because there is a lot of potential that can be developed through BMT production where Indonesia is rich in herbs, marine products, tropical fruit and others.

Conclusion

Baitul Maal Wat Tamwil is a sharia micro economic institution which is used to distribute part of a person's assets to small communities for the benefit of the people or social interests and can be productive, for social ones such as zakat, infaq and alms or for profit through a profit sharing system such as distribution and financing of business capital. Baitul Maal Wat Tamwil has a sharia microfinance concept that integrates economic and social aspects. The existence of BMT is also a form of economic business support that is able to encourage activities in terms of connecting and facilitating financing for small communities with a profit sharing system between the BMT and funders.

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