

The Dynamics Of The Development Of Baitul Maal Wa Tamwil In Indonesia With The Swot Analysis Approach

Uus Ahmad Husaeni, Tini Kusmayati Dew

Abstract-This research is motivated by the fundamental changes in micro finance industry map caused by the many penetration done by big players (rich people), so Baitul Maal Wa Tamwil (BMT) position began to lose its identity and must be transformed to face competition in micro finance sector. The purpose of this study is to prove the total change of microfinance business and analyze the position and role of BMT in the economic empowerment of people. This research is qualitative with library approach, where primary data are collected from primary sources in the form of related literature and secondary data in the form of publication report and interview. The data are then presented and analyzed by descriptive-analytical method using SWOT approach. The main conclusion of this research is that there has been a commercialization of microfinance business in Indonesia, so that BMT who carry out the mission of economic empowerment of people should focus on choosing the role as well as transform themselves. The transformation is done by changing its role and position to two alternatives; commercial or social, which is then supported by good corporate governance.

Keywords: BMT; Commercial, Economic Empowerment; Microfinance; SMEs; and Social.

1 INTRODUCTION

One of the many economic sectors that steal today is the microfinance sector. The term microfinance generally describes simple financial service offerings (usually savings and financing) to low-income and non-income clients [1]. Microfinance itself has grown since its inception in the 1980s into a large industry that in its development attracted the attention of practitioners, investors, and society. This enhancement of the microfinance sector has proven capable of providing financial services to low-income and poor communities [2]. The availability of microfinance institutions (MFIs) is expected to be able to include two profiles, between pro-poor social institutions regardless of bankable or not, and commercial institutions that pay attention to efficiency and effectiveness in disbursing their financial funds. While acting as a social institution, MFIs can become commercial institutions through minimizing transaction costs, and the role of self-help groups in coordinating their members [3]. Due to proximity to the customer and the flexibility of the rules, the costs can be reduced. Then the role of KSM is expected to suppress its members in securing its financing, or substituting collateral. The excellent mission of the MFIs is in line with the mission of Islamic Economics which aims to build an ethical and humane economy based on the principles of Islamic teachings, namely the economic empowerment of the *Ummah* (peoples). Indonesia is a country with the largest micro banking system in the world and also has many commercial microfinance institutions (MFIs) in terms of size, variety, volume, market penetration and advanced profits in the world [4].

Microfinance institutions in Indonesia are basically two major groups: first, banks, especially BRI (Bank Rakyat Indonesia) units and BPR (Rural Banks) that operate all the way to the country. Second, cooperatives, both savings and loan cooperatives that specifically serve the financial services and savings and loan business units in various kinds of cooperatives. In addition there are other MFIs introduced by various government agencies such as Village Financing Institutions, District Financing Agencies and others, as well as private or non-governmental organizations such as foundations, NGOs and other MFIs including religious institutions [5]. Among these institutions is *Baitul Maal Wa Tamwiil* (BMT) which is part of Islamic microfinance institutions (Islamic MFIs). Islamic microfinance institution is a business entity or institution whose wealth is mainly in the form of financial assets and non-financial assets or real assets based on the concept of sharia which provides a simple offer of financial services (usually savings and financing) to low-income clients and who do not earn at all [6]. Economic empowerment of the people is the main mission of the presence of Islamic microfinance institutions in Indonesia, especially BMT, which not only serves as a funding but also a social institution. The scope of economic empowerment is inseparable from the issues of poverty, including the access to capital for small and medium enterprises (SMEs). The issue of SMEs itself is a strategic issue of national development, in addition to the number of actors and employment, SMEs is closely related in the realization of national economic resilience of various dimensions. Although MFIs and Islamic MFIs are theoretically the same in the microeconomic sector that is full of empowerment, but at the practical level there is a sufficiently fundamental division between the two institutions [7]. While in the category of Islamic MFIs, BMT has its own characteristic. The difference is in the intensity of the portion of empowerment and commercial which is implemented respectively. On the other hand, the performance of Bank Rakyat Indonesia (BRI) from the micro division realized through the BRI unit business has contributed significantly to the revenue, even through BRI unit, BRI has made history by getting international award as "The Best

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Microfinance Institution" making other financing institutions begin to participate in taking the same segment [8]. BRI's brilliant performance of this unit then triggered the emergence of microfinance institutions in Indonesia. Such great potential and opportunities for SMEs have attracted the interest of microfinance business so extraordinary, even the social realm of microfinance empowerment has recently transformed into a microfinance business with its commercialization. Major banks that have been established with their products so far also joined the growing microfinance business. Bank Danamon launched 'Danamon Simpan Pinjam', Bank Mandiri with 'Mikro Mandiri', Bank CMB Niaga from merger bank Lippo and Bank Niaga also develop micro financing business with 'micro laju'. Islamic microfinance services are massively initiated by Bank Mega Sharia by creating 'Mega micro Sharia' products, although the first Islamic bank in Indonesia, Bank Muamalat has made strategic alliances with sharia micro-institutions, BPRS (Islamic Rural Banks), BMT and sharia pawnshops. The commercialization of micro financing business was also followed by the largest Islamic bank in Indonesia. Bank Sharia Mandiri, even making 'micro stalls' as a reliable business unit for 2011. The practice of microfinance commercialization, which was initially loaded with 'empowerment' mission, was not only done by banking institutions, both local banks and foreign banks, but non-bank institutions such as pawnshops, venture capital, private national capital and others, massively worked on the realm of microfinance business. This increasingly fierce competition map will automatically bring the consequences of microfinance business totally changed. This is reminiscent of the incident of Indomart and Alfamart in the retail sector which has obviously changed the map of retailers business ever filled by the rise of small shops in Indonesia. Based on the above matters, the authors are interested to examine and review the continuation of the position and role of Islamic Micro Finance Institution (Islamic MFIs), in this case BMT, in the economic empowerment of the people in the midst of the high flow of microfinance commercialization practices in Indonesia so competitive. Not to be denied, the presence of new players in the micro economic sector in Indonesia, which tend to be more powerful, has changed the total map of microfinance business. Commercialization that they launched can not be balanced by small players who commit to synergize his two profile. The BMT, for example, with all its limitations, coupled with the two profiles it plays, is pragmatically predictable to be left out regularly while competing with big players with all its advantages; in terms of professionalism, technology, and capital, as well as their focus is only focused on profit oriented.

1. METHOD

This research is a qualitative research, which emphasizes the study of the object of research through searching books and existing literature (bibliography). The secondary sources of this research are other data supporting this research, either in writing or field data [9]. In order to produce the required data in this research, the writer will use the technique of collecting data of documentation research, that is data collection technique used to collect data in the form of thoughts or concepts, in this case from primary and secondary sources related to BMT and the

economic empowerment it plays. Thus, this research will produce descriptive data, the results will be presented in qualitative form. While the object of research in this study are four BMT with the largest asset in West Java. The collected data will then be analyzed by analytical descriptive method. The intention is to describe in a systematic, factual, and accurate to some aspects relating to the position and role of BMT in economic empowerment of people. In this case, this study will also use the SWOT approach. Synergistically, the SWOT approach observes and analyzes the position and role of economic empowerment of BMT, as one of the Islamic microfinance institutions. The SWOT approach is related to mapping and analyzing the real conditions of BMT, as well as to determine and map what BMT must do in terms of competition in the microfinance sector, especially in today's extreme competitive vortex.

1. RESULTS AND DISCUSSIONS

Results

In this study selected 4 BMT with the largest asset in West Java Province which is the province with the largest number of BMT in Indonesia which amounted to 637 BMT. Data on the BMT will be described as follows: *BMT Baytul Ikhtiar Bogor* BMT Baytul Ikhtiar was founded in Bogor in 1998 by activists of Bogor empowerment under the Payung of Peramu Foundation. BMT Baytul Ikhtiar is registered and incorporated in Islamic Cooperatives in 2008. Currently BMT Baytul Ikhtiar has 207 employees. These BMT have a productive micro segment by applying the grameen bank model established by Muhammad Yunus in Banglades

Table 1. Financial Report BMT Baytul Ikht

No	Items	2015	2016	2017
1	Asset	48,919	51,721	52,210
2	Commercial Financing	32,064	36,140	38,320
3	Social Financing (Qardhul Hasan)	337	402	511
4	TPF	13,557	14,723	15,673
5	Financing received from a similar Bank	27,304	28,932	30,761
6	Modal	7,190	8,037	8,364
7	Current year profit	847	932	1,024

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BMT Baytul Ikhtiar asset position in 2017 amounted to 52.21 billion rupiah. The asset size is large enough for the current BMT average. However, its existence is still highly dependent on the supply of banking funds that amount to close to 80 percent of the portfolio of financing disbursed. Meanwhile, the comparison between the amount of commercial and social financing is much different, in 2017 the amount of commercial financing reached 38.32 billion rupiah is inversely proportional to social finance (*qardhul hasan*) which only 511 million rupiah. *BMT itQan Bandung* BMT itQan was founded in 2007. At that time some people who used to be a study group in Bandung, took the initiative to form a joint business charity aimed at implementing the truth values of Islam in the form of real economic, social, education and health. Initially BMT itQan only manage a small part of zakat funds and make electricity payment point as the main source to pay employees who initially only 1

Table 2. Financial Report BMT itQan

No	Items	2015	2016	2017
1	Asset	29,795	37,011	40,362
2	Commercial Financing	22,562	24,826	29,361
3	Social Financing (Qardhul Hasan)	752	1,385	1,932
4	TPF	5,619	4,569	6,632
5	Financing received from a similar Bank	20,325	21,288	22,713
6	Modal	3,786	5,209	6,821
7	Current year profit	208.5	345.5	597

person teller. With the growth of trust from the community then BMT itQan since early 2008 began to roll out financing for micro businesses with initial loan amounts ranging from 200 thousand to 1 million rupiah. In 2010, after conducting a literature study on the success of micro financing methodology with group patterns by Muhammad Yunus in Bangladesh and comparative studies with other microfinance institutions practicing grameen bank patterns in Indonesia, the Supervisor and Board finally decided to adopt a modified grameen bank the pattern of sharia. With the applied methodology, the results are more effective in reaching the customers of pre prosperous families. Because the pattern used does not require having collateral as well as really focus on working on segments of the poor who are basically always getting discriminated in obtaining access to cheap formal finance and professional. If you look at the table above, it is known that Asset BMT itQan in 2017 reached 40.36 billion rupiah or the second largest number after BMT Baytul Ikhtiar assets. Third Party Funds in 2016 decreased and rose again in 2017 which reached 6.6 billion rupiah. While from the financing aspect, commercial financing dominates all existing financing on BMT itQan with the value reached 29.36 billion rupiah in 2017. While social financing with qardhul hasan contract reached 1.93 billion rupiah. Meanwhile, during the last three years BMT itQan increased profit in 2015 by 208.5 million, 2016 of 345.5 million rupiah, and in 2017 reached 597 million rupiah. *BMT Amanah Bersama Bandung* BMT Amanah Bersama is a non-bank micro finance institution that has the legality of Saving and loan cooperative (KSP), which in its business activities collects funds from members and prospective members and redistributes in the form of financing to members who meet certain requirements in

accordance with the principles of sharia. The establishment of BMT Amanah Bersama was signed on 12 September 2012 by 24 founding members. BMT Amanah Bersama obtain the legality of Notary with the Deed of Establishment of Cooperative Savings and Loans BMT Amanah Bersama No. 23 dated 15 February 2013 and the Decree of State Minister of Cooperatives and MSMEs RI No. 4/BH/XIII/518-Diskop-UMKM/VI/2013 as well as Savings and Loans Business License No.05/SIUSP/XIII/518-DISKOP.UMKM/VII/2013. With the issuance of permission from the Office of Cooperatives Province West Java, the business reaches BMT Amanah Bersama can cover all areas of West Java Provinc

Table 3. Financial Report BMT Amanah Bersama

No	Items	2015	2016	2017
1	Asset	18,110	20,972	22,916
2	Commercial Financing	10,310	12,161	15,712
3	Social Financing (Qardhul Hasan)	235	536	943
4	TPF	1,768	2,340	3,014
5	Financing received from a similar Bank	8,198	9,690	10,330
6	Modal	2,170	3,650	3,930
7	Current year profit	117.8	203.3	250.7

Based on table 3 above, it can be concluded that the total asset BMT Amanah Bersama always increase every year and the highest in the year 2017 that amounted to 22.91 billion rupiah. The amount of profit each year has increased with the highest value in 2017 reached 250.7 million rupiah. Meanwhile, the amount of commercial financing each year has increased with the highest value in 2017 which reached 15.71 billion rupiah. Meanwhile, the social financing with the qardhul hasan contract is only 943 million in 2017. And the funds collected from the community (TPF) in 2017 reached 3 billion rupiah. *BMT Ibaadurrahman Sukabumi* BMT Ibaadurrahman Sukabumi is an institution engaged in the field of economics and finance patterned sharia as an institution based on economic principles that is from the ummah to the ummah (peoples). BMT Ibaadurrahman has a mission to raise the ummat economy towards a more prosperous life through programs that avoid riba, for that BMT Ibaadurrahman seeks to be a trustworthy institution in carrying out mission for the welfare of the ummah with the motto "Business Partner Achieving God's Love".

Table 4. Financial Report BMT Ibaadurrahman

No	Items	2015	2016	2017
1	Asset	10,050	12,628	13,779
2	Commercial Financing	5,640	6,140	6,717
3	Social Financing (Qardhul Hasan)	107	0	0
4	TPF	7,210	10,186	11,334
5	Financing received from a similar Bank	603	1,320	1,432
6	Modal	353	440	603
7	Current year profit	182	398	526

BMT Ibaadurrahman phenomenon is classified as very unique. Although it does not distribute social financing in 2016 and 2017, BMT Ibaadurrahman has an abundant member of funds (TPF) with the highest number of TPF in 2017 of 11.33 billion rupiahs, so the total relationship of financing with donor bank alliances is very low, evident in 2017 only 1.4 billion rupiah only the amount of financing received from the bank. The highest amount of commercial financing in 2017 reached 6.7 billion rupiahs with total assets in 2017 reached 13.77 billion rupiah. Meanwhile, profit received by BMT Ibaadurrahman every year has increased significantly with a consecutive increase in 2015 of 182 million rupiah, in 2016 amounted to 398 million rupiah and in 2017 reached 526 million rupiah.

Discussions

Furthermore, the SWOT analysis of four BMT as the object of research. SWOT analysis is an analysis commonly used by an institution or company, including Strengths, Weaknesses, Opportunities and Threats. Strength can be a potential source that can be utilized to be an advantage for the company and the weakness of the company to be a good thing, because it can motivate the company to always reduce the weakness to be better. Similarly, all kinds of opportunities and challenges that exist outside the company tried to be known from an early age then used as input for the company for the progress of the company [10]. In this case, the SWOT analysis is also relevant as a tool to read the strengths, weaknesses, opportunities and challenges around them. Internal factors of the strengths and weaknesses, and the external factors of opportunities and challenges facing BMT.

Internal Factor Analysis

Identification of Strengths Factors

Human resources (HR) skilled and trained managers. This is reflected in the participation of managers in various trainings organized by their own institutions (internal) as well as by the parties and related agencies. Support to the development of human resources is relatively large enough to get a large portion of the human resources capacity building program. Professional and reliable HR capacity is evidenced by high levels of staff integrity, expertise in product operation and speed in delivering services. Orientation to customer satisfaction has been run, as evidenced by the high level of customer satisfaction with the services provided; Availability of adequate facilities and infrastructure. Adequate facilities and infrastructure help to complete the work faster. In addition to a comfortable place, support equipment becomes a motivation for managers in work; Having SOP (Standard Operations and Procedures) for the management of BMT. Generally BMT already has self-developed SOP or refer to SOP prepared by its association. SOP implementation usually begins with a stipulation by the board; Margin or competitive profit sharing and own capital capability. The ability to generate a margin or a competitive share of results for depositors is an attraction. This becomes a force factor so that sustained capital accumulation itself is also a strengthening for BMT. Strengthening of capital structure itself can be done by doing product innovation and expansion of marketing; Product excellence. Products produced by BMT are able to compete and meet customers' needs. The ability to innovate and breakthroughs in product creation and targeting the right market segment is a strength of its own

that is owned by BMT; Pattern of relationship or relationship between superiors and subordinates. In general, Islamic MFIs is able to create a conducive working culture. It can be well developed through good leadership where the leader is able to lead the team and build a reliable working team. This can be realized because the pattern of communication and relationships between the leadership and subordinates well and balanced.

Identify the Weakness Factors

In addition to existing strengths, there are still some internal weaknesses of BMT, among others: Knowledge of managers regarding sharia financial transactions. The expertise in product operation and the speed of service provided is still constrained by the limited knowledge of managers regarding sharia transactions. This dive in carrying out its staff work is supported by ready-to-use software while deepening and substantial understanding of the aspect of sophistication is limited mainly at the operational level, but leadership and manager levels are relatively better. Understanding the management of Islamic financial transactions is important because often their lack of understanding resulted in the misunderstanding of the community of Islamic MFIs service users in understanding the existing transactions. If this continues to be ignored the effect is the reputation risk that people no longer believe in or misinterpret, and thus are unable to distinguish it from other existing conventional financial institutions; Mastery of managers in the marketing aspect. Weak mastery on the marketing aspect and targeting the right market segment and the ability to offer products are still often faced by many BMT. The participation of managers in training exercises is apparently insufficient to address them, but the development of field expertise and experience with adequate insight into marketing will teach the managers' own expertise in this aspect; Selection process or employee recruitment. Recruitment issues are often considered unimportant, but this will be a gamble in the development of human resources who will run the wheel of the institution. The closeness of a relation without a fair and open recruitment mechanism if it becomes a reference, whether consciously or not, sooner or later will cause problems later on. Systemic, consistent and consistent recruitment patterns, with clear and measurable human resource criteria, greatly assist the sharia system to be implemented and developed by an agency including the BMT; Ability in the use of technology. Mastery of technology becomes important, not all managers are able to operationalize the existing software well. Currently it has developed ATM (Automatic Teller Machine) and online facilities for BMT but in its operations required the readiness of personnel who are able to master the technology well. Introduction and mastery of information technology, database system, mastery of hardware and software essential for managers and staff especially for product operationalization and the preparation of financial statements in accordance with existing guidelines. Good reporting with good technological support will help great administration and management; Ability in making business proposals. One of the capabilities that managers and managers of BMT need to have is to make business proposals, given the existing capital resources constantly referring to proposals. In addition to other factors, there are techniques and strategies for business proposals to be financed. Training for this is important; Implementation of

SOP (Standard Operating Procedure). Almost all BMT already have either self-made SOP or references to SOP made by associations. However, what remains an obstacle is consistency in its application. Monitoring alone is not enough to encourage consistency in the application of SOP. There are rules without any sanctions then the rule will not be effective. There are sanctions without any sanctioners will also not be effective. Therefore it is necessary sanctions and enforcement of sanctions for SOP to be effective; Financial allocation for the use of technology. Generally BMT have financial limitations to use technology. For BMT whose assets are already high and able to generate sufficient profits so as to allocate them to these needs, there is relatively no problem with the use of technology. BMT that have financial constraints require support from outside parties such as relevant agencies that have programs for the field; Development of network and access to capital with related institutions. Often even small business institutions are always preoccupied with business routines that spend enough time and energy so that thinking for its development becomes limited. BMT capability in network development becomes important because with the network, information sharing can be done, synergistic cooperation between institutions in order to give advantages and cover the shortcomings of each institution can be done. For example in access to capital, can be done through network strengthening. Submission of capital to related institutions does not necessarily have to be done by any BMT but it is sufficient to be done by the Parent or association so that funding can be obtained and distributed fairly and equitably by the association. Associations are more familiar with which BMT characteristics still require capital and which are not so that the allocation of funding can be right on target. In addition to internal factors there are external factors that need to be known and anticipated by BMT. These factors are opportunities and threats that exist around the BMT. External Factors Identification of Opportunity Factors The Development of Islamic Banks in Indonesia. The rapid and rampant study in the field of sharia economy encourages the rapid and rampant business of sharia economy in Indonesia. This is a tremendous opportunity, as it has been discussed earlier that large business groups in Indonesia are SMEs while most of them can not access large banks so that Islamic MFIs becomes the only alternative to strengthen the capital of SMEs; Media and information facilities for the socialization of sharia business transactions. Currently, socialization and education of Islamic banks are being intensively conducted by almost all Islamic banks. This is influenced by Bank Indonesia policy to achieve greater market share, this effect provides a positive enough space for the improvement of public knowledge about Islamic economic system and this condition is an opportunity that can be exploited by BMT managers to market their products from financing side and from third-party funding side, with segments of course SMEs; The majority Muslim community in Indonesia. The majority Muslim population of Indonesia is an extraordinary market, the sharia system is easier to accept. The majority underclass are also Muslim and work in the informal sector. This is a considerable opportunity. For an emotional group the sharia-side approach is more suitable for use but for rational groups that need to be emphasized is fast, convenient, and safe

service. Professionalism is the main thing to gain the trust of the community, both for emotional and rational groups; Competition in global markets and free markets. The wisdom of the free market (AFTA), which began in 2001, and the Asean Economic Community (MEA) are openness in all areas including market expansion through state boundaries that inevitably or unwillingly spur countries or producers- producers to constantly improve product quality and service quality in order to compete in the free market arena. No exception, financing products with sharia system are very much open to compete with conventional financing products on the free market. Ten years ago these offered and executed sharia products have proven to be more viable and fairer in times of crisis monetary; Development of networks and partnerships. The more fertile the BMT is accompanied by the birth of various associations as well as the growing government's attention to the development of MFIs creates its own opportunities for BMT. Some of the linkage program models that have been developed by Bank Indonesia are an opportunity for BMT to utilize them; Culture of entrepreneurship and public awareness of SMEs business development BMT personnel, both administrators, managers, and staff are generally dedicated and have a high morale in carrying out their duties because it is encouraged by a high ideological awareness. This behavior becomes the nature of everyday life and this is the nature of a true entrepreneur. By possessing or endorsed by these qualified HR, of course BMT has an excellent opportunity to develop its institutions better and more ready to compete. Moreover, it is supported by public awareness of SMEs business development; The commitment of the product to the sophistication. The number of conventional financing and investment products offered to the community with all its advantages, of course, be considered for similar products based on sharia. However, sharia-based products have their own uniqueness and must always be guarded through supervision by the Sharia Supervisory Board both internally and externally. The more uniqueness of *masalah* this is a separate opportunity for products based on sharia that is not owned by conventional products. And therefore must always be preserved; Licensing process for institutional legality. Various facilities have been given by the government to institutions engaged in microfinance because the motives and objectives are clearly in favor of productive society but weak in capital, especially to institutions that have operated and have proven its performance but have not obtained the legality. Legality is required in order to develop the institution and its accountability. Licensing process that is simple for BMT in addition to opportunities for BMT, is also an opportunity for growth and economic development based on sharia itself. Identify the Threat Factor Public understanding of sharia business transactions. Many people, especially customers who still compare the amount between the given share is not much different and even higher than bank interest. Should between the profit-sharing pattern and bank interest can not be compared. There are also still hesitant with financial institutions labeled sharia, whether in accordance with the true sharia or just seize the sympathy market share that still assume that the system of profit sharing applied BMT is not more fair than conventional system; Margin or profit sharing. The performance of BMT in the financial aspect faces the challenge of a rational

market that requires a high revenue share on storage and on the contrary margin and low profit sharing in financing. At least demanded to be able to compete with other conventional financial institutions. This is understandable because it has been for many years that people live in conventional times so that when the sharia economy system develops, there is still an attempt to compare it with the conventional. In addition to continuously improving performance, what needs to be done to deal with this is to provide education about the system of sharia, so the profit sharing is not always equated with the system of interest. The SMEs community that has a daily income is much more amenable and feels no objection to the results given because they go home bringing more than has been produced. But for some people feel heavier because it must give higher than pay interest when the perception is equal both; The existence of conventional networks and market access. Related to the problem of competitive profit sharing capability is also the existence of conventional network and its market access has become very big challenge for BMT to take part; Corporate Social Responsibility Fund for the partnership program. Almost all Departments, State-Owned Enterprises (SOEs), and companies make partnership programs. But the problem is that not all MFIs are able to access the funds. Network strengthening is required to access large and low cost funding. Networks and associations can be the leading line to be subsequently disbursed to BMT partners who are still in great need of capital assistance. Funds of such programs are expected to be cheaper than financing through banks and other financial institutions. For that in addition there should be ease of procedure is also required a warranty relief; Deposit Insurance Corporation (LPS) and SMEs Financing Guarantor. Bank Indonesia has established a policy of the Deposit Insurance Corporation for conventional banks. Currently, it has also drafted the concept of the Sharia Deposit Insurance Agency, an institution that guarantees deposits in Islamic banks. Surely this is a challenge for Islamic banks and other Islamic financial institutions Next to clarify SWOT analysis to BMT, then presented also table of SWOT analyst that is as follows

Table 5. SWOT Analysis of Baitul Maal wat Tamwil

Internal Factors		
Factor	Information	Yes or No
Strength	1. Adequate human resources to be able to compete	Yes
	2. A clear career training and coaching system	Yes
	3. Adequate office facilities and infrastructure	Yes
	4. Products and systems corresponding to customers	Yes
	5. Patterns of good and close relationship with customers	Yes
	6. Competitive returns and prices	Yes
Weakness	1. Less knowledge and skills of human resources	Yes
	2. Unfavorable human resources recruitment system	Yes
	3. Training system and guidance of less good human resources	Yes
	4. Insufficient office facilities	No

	5. Capital is too small	No
	6. Inadequate information and technology systems	No
External Factors		
Factor	Information	Yes or No
Opportunity	1. Majority of Muslim society, potential customers	Yes
	2. Cooperation with Islamic banking	Yes
	3. The number of entrepreneurs and the informal sector	Yes
	4. Central and local government support	Yes
	5. Permissions and branch opening are relatively easy	Yes
	6. Number of human resources ready to train	Yes
Threat	1. The dominance of big players (moneylenders)	Yes
	2. Price competition	Yes
	3. Human resource exodus	No
	4. Network of big player offices (moneylenders) to remote areas	Yes

From the table above can be concluded that internal factors BMT has 6 strengths, all requirements to compete have been owned, especially about human resources and infrastructure facilities. Internal weakness there are 3 points, this can be fixed with the intensity of performance and improve the existing system. External factors as a whole are owned by BMT, all opportunities can be utilized but the challenges are also great especially competition against big players (moneylenders). Analysis of the Role of Baitul Maal wa Tamwil in the Empowerment of the People's Economy One of the roles of *Baitul Maal wa Tamwil* is to function as an empowerment institution, either directly or indirectly through forms through microfinance services as well as social services. The model below illustrates the choice of role and the focus of the current role performed by the four *Baitul Maal wa Tamwil* which became the object of research in this stud

Figure 1. Role Model of BMT in Economic Empowerment of People (Commercial Aspect)

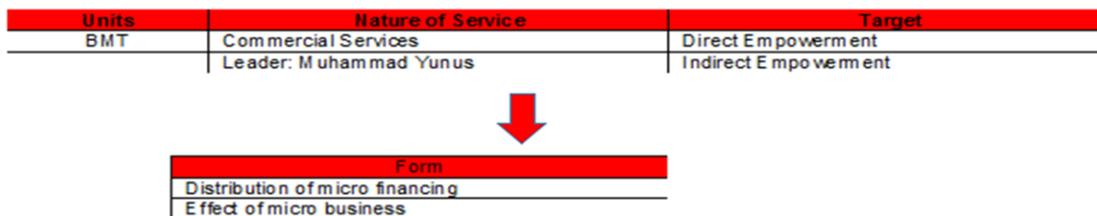
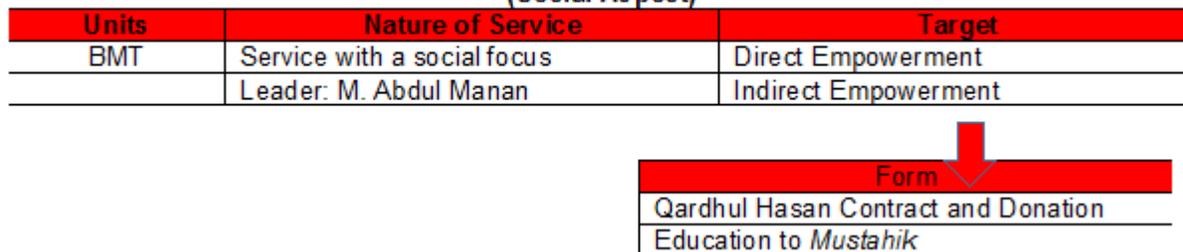


Figure 2. Role Model of BMT in Economic Empowerment of People (Social Aspect)



In carrying out the role of empowerment, BMT essentially inherently automatic has taken the role. However, as commercialization flows, the attention of empowerment intensively becomes loose, so that the end result of empowerment is more indirect effect. The choice of first role with a commercial approach. The choice of this approach should be based on consideration of strengths and weaknesses of BMT as discussed in the SWOT analysis in front. Good corporate governance principles that must be met include the value of transparency and meet good financial ratios. Commercial approach stated by Muhammad Yunus [11] (2001) that with the application of commercial economic system a prosperity can be achieved and at least can reduce the number of poverty. Muhammad Yunus [11] says that a competitive but non-greed capitalist economic system will be able to help the multidimensional change of the poor. Grameen Bank model financing system that is applied in the form of helping the capital of the poor, especially women, in order to be able to overcome the economic problems. According to him, the problem of poverty is not due to the intellectual weakness, but more because of the absence of capital. To that end, assistance in terms of capital to be a solution to solve the problem of poverty. To that end, the BMT that comes in this option is needed is the strengthening of capital and institutional management and good operational management. Using good governance principles proclaimed by Umer Chapra and Habib Ahmed [12] whose elements are participatory, oriented towards consensus, accountable, transparent, responsive, effective and efficient, fair and inclusive and follow the rules of law. With large capital and supported by good governance, qualified human resources, and advanced technological system, BMT can exist and survive with the choice of commercial lines. The second option is the empowerment (social) approach. In this approach the BMT should focus on the social cultivation fields using the source of funds from zakat, infak (charity), sadaqah (ZIS), and other zakat funds. Its activities are devoted to helping the poor through the investments of the rich who are

commercialized so that the results are made social empowerment to them (the poor) [13]. In the choice of focus to this (social) empowerment service it is necessary to follow the footsteps of the cash waqf movement that was fostered by Muhammad Abdul Mannan [14]. Where the settlement of economic problems is solved by the ways contained in the Qur'an and Hadith. Abdul Manan holds a realistic view of Islam to the poor so great that Islam emphasizes the equitable distribution of income and is the turning pattern of production within an Islamic state. In addition, Abdul Manan also argues that distribution is a fundamental basis for resource allocation [15]. Similar to the first option, the second option also has to use the ground rules of good corporate governance that must be met, including the value of transparency, participatory, consensual, accountable, responsive, effective and efficient, fair and inclusive and follow the rules of law [16]. With the Islamic economic system and good corporate governance is expected BMT who take the path of empowerment can perform social service activities properly and precisely.

5. CONCLUSION

This study concludes that most BMT in Indonesia are in a competitive condition of the financial industry that states its position for survival only. In other words, the choice of position is vulnerable to business turmoil, as it only survives. The commercial microfinance service competition in Indonesia occurs not only because of the awareness of the empowerment element inherent in its mission, but rather because of its promising business potential. In contrast to Muhammad Yunus who made 'grameen bank' commercialization process that is doing business feasibility approach in the recruitment of its customers. While BMT consciously commercialize in order to survival amid a wave of competition with the entry of major players in the realm of the microfinance industry. In order not to be left behind by the disadvantaged people, the focus of social empowerment offered by Muhammad Abdul Mannan becomes very interesting to be applied by BMT who must

shift the position in face of competition with banking micro finance institution by digging the potential of low risk social fund then allocating on urgent and fundamental human empowerment programs. In other words, the commercial camp of Muhammad Yunus needs to be bred with the social camp of Muhamamd Abdul Mannan, through the choice of roles of each BMT. This study is in line with the research of Marguerite S. Robinson (2002), Lincoln Arsyad (2008), and Umer Chapra (2012) which outlines the financial ratios and healthy capital composition to support good performance. On the contrary, this study differs from Awalil Rizky's (2007) research which highlights the Islamic girah as a prospect, Euis Amalia's research (2009) which emphasizes the need for regulatory and government policies in order to empower Small and Medium Micro Enterprises (MSMEs).

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