



PROCEEDING PROCEEDING PROCEEDING International Conference on Islamic Economics and Financial Inclusion

"In Search for an Islamic Strategy

to Deal with Global Economic Instability"





Bismillahirrahmanirrahim,

Assalamualaikum, Wr, Wb

Respected:

- 1. Rector Universitas Muhammadiyah Yogyakarta, Dr. Gunawan Budiyanto.
- 2. Prof. Syamsul Anwar, Majelis Tarjih and Tajdid, Pimpinan Pusat Muhammadiyah.
- 3. Prof. Aslam Haneef, International Islamic University Malaysia
- 4. Associate Prof. Dr. Dusadee Ayuwat, Khon Kaen University, Thailand.
- 5. Mr. Habib Chirzin, International Institute of Islamic Thought
- 6. Dr. Hendri Saparini, National Committee for Economy and Industry, Republik of Indonesia.
- 7. Dr. Hurriyah El Islamy, IMF Expert in Islamic Finance.
- 8. Dr. Yulizar Sanrego, National Syariah Board, Republic of Indonesia.
- 9. Dr. Muhammad Ichsan, Universitas Muhammadiyah Yogyakarta
- 10. Dr. Jafril Khalil, Majelis Ekonomi dan Kewirausahaan, Pimpinan Pusat Muhammadiyah
- 11. Dr. Imamudin Yuliadi, Head of Economics Department, Faculty of Economic and Business, Universitas Muhammadiyah Yogyakarta
- 12. Paper Presenters, Moderators
- 13. Dear Committee, Ladies, and Gentlements,

First of all, let express our thanksgiving to Allah SWT, who Has bestowed us with His Mercies and Blessings so that we still can fell Iman and Islam,

Secondly, may sholawat and salam always deliver upon our beloved prophet Muhammad SAW, along with his families, companions and ummats until the last and final day.

Thirdly, on the behalf of Dean of Faculty of Economic and Business, I would congratulate the committee members for their generous efforts and hard work so as making this conference happens. Not forgotten, on the behalf of the big families of Universitas Muhammadiyah Yogyakarta, we would express our deepest condolence to our closest friend, Dr. Masyhudi Muqorrobin who passed away last month. He had continously dedicated his entire life for the progress of academic atmosphere in Universitas Muhamamdiyah Yogyakarta, particularly for development of Islamic economics and finance, including todays conference. May Almighty Allah SWT Reward him and Place him into His Jannah. Ameen

Respected Rector, speakers, ladies and gentlements,

On the behalf of Dean Faculty of Economic and Business, Universitas Muhammadiyah Yogyakarta, I would like to warmly welcome you all to today's conference of the 2nd International Conference on Islamic Economics and Financial Inclusion or ICIEFI, organized by International Program for Islamic Economics and Finance (IPIEF), Department of Economics, Universitas Muhammadiyah Yogyakarta. This is the 2nd

annual international conference, which is carried out to enable all participants to share their views and experiences, and also to enhance our collective understanding in Islamic economics and financial inclusion towards the betterment of the Ummah.

This year, the theme for the conference "In Search for an Islamic Strategy to Deal with Global Economic Instability". Through the conference, we will have ample opportunity to discuss, learn, and analyze about the ongoing progress of global economic uncertainty and search an solid and proper strategy dealing with such condition from Islamic point of view. It is expected that participants of the conference will be able to view the consequences of current global economic instability, mapping the strategies from Islamic economics, and produce a plausible recommendations.

Respected Rector, speakers, ladies and gentlements,

On this nice occassion, it is a pleasure from me to inform you that Universitas Muhammadiyah Yogyakarta would deliver a certificate of appreciation to our beloved friend, Allayarham Dr. Masyhudi Muqorobin for his extremely contribution and enormous dedication to Universitas Muhammadiyah Yogyakarta during his entire life. May this appreciation could also inspire us to further continue and pursue his spirit and struggle for the progress of Islamic economics and betterment of the ummah.

Respected Rector, speakers, ladies and gentlements,

Finally, I wish you all having fruitful discussion during the conference, thank you

Wassalamualaikum, Wr,Wb

Your Sincerely,

Dr. Nano Prawoto, M.Si

Dean of Faculty Economics of Business, Universitas Muhammadiyah Yogyakarta

FOREWORD BY THE COMMITTEE

On behalf of the Steering and Scientific Committee, let me apologize to give remarks on this outstanding event, namely 2nd International Conference on Islamic Economics and Financial Inclusion (ICIEFI) as held in this "leading and enlightening university", Universitas Muhammadiyah Yogyakarta. The ICIEFI is jointly organized by the Department of Economics, which offers International Program for Islamic Economics and Finance (IPIEF) and Ekonomi Keuangan dan Perbankan Islam (EKPI), in collaboration with Majelis Tarjih and Tajdid Pimpinan Pusat Muhammadiyah, Indonesia; Ikatan Ahli Ekonomi Islam (IAEI), Daerah Istimewa Yogyakarta and International Institute of Islamic Thought (IIIT) Virginia, USA.

As far as this particular ICIEFI Conference is concerned, partnership with a number of institutions of which attributes and in the cover of this proceeding is also realized, including International Islamic University Malaysia (IIUM); Universiti Sains Islam Malaysia (USIM); Universiti Brunei Darussalam (UBD), University College of Bahrain; and University of Essex.

The Conference program is run under two types of sessions. *First*, plenary sessions are held including keynote speeches and video conference. *Second*, in addition to invited papers or materials from outstanding speakers, the Committee also called for submission of the papers and received overwhelming interest of the potential authors, though in a very limited time. After a tired-less effort of the review, only thirty four are accepted for oral presentation. In addition, the papers presented on this conference will be conducted in English.

Firstly, on behalf of Steering & Scientific Committee and Organizing Committee as well, we congratulate the selected papers for their effort and participation. Let us apologize for any inconvenience in this particular event, our great appreciation for all parties contributing and participating in this conference. This significant effort deserved rewards from Allah the al-Mighty, and may give benefits for the ummah as well as the whole communities.

Welcome to ICIEFI 2017, and welcome to UMY!

Dyah Titis Kusuma Wardani Chairman, Steering & Scientific Committee

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ECONOMIC GROWTH, INEQUALITY AND DISTRIBUTION IN ISLAM

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Abstract

Economic growth is something that is desirable in Islam. The Islamic view on Economic growth is Economic growth is not the only objective to be achieved in the Islamic economies. Islam encourages the fulfillment of people's needs, and fulfillment the needs of the people in line with the purpose of Economic growth is to increase the production capacity of a country/ region to fulfillment the needs of citizens. In relation to economic growth, the gap often have reversibility. The high Economic growth is often accompanied by high inequality. In a critical point, this is a problem. This paper will discuss more about the relationship between economic growth, inequality and distribution in Islam use literature review with emphasis on how Islamic view on economic growth, why Economic growth is often accompanied by high inequality, what empirical evidence of inequality in Muslim country and how Economic growth should related to distribution?

Keywords: Economic growth, inequality, distribution in Islam.

IMPACT ANALYSIS OF THE USE OF DINAR IN MONETARY TRANSACTIONS

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Abstract

The purpose of this research was to determine the monetary impact of the use of the dinar in the transaction, monetary policy is a policy adopted by Indonesia in regulating the financial supply or regulate the amount of money in circulation. In Islam, the monetary policy should be balanced between the IS-LM curves in order to avoid inflation. Dinar and dirham eligible to be used as a means of transaction for two coins have a value and a stable element. This paper aims to explain the monetary impact of the use of the dinar in the transaction. The method used is content analysis method. The results of this study explains that the use of the dinar as the currency can be implemented because it has the feasibility to stabilize the course of monetary although the application of the dinar is not a major step in managing monetary in a country because of the limited reserves of gold, and when the dinar could be applied monetary impact will be more stable because can balance the IS-LM.

Keywords: impact of monetary, dinar

MAINTAINING PRICE STABILITY IN THE CONTEXT OF DUAL MONETARY SYSTEM IN INDONESIA: IS ISLAMIC MONETARY POLICY EFFECTIVE?

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Abstract

Central bank as a monetary authority has an important task to maintain the stability of the rupiah against goods and services. Since the enactment of the dual banking system in 1998, bank indonesia also impose dual monetary policy operating together to achieve price stability.

By developing a model proposed by ascarya (2011), this study aims to investigate the effectiveness of the dual monetary policy prevailing in indonesia; both conventional and islamic, in maintaining the stability of the price level. This study will be updated by adding credit, financing, interbank call money-market shock. The methods used in this research are vector error correction model (vecm) and autoregressive distributed lag (ardl) model.

The results of this study indicate that conventional monetary policy in general—when compared with the islamic monetary policy—, trigger instability of price level. It was such a policy because the money supply-based fiat money, which tends to trigger inflation. In addition, the loan system, interbank money market, and fractional reserve banking which is based on interest system add to contribute price volatility in indonesia. Instead, islamic monetary policy shocks responded negatively by the price level, meaning that islamic policy is capable of reducing the monetary instability of the price level through financing, islamic interbank money market and profit and loss-sharing as the dominant contributor. This study concluded that price stability in indonesia is determined by the contributions of islamic monetary policy. This means that the islamic monetary policy to be the backbone for the malfunction of the conventional monetary policy.

Keywords: price stability, dual monetary system, profit and loss sharing, fiatmoney

JEL Classification: E31, E51, E52

BRIDGING ECOLOGY AND ECONOMY

THROUGH ISLAMIC ETHICS OF STEWARDSHIP

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Abstract

Even though it's originated from the same word oikos, literally means house, the discussion about ecology and economy tend to be located in the opposite enterprises. In the abstract level, the discussions about ecology focus on the sustainability and conservation of biodiversity while the economic discourses lean toward the development and growth. Furthermore, many environmentalists accuse the thriving economic growth and development lead to ecological calamity. On the other hand, the economics technocrats suspiciously perceive the environmentalist as anti-growth and development. Even though islamic classical literatures do not contain the word economy and ecology, yet the discourse about maintaining the limited resources of the earth for the human development and growth have already and continuously scrutinized. Reflecting from the situations, this paper tries to bridge the tense relation between ecology and economy by elaborating the islamic ethics of stewardship into both field studies. In doing so, the discussion shall begin by examining the field of ecology and economy in order to find common ground between the two. The discussion will become point of departure to elaborate some islamic ethics of stewardship into those common grounds that lead to reciprocal double learning between the ecology and economy field studies. In other words, the ways we comprehend ecology in islamic perspectives helps us to refine our understanding and practices in islamic economics, and vice versa, this "green" islamic economy might contributes in enhancing our environmental situations.

Keywords: Islamic Economics, Islamic Ethics, Ecology, Sustainability, Development

IMPLEMENTASI MAQASID SYARI'AH DALAM EKONOMI

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Abstrak

Tulisan ini mengungkapkan bahwa dalam magasid syari'ah, manusia merupakan makhluk yang memiliki kebutuhan yang urgen untuk mempertahankan keberlangsungan hidup, yaitu hifd an-nasf (menjaga jiwa) sebab tanpa harta, manusia akan binasa. Memang ekonomi merupakan fitrah manusia yang menjadi kelaziman untuk melakukannya, tetapi dalam islam harus berpedoman pada etis moral. Perilaku produksi tidak hanya menyandarkan pada permintaan pasar tetapi harus berdasarkan pertimbangan kemaslahatan. Produksi dalam islam harus menjaga keseimbangan pembangunan dan lingkungan, sebab hampir pembangunan membawa efek negatif. Dengan kata lain, produksi, konsumsi dan distribusi bersifat keseimbangan (tawazun) dengan memperioritaskan kemaslahatan dari utilitas. Pencapaian mashlahah merupakan tujuan syariat islam (maqasid syariah) yang menjadi tujuan dari kegiatan ekonomi. Dalam konteks ini, tidak dibenarkan keinginan untuk memperoleh harta sebanyak-banyaknya tanpa memperhatikan kemaslahatan.

COMPARING CREDIT PROCYCLICALITY IN CONVENTIONAL AND ISLAMIC RURAL BANK: EVIDENCE FROM INDONESIA

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Arif Widodo²

Abstract

Financial instability caused by many factors, one of which the pro-cyclicality of credit expansion. Many empirical studies in developed countries proves that excessive credit when economic booms will be accompanied by the financial crisis. In the indonesian context, small medium enterprises still dominates economic activity, so islamic and conventional rural bank has an important role in the provision of debt.

This study aims to examine the pro-cyclicality of the credit channeled both conventional and islamic rural banks in indonesia; by comparing of both of which are categorized as pro-cyclicality. This study applies autoregressive distributed lag (ardl) model to see how far the pro-cyclicality indicator variable of the second rural bank, and frequency-based filter to analyze the financial cycle formed of credit growth from both conventional and islamic rural banks.

The results of this study indicate that in the short term conventional and islamic rural credit banks do not follow economic growth. This means, both conventional and islamic procyclicality does not behave in the short term. But in the long term, conventional tend to be more procyclical than islamic rural banks, when the economy in the expansion phase. From the capital side, islamic rural banks showed countercyclical behavior compared to conventional bank both in the short and long term. Moreover, to the credit risk of their bad loans, conventional rural banks had a negative response to the increase in credit risk, while islamic rural banks be positively affected by credit risk. While the results of frequency-based filter show that the conventional rural credit in the bank and financing in rural islamic banks have different cycles in response to changing economic conditions.

Keywords: procyclicality, islamic rural bank, bad credit

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THE MEASUREMENT OF EFFICIENCY AND EFFECTIVITY OF THE ALMS MAINTAINING AGENCIES

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Abstract

The purpose of this research is to measure the financial performance of alms maintaining agencies by use of efficiency and effectivity variables.

Designs/methods that this research uses are structural equatation modelling (sem) method and amos program. The input(s), output(s), and outcomes variables serve as latent exigent variables. While efficiency, effectivity, and the agency's performance serve as 1, 2, and 3 indigent variables.

The result of this research shows an indicator which serve as the input(s), output(s), and outcomes variables had an influence towards the efficiency and effectivity, thus the efficiency and effectivity variables also influenced the performance of the alms managing agencies.

Conclusion: these agencies' performance can be measured using the efficiency and effectivity variables, thus they can be also used as the standard for measuring all alms maintaining agencies' performance across Indonesia

Keywords ; efficiency, effectivity, performance, alms managing agency (ama)

STRENGTHENING THE ROLE OF LEMBAGA AMIL ZAKAT (LAZ) TO MANAGE ZAKAT FUNDS PRODUCTIVELY THROUGH LEMBAGA KEUANGAN SYARIAH (LKS)

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Abstract

Indonesia has the potential of zakat funds around idr 217 trillion per year. With the amount of muslim populations up to 202 million, the zakat potential can assist in alleviating poverty in indonesia. Unfortunately, zakat has not been able to be optimized by the government. This is indicated by the low tax revenue by around idr 86 billion per month or idr 2.8 trillion per year. This condition was caused by the level of public trust towards lembaga amil zakat (laz; zakat fund management institution), laz's professionalism and the habits of direct zakat distribution by muzakki (people who release zakat fund) to mustahik. (zakat fund beneficiaries) in addition, people are highly worried that their deposited zakat funds will be corrupted. These conditions happened because strong paradigm of communities related to corruption activity at government as there was abundant case happened.

This article discussed about the important role of zakat in alleviating poverty and the strengthening of laz to raise and manage zakat funds productively through lembaga keuangan syariah (lks; islamic finance institutions). The result of this paper is the professional performance of laz in providing productive zakat management and service, in order to improve the welfare of community. One of the efforts to strengthen the laz is by strengthening internal and external side of the institution. In addition to the internal and external strengthening, laz needs to hold collaboration with lks in collecting and distribution the productive zakat funds. Collaboration between laz and lks have a role in educating people about sharia economic sectors.

Keywords: lembaga amil zakat (LAZ), productive zakat, lembaga keuangan syariah (LKS)

COMPARISON ANALYSIS OF THE EMPOWERMENT PRODUCTIVE ZAKAH BETWEEN CITY AND RURAL COMMUNITIES IN WEST KALIMANTAN PROVINCE

Rahmah Yulisa Kalbarini³ Tika Widiastuti⁴ Dian Berkah⁵

Abstract

This research purpose is to know the comparation empowerment of productive zakat between rural and urban communities in west kalimantan provice.this research was conducted in two places, namely lembaga amil zakat (laz) rumah zakat and lembaga amil zakat (laz) dompet ummat. The discussion of this research is about how the comparation of productive zakat empowerment performed by laz rumah zakat to urban and laz dompet umat to rural communities in west kalimantan province.

This research was design in the form of a qualitative descriptive research throughout case studies strategy. In this research, the researcher using observation, interview and documentation as the instruments of data collection. The researcher was interested using a pairing pattern, making of explanation and analysis of time series in technique of data analysis.

The finding research is the zakat empowerment that made by laz rumah zakat to urban community has fulfilled in one of the indicators which is the ability to take advantage of future enterprises. Whereas, the empowerment programs which conducted by laz dompet umat to rural community also fulfilled two indicators: the decision-making ability and economic independence. For overall, the empowerment programs which conducted by laz dompet umat is better than what laz rumah zakat did to the urban because there are two indicators achieved.

Then, the next research expectation is how the researcher can explore more comprehensive about the productive zakat by adding some empowerment indicators and doing the research in other amil zakat institutions.

Keywords : productive zakat, empowerment, amil zakat institution, rural community, urban community

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A STUDY ON THE COMPONENTS OF *AL-HAWAIJ AL-ASLIYYAH* (BASIC NEEDS) IN THE CONTEXT OF SOCIAL JUSTICE TO THE ZAKAT PAYER IN INDONESIA

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Abstract

One of zakat al mal al mustafad is zakat salary. Indonesia has high potential in zakat collection. The conditions of zakat, one of it is the assets exceed of al hawaij al asliyyah. Currently, not all the zakat institutions in Indonesia apply calculation of the standard exemption of zakat that measure al hawaij al asliyyah of individual. Whereas, exemption of zakat should have their own standard based on al hawaij al asliyah components in the society. This study is library research and will discuss on the components of al hawaij al asliyyah refer to the shariah views. There are ten of basic needs components mentioned in this paper. As recommendation, policy maker institution such as government and zakat institution should identify and investigate the amount of al hawaij al asliyah components periodically. Finally, through standard of al hawaij al asliyyah, it can achieve social justice of zakat payer in the collection of zakat salary in Indonesia.

Keywords: zakat salary, al hawaij al asliyah

THE EFFECT OF MACROECONOMIC FACTORS ON ZAKAT COLLECTION: MALAYSIA EVIDENCE

Azhan Rashid Senawi

Abstract

zakat collection determines the zakat distribution. Thus, a higher zakat collection leads to a huge benefit to the zakat recipients. However, there is a constraint in terms of its collection due to the external factors that undeniably could affect the collection especially from the effect of the macroeconomic factors. It becomes critical when there is a claim that the price of gold (which is used as a nisab benchmark in malaysia) also has a tendency to impact negatively on the collection of zakat. Accordingly, this study will analyze the relationship between the selected macroeconomic variables, namely, the inflation, the exchange rate, the gross domestic product (gdp) and the gold price. The study will use the quarterly time series data from 1993 until 2015 by using the method of var model. From the granger causality result, it indicates that zakat collection indeed has responded to the changes of the macroeconomic factors, especially to the factor of inflation, exchange rate, the gdp as well as the gold prices. However, amazingly, the gold price did not create a negative impact to the zakat collection as being claimed by some scholar. This gives an indication that the gold price, which represents the nisab of zakat, has not given an impact to the zakat collection and it does not fulfill the theoretical concept, which posit that a higher price of gold results in the growth of nisab of zakat and therefore, it will reduce the amount of zakat collection for that particular year. Thus, from this finding, it shows that the gold price is not defecting the zakat collection and therefore, it still suitable to be the nisab benchmark of zakat and moreover, it also can be concluded that a higher gold price is representing a growth of wealth of a person, and it leads to a higher capability to zakat contribution. Nonetheless, the zakat institution should take a deep concern to the above mention claim and take a responsive step as a preparation for the upcoming situation that somehow it is beyond our estimation, in which it might be happened either way.

Keywords; zakat collection; nisab; gold price; macroeconomic factor; malaysia

ISLAMIC FINANCIAL INCLUSION THROUGH TRANSFER OF CONSUMPTIVE BASED ZAKAT AS REGIONAL DISPARITIES SOLUTION IN INDONESIA: A SIMULATION STUDY

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Abstract

In islamic perspective, distribution of zakah tends to give priority in domestic scale than other areas within the same country. This also happens in Indonesia. Nevertheless, the dispersion sharply happens between a number of mustahik and muzakki in each region of Indonesia and can lead to the less optimal potential of zakah if there is no transfer of zakah between regions. Through the zakah transfer between regions in Indonesia, the financial inclusion models can be developed particularly through the consumptive based zakah, since islamic financial inclusion also encourages distribution of income as one of its main tools. This paper will explore how financial inclusion can be created through consumptive based zakah. However, the presence of regional economic disparities caused the financial inclusion model to not have a wider coverage. Transfer of zakah that occurs between the areas then expected to expand the coverage of financial inclusion and become a solution of regional economic disparities in Indonesia. Moreover, this paper will conduct a simulation study by positioning zakah in gdp through the consumption function. This simulation will show the impact of zakah transfer between regions to aggregate consumption in each region. The results of this paper are expected to be a recommendation for the government to give more attention to zakah - as one of the financial instruments that is very potential in Indonesia.

Keywords: zakah transfer, financial inclusion, disparity, gdrp

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ANALYSIS ON NAZHIR PROBLEMS IN THE DEVELOPMENT OF AWAQF ASSETS LINKED SUKUK THROUGH THE NETWORK ANALYSIS PROCESS APPROACH

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Abstract

Amount of awaqf assets in Indonesia does not demonstrate country success in the development of waqf. Prediction on waqf land utilization in the productive sector is only about 1% of total assets. It indicates that the magnitude of the potential waqf have not been matched with professional waqf management. Other countries success experiences such as singapore in managing waqf assets through sukuk can be used as a benchmark for the development of productive waqf in Indonesia. Government support can also be seen with the cooperation between bank Indonesia, Indonesian waqf board and the ministry of finance by proposed a model waqf based sukuk in order to take advantage of waqf assets in Indonesia. Directly or indirectly through the development of waqf assets of sukuk instruments have been of great benefit in the economic and social sectors. Therefore, nazhir readiness is required to manage assets through sukuk professionally and required a method to analyze and understand any problems that will be encountered by the nazhir in the development of waqf based sukuk in Indonesia. Analytic network process (anp) is a method used to determine the priority of the problems and provide the most appropriate solutions to deal with these problems. The results of any analysis indicates that there are three clusters of problems faced by the nazhir or waqf institutions, namely management, regulatory, and human resources. It requires an effective solution to overcome these problems in order sukuk instrument can be used as an alternative investment in the development of productive waqf in Indonesia.

Keywords: waqf, sukuk, development, management, nazhir, regulatory, human resources

AGRICULTURAL DEVELOPMENT BASED ON POTENTIAL CASH WAQF AND ITS IMPLICATION ON INDONESIA'S MACROECONOMY

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Abstract

The potential of cash waqf in moslem majority country like Indonesia is large. Based on our calculation, (sam), this paper try to simulate the effect of injection all potential cash waqf in Indonesia there are 81 trillion rupiah of potential cash waqf. In the other hand, we know that the hunger problem still haunts most of developing countries. The fact is, year by year the increasing of population and land conversion makes national food security more threatened. Using social accounting matrix to agricultural sector and its implication on macroeconomic indicator of Indonesia. The result is, if we put 81 trillion rupiah of cash waqf, the wage of agricultural labor will increase about 15% and return at agricultural sector will increase 16%. Beside that, the income of agricultural labor and agricultural enterpreneur will increased by

8,01% and 9,62%. Injection of cash waqf on agricultural sector will improve the output of agricultural product by 17% on crop agricultural production sector and 28% for other plants agricultural sector. Finally, the injection of potential cash waqf can boost economic growth by 5,15%.

Keywords: cash waqf, agricultural, injection, macroeconomy, economic growth

INHERITANCE WEALTH DISTRIBUTION ROLE MODEL AND ITS IMPLICATION TO ECONOMY

Dian Berkah, Siti Salbiyah, and Arin Setiyowati

Abstract

Inheritance wealth is one of the instruments of wealth distribution in islam that potenttially capable to be a solution for economic inequality that triggered the multidimensional problems nation's daily life. The concept of inheritance wealth distribution for muslims has been summarized in islamic law compilation (kompilasi hukum islam/khi) and in marriage act no. 1 year 1974. For non muslim society, the inheritance law is based on the concept of nation's civil code and customary rules. The diversity in the concept of inheritance wealth distribution in Indonesia cannot be separated from the nature of the family and its influence on the assets which is believed by the community.

Thus, implementation and dispute settlement in inheritance wealth distribution are exercised by religious courts, as well as the organization of islamic values among muhammadiyah and nahdlatul ulama (nu). Diversity of institutions becomes an interesting phenomenon in Indonesia inheritance wealth distribution. This potentially makes inheritance wealth distribution done well and can prevent conflicts of individuals in the family, hoarding treasure (idle wealth) and minimize economic disparities insociety. This study used par (participation action research) method with a qualitativeapproach in order to frame, analyze and solutions in form of strategic role model for the government in completing and streamlining the inheritance wealth distributions will be based on problems faced by the religious courts andislamic organizations (muhammadiyah and nu) in conducting inheritance wealth distribution. Moreover, propose inheritance wealth of kalalah (someone with no heirs) as public fund in addition to zakat, infaq, shodagoh and endowments.

Keywords: economic equilibrium, inheritance wealth distribution, muhammadiyah, nahdlatul ulama (nu), religious court distribusi harta waris, keseimbangan ekonomi.

THE COLLATERAL FOR THE CORPORATE SUKUK WITH IJARAH AQAD (SALE AND LEASE BACK) AND BONDS: A COMPARISON STUDY

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Abstract

This research seeks to analyze the comparison between corporate sukuk (asset backed sukuk and asset-based sukuk) and corporate bonds (bonds with a guarantee and unsecured bonds) with a security law analysis in Indonesia. Departing from the importance of launching a sukuk as an alternative capital market products and aim to increase the market share of sukuk in Indonesia, the researcher wanted to find the characteristics of the sukuk as product differences from bonds in terms of safety which is a security in Indonesia. Through the juridical-normative research methods, the study found that in terms of safety, sukuk products (both asset backed and asset based) do not have any collateral for the investors. As to asset backed securities, it is not a colleteral that the investor will get, but legal ownership since it was first bought the sukuk. Compared with bonds with a colleteral, investors will get a guarantee if the originator default, but investors are not the legal owner on the collateral object. Against the assetbased sukuk, investors are not guaranteed but only beneficiary ownership (not legal owenership) on underlying assets used. Compared with ordinary bonds (unsecured), investors get no guarantee of these bonds. Thus, the actual terms of security (colleteral) to investors, relatively there is no difference between asset-based sukuk with unsecured bonds. This study suggests for the creation of legal concepts of the beneficiary ownership in the sukuk structure in the ruu efek syariah and prohibits using the underlying with the beneficial title to be used as collateral to others in the ruu efek syariah, so that sukuk asset based will not lose the characteristics and philosophical meaning as a product that bridges the gap between the financial sector to the real sector.

Keywords: sukuk, sukuk asset-backed, sukuk asset-based, bond, unsecured bond, bond with a colleteral, colleteral, legal ownership, beneficial ownership

ANALYSIS OF THE EFFECT THIRD PARTY FUNDS, CAPITAL ADEQUACY RATIO, FINANCING TO DEPOSIT RATIO AND NON PERFORMING FINANCING TOWARD DISTRIBUTION OF FUNDING OF SHARIA RULAR BANK (BPRS) IN INDONESIA THE PERIOD OF JANUARY 2014 TO JUNE 2016

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Abstract

Sharia rural bank serves as a financial intermediary to carry out the activities of collecting and distributing funds from the public. Along with the growth of srb (bprs) in Indonesia, outstanding of financing conditions and assets growing rapidly over time. Especially in terms of development financing of outstanding, there are factors that affect the distribution of funding. In this case the internal factors are also the ratio to determine the level of health banking. Therefore, it is necessary to test whether internal factors which include third party funds, capital adequacy ratio, financing to deposit ratio and non performing financing significantly affects to distribution of funding. The purpose of this study is to determine the effect third party funds, capital adequacy ratio, financing to deposit ratio and non performing financing toward distribution of funding of sharia rular bank (bprs) in Indonesia. The object of this research is the performance of srb (bprs) in Indonesia in the period of january 2014 to june 2016. The data used in this research is secondary data and sample selection by using purposive sampling method. The analytical tool used in this research is multiple linear regression analysis at significantly the rate of 5%. The results of the study, to simultaneously show that the third party funds, capital adequacy ratio, financing to deposit ratio and non performing financing significantly affects to distribution of funding in srb (bprs), while the rest is explained by other factors not enrolled in this study.

Keyword: third party funds; capital adequacy ratio; financing to deposit ratio; non performing financing; distribution of funding; and sharia rural bank

MEASURING 2D-FINANCIAL INCLUSION INDEXIN ISLAMIC BANKING

Prastowo

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Diyah Putriani

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Abstract

This research is proposed to measure financial inclusion index in 2 dimensions (2d-fii) for islamic banking in indonesia. This research will contribute to measure and mapping 2d-fii in regional level in indonesia. In addition, this measure can be used for policy maker to observe to what extend islamic financial system may contribute towards inclusive growth. The result shows that value of fii in islamic banking in indonesia is still low. It means financial inclusion of islamic banking in indonesia is still not distributed equally across 33 provinces. In addition, cross correlation analysis shows that there is negative relationship between fii and gini index which means that financial inclusion of islamic banks may reduce income inequality in indonesia.

Keywords: 2 dimensions, financial inclusion index, inclusive growth, income inequality, indonesia.

AN ANALYSIS OF FACTORS INFLUENCED TO INDONESIA SHARIAH STOCK INDEX (ISSI)

VECTOR ERROR CORRECTION MODEL (VECM) APPROACH

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Abstract

In indonesia, money supply (m1) is related to the economic dynamics in either monetary market or goods market. This research about money supply (m1) in indonesia aims at analyzing factors which influence money supply and to what extent the economic factors influence the money supply in indonesia. The analysis method used in this research is vector autoregressive (var) with some variables such as money supply (m1), interest rate, gross domestic product (gdp) from the 1st quarter of 2001 until 1st quarter of 2013. The data collecting method is in the form of data compilation from credible sources such as bank of indonesia (bi), central bureau of statistic (cbs), and international financial statistic (ifs). To obtain adequate analysis result, several tests are taken such as unit root test, granger causality test, andoptimal lag. Var analysis formulates the correlation among independent variables so it also sees the analysis of impulse response and matrix decomposition. The result of analysis shows that monetary policy is effective enough to influence the increase of economic growth when the condition is under employment as seen by the monetarists. The second period explains the fact about the contribution of national income (dpdb), in which the contribution of national income (dpdb) is 6.82 %, national income (dpdb) is 92.75 %, and interest rate (dr) is 0.4 %.

Keywords : monetary policy, impulse response, vector decomposition, syariah complient

FINANCIAL ANALYSIS OF TOFU BUSINESS AND LIQUID WASTE AT PURWOGONDO VILLAGE, KARTASURA SUBDISTRICT, SUKOHARJO REGENCY

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Abstract

This study aims to determine the financial analysis of tofu business and management of tofu industrial liquid waste at at purwogondo village, kartasura subdistrict, sukoharjo regency. This research was conducted in tofu business at purwogondo village, kartasura subdistrict, sukoharjo regency, with the owner is mr suyoto. The analysis technique used in this study is a qualitative analysis was conducted to determine the characteristics of the tofu company and quantitative analysis shows results of financial analysis based on the return of investment (roi) note that existing assets can be used to obtain a return of 150%; r/c ratio is 17:42 or > 1, which means a profitable business of tofu company. The results of the analysis of the tofu company environment in sukoharjo regency showing that liquid waste out samples after having tested its impact on water in the vicinity did not have a significant impact. On air pollution odor, chemically can be used deogone or biomars.

Keywords: economic analysis, tofu business, liquid waste

THE PARADOX OF GROWTH AND THE BEHAVIOR OF FIRMS' FINANCING DECISIONS IN INDONESIA

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Abstract

This research aims to examine high growth firms and its long-term performance after making a decision in financing policy. The results of this research, high growth firms tend to have poor performance in the future, it why we called a paradox. Therefore, this research tried to examine what factors affected on the declining of long-term performance. The result of this research, the use of debt as firms financing decision will have a positive effect on its long-term performance. This research also describes how firms' behavior in using debt in their financing decisions. Higher growth firms also had higher debt in their financing decision. They will reduce the use of debt if their growth decline. But, this research found unique firms' behavior in financing decisions, in which firms will rise using of debt if their growth worsening.

Keywords : sales growth, the use of debt, der, financial leverage, long-term performance

IMPLEMENTATION OF ISLAMIC BUSINESS ETHIC ON SMALL AND MEDIUM-SIZED ENTERPRISES SECTOR (SMES) (CASE STUDY AT SMES XYZ)

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Abstract

The rapid growth of small and medium-sized enterprises sector (smes) in indonesia increasing business competition become strict and complicated among them. Competition of existing businesses tend to be unhealthy and ignore the ethical values. It makes the discourse of business ethics at smes is indispensable in order to form the basis for operations and avoid deviations ethical values. As a manufacturer of fish processing has been certified halal by the mui, smes xyz should be able to apply islamic business ethics in its activities. So it is not only profit oriented, but also pay attention to ethical values. This study aimed to describe the implementation of islamic business ethics which consists of four (4) axioms which are unity, equilibrium, free will, and responsibility in smes xyz. The method used in this research is descriptive qualitative analysis through the 4 (four) stages of data collection, data reduction, data display, and conclusion. The expected result in this study is smes xyz has implemented islamic business ethics on its operations.

Keywords: business competition, islamic business ethics, smes.

ANALYSIS OF FACTORS AFFECTING THE IMPLEMENTATION OF COMPUTER-BASED ACCOUNTING INFORMATION SYSTEM ON SMALL AND MEDIUM ENTERPRISES

(Case Study On Dieng–Mart Swalayan Banyumas)

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Abstract

The objective of the research is to examine some factors that influence implementation computer-based accounting information system on small and medium enterprises (smes); a case study on dieng-mart swalayan in banyumas regency. The study is based on the model proposed by davis (1989), they are perceived usefulness, perceived ease of use, attitudes toward using, intention in use and actual usage that includes in technology acceptance model (tam) theory. Computer-based accounting information system in this study was measured by usage of point of sales (pos) system. This study used data obtained from individual perception of information system user in dieng-mart swalayan collected from 33 questionnaires. The data were analyzed by regression use spss 16.0 software.

Study result shows that perceived ease of use influences attitude toward using computer-based accounting information system but perceived usefulness does not. Attitude toward using influences intention in use but intention in use does not influence actual usage of computer-based accounting information system. So, it can be concluded that the implementation of computer-based accounting information system is influenced by perceived ease of use and attitude toward using which are included in tam theory.

Keywords : technology acceptance model (tam); point of sales (pos)system; dieng-mart swalayan.

IMPLEMENTASI TATA KELOLA PERUSAHAAN BERDASARKAN PERSPEKTIF MAQASHID SYARIAH (STUDI KASUS BANK SYARIAH MANDIRI MALANG)

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Abstract

Krisis keuangan yang melanda asia pada tahun 1998 memberikan pengaruh buruk terhadap masyarakat, khususnya indonesia. Salah satu penyebab dari krisis tersebut adalah pelaksanaan tata kelola perusahaan yang buruk. Dengan buruknya pelaksanaan tata kelola perusahaan, maka tingkat kepercayaan masyarakat akan menurun. Begitu pula pada sebuah institusi perbankan syariah. Sebagai lembaga intermediasi dan lembaga kepercayaan harus menganut prinsip transparansi, akuntablitas, tanggungjawab, independen, dan keadilan yang mengacu pada peraturan bank indonesia no 11/33/pbi/2009 tentang pelaksanaan good corporate governance bagi bank umum syariah dan unit usaha syariah. Tujuan dari sebuah institusi syariah adalah maksud-maksud syariah (maqashid syariah) adalah bukan semata-mata bersifat materi. Justru tujuantujuan itu didasarkan pada konsep-konsepnya sendiri dan mengenai kesejahteraan manusia dan kehidupan yang lebih baik. Penelitian kualitatif yang dilakukan dengan pendekatan studi kasus pada bank syariah mandiri malang ini bertujuan untuk menjelaskan penerapan tata kelola perusahaan pada bank syariah mandiri yang kemudian ditinjau dari perspektif maqashid syariah. Hasil penelitian ini menunjukkan bahwa implementasi penerapan tata kelola perusahaan pada bank syariah mandiri telah menerapkan nilai-nilai syariah dalam prakteknya, sehingga penerapan tata kelola perusahaan tersebut perlu diperluas penjelasannya dengan maqashid syariah.

Keywords: tata kelola perusahaan, maqashid syraiah, perbankan syariah

THE INFLUENCE OF WORD OF MOUTH AND MEDIA REFERENCE TO PURCHASE INTENTION OF FAMILY TAKAFUL (SHARIA INSURANCE)

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Abstract

This research aimed to prove and explain empiricly the factors influence of the purchase intention of family takaful by moslem consumers. This research model was organized by ajzen's *theory of planned behavior* (1991). There are five latents variables being used to construct this model. The takaful of purchase intention was predicted to be influenced by word of mouth, media reference, subjective norm and self- efficacy. While the word of mouth and media referents was the antecedent that influence the subejective norm.

This research method was using takaful (sharia insurance) as the object, the research population was moslem consumers in yogyakarta, adult or married. The research sample is potential consumer's and prospect. Data gathering used non probability sampling, convenience approach. The sample size was 180 respondents. Empirical data analysis was done with *structural equation modeling* (sem) amos. The research result can explain that there is positive and significant influence between media referents, self-efficacy and subjective norm toward family takaful purchess intention. The media reference is influence positively and significantly by the subjective norm. The word of mouth is not significantly influence to subjective norm and takaful buying intention.

Keywords: word of mouth, media reference, self-efficacy, subjective norm, purchase intention, family takaful

PURCHASE INTENTION ON HALAL FAST FOOD IN YOGYAKARTA

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Abstract

This study entitled "purchase intention on halal fast food in yogyakarta". The purpose of this study were (1) determine whether the halal awareness has an influence on subjective norms, (2) determine whether the halal certification has an influence on subjective norms, (3) determine whether halal marketing-word of mouth has an influence on subjective norms, (4) knowing whether subjective norms have an influence on purchase intention. This research is a quantitative research with 139 respondents who were students in yogyakarta using a survey method. The analytical tool used is sem by amos.

Keywords: halal awareness, halal Certification, halal-word of mouth Marketing, subjective norms, purchase Intention.

"KLASTER BERDAYA" PROGRAM AS COMMUNITY-BASED EMPOWERMENT MODEL (STUDY IN NATIONAL HUMANITARIAN FOUNDATION PKPU)

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Abstract

Indonesia is facing a serious problem in poverty. In march 2016, a data released by central statistics agency (bps) showed that 28.01 million peoples or 10.86% of total indonesian's population are living below the poverty lines. The number of poor people in rural area are higher than in urban area. In response to this fact, as a noncommercial organization that focus on community empowerment, national humanitarian foundation pkpu released a program called "klaster berdaya". The objective of this program are to build self-reliance of society in improving their quality of life and to reduce poverty as well. One of the pilot project of klaster berdaya is located in klanting village, sukodono sub-district, lumajang regency, east java. The programs are conducted by providing scholarship and raising livestock. The scholarship is given for students who have outstanding academic achievement but come from low-income family.

This research used qualitative approach and primary data resources by observations and interviews. The result of this research show that klaster berdaya program is able to improve people's welfare of a community by improving their income from profit sharing system in goat farming. The scholarships are also helpful for lowincome family to fulfill the school tuition of their children.

Keywords: poverty, empowering society, national humanitarian foundation pkpu, klaster berdaya.

THEDEVELOPMENT OFISLAMICFINANCING OFSMES FORYOUNG GENERATION (CASE STUDY IN INDONESIA)

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Henirahmawati³

Abstrak

Smes(smallmediumenreprises) is on eway to increase the productivity of people and is t also the way to make unemployment become employment because they only need to sharpen their skills to create something then sell it to another smes also have significant role for developing country in growth of gross domestic product (gdp) and increasing the employment. This research analysis a big problem of developing smes is lack of capitalor financing, and also analysis about the problem who many people cannot apply some ideas to developed because of lackin capital, because of that we need the source of capital to run this business oportunity, such as islamic financing or banking which can give capital using mudharabah and musyarakah contract but usually islamic bank have some conditions to give capital or for do microfinancing. If young generation who doesn't have any work or collateral its make difficult to get experiences and business created young generation to plan business is better for each country because in the young age if people already brave to take the decision of something its mean that people already brave to take any risk s in the future so, the paper research analysis that how business became big and can open field work for society and increase the income of country to support the economy condition itself. For analyze we use stastic data as the prove to know the amount of smes around indonesia. The researchis to know the condition before and after development of smes especially for the young generation, its have positive effect or may negative effect for economy country itself. then, give some suggestions for create betteryoung generation forindonesia.

Keywords : smes, indonesia, young generation, developed, economy

IMPACT OF PROFIT-LOSS SHARING FINANCING ON POVERTY ALLEVIATION OF SHRIMP FARMERS IN TULANG BAWANG REGENCY (CASE STUDY: KEMITRAAN BUMIDIPA)

Shofiyanto

One of the main important factors needed by fisheries sector to support its development is capital. In contrast, the characteristics of coastal societies, the main actor of fisheries business are still poor in majority. This condition then created a barrier for them to access the capital from financial institution. Therefore, there is a need for a financing model that is inclusive and meets the criteria of coastal societies. Islamic financing model, particularly profit-loss sharing scheme, which is provided by sharia microfinance is believed to be one of the solution that could tackle this problem. This research aimed to describe the background, system, core value of Kemitraan Bumidipa as one of the sharia microfinance program that applies profit-loss sharing scheme, to elaborate the main obstacles that might cause the failure of the program, to analyze the effectivity of financing based on its members perspective, and to analyze the impact of profit loss sharing financing on poverty alleviation of shrimp farmers in Rawajitu Timur District, Tulang Bawang Regency. Primary data were used from the depth interviews with 5 informants and questionaire for 100 respondents who are members of the program. Descriptive analysis, qualitative analysis and poverty indices are used as the analyses method. The result shows that the core values of Kemitraan Bumidipa are the profit sharing system that based on actual profit of shrimp farmers business, the collaboration with some parties include sharia bank to provide professional financial services, the model of joint liability reflected from the mechanism of CRU (Cadangan Rasio Usaha) as investment guarantee, and the right form of financing that direct to productive purpose. In other hand, the factors that could cause failure of the program are related to farming business; namely the the unstable environment of shrimp farming, technical problem of shrimp farmers, and the decreased of shrimp's price in domestic market. Another factor is the moral hazard behavior of its members. According to effectivity analysis, overall this program has been effective. However, there are some indicators such as payback period and the impact of financing that should be optimized. Based on poverty indices result, headcount ratio index (H), poverty gap indiex (P_1), income gap index (I) and sen index of farmer increase after becoming members of Kemitraan Bumidipa as the result of the failure of their shrimp's cultivation. As recommendation, Kemitraan Bumidipa should be more commitment and consistent in providing financial services to its members, it should be a supervision mechanism to prevent the members from moral hazard act, and there is a need for further research particularly related to the unstable environment of shrimp farming and the fluctuation of shrimp's price.

Keywords: effectivity, Islamic microfinance, poverty, profit-loss sharing financing, sen index

SINERGI ANTARA EKONOMI ISLAM DAN BISNIS *FINANCIAL TECHNOLOGY (FINTECH)* UNTUK MENINGKATKAN FINANSIAL INKLUSI SYARIAH DI INDONESIA

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Abstract

Penelitian ini ditujukan untuk menunjukkan bahwa antara nilai-nilai atau sistem ekonomi islam dan bisnis StartUp seperti Financial Technologi (FinTech) dapat bersinergi dengan baik dalam menunjang Finansial Inklusi di Indonesia, terutama dibidang penyaluran dana kredit. Secara global, Financial Technology (FinTech) berkembang sangat pesat serta memiliki pangsa pasar yang kian besar. Sebagai bisnis Startup di Indonesia hal ini dirasa mulai mengkhawatirkan Perbankan Konvensional. Namun, dilihat dari sudut pandang Islam hal ini bisa menjadi solusi bagi Finansial Inklusi khususnya perbankan Syariah. Perbankan konvensional bisa menjalin kerjasama dengan Fintech yang ada, atau justru melakukan inovasi tersendiri dengan terlibat langsung sebagai pelaku Fintech.

Konsep dasar Fintech yang memberikan kemudahan bagi calon kreditur dalam mendapatkan kredit , serta sebagai penghubung bagi para Social Investor adalah konsep yang sebenarnya tidak berbeda jauh dengan nilai-nilai ekonomi islam. Kemudahan dalam mengumpulkan dana, penyaluran dana , serta bebas riba dengan spirit saling bantu membantu adalah nilai nilai dasar ekonomi islam. Oleh karena itu perbankan konvensional, terutama yang berbasis Syariah harus mampu menjalin sinergi antara Ekonomi Islam dengan kemajuan teknologi di bidang finansial demi mewujudkan Finansial Inklusi syariah yang konkrit dan berkelanjutan.

Penelitian ini menggunakan metode penelitian Asosiatif, bertujuan untuk mengetahui hubungan antara dua variable atau lebih, Dengan penelitian ini maka akan dapat dibangun suatu teori yang dapat berfungsi untuk menjelaskan, meramalkan dan mengontrol suatu gejala terbaru, terkait dengan teknologi bisnis keuangan yang semakin maju.

Keywords : Economic Islam, Financial Technology (FinTech), Financial Inclusion

SHARIA BANK AND ZIS INSTITUTION SYNERGI : AN ATTEMPTION TO MINIMIZE FAILED PAYMENT THROUGH EMPOWERMENT FOR FINANCIAL INCLUSIVE OPTIMIZATION IN INDONESIA

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Abstract

The existence of sharia bank as the financial institution has important role, notably for Indonesia's development. However, Otoritas Jasa Keuangan (OJK) noted that sharia banking's market share stand on the less than 5 percent along their track record. Hence, it will implicate to the efficiency condition as the performance indicator of input utilization. Subsequently, compared to conventional bank, in 2010-2014, Non Performing Financing (NPF) of sharia bank is greater. It depicted that the ability to pay of costumer in sharia bank, through mudharabah scheme for instance, is poor. Eventually, in terms of minizing failed payment possibility, there should be not only financing but also empowering for the costumer in order to avoidance of tort among the parties. On the other hand, there is great potency of ZIS institution which is ready to expand their utilization.

This study aims to estimate sharia banking efficiency and build the scheme of sharia bank and ZIS institution synergy in order to minimize failed payment of the costumer. Data Envelopment Analysis (DEA) statically and dynamically is used in this study to estimate sharia bank efficiency. Secondary data was used in this data.

Estimations result is found that more than 50 percent, statically, sharia bank in Indonesia still inefficient. It was shown on the irs and drs condition. Conversely, dynamically, the condition has improved except on 2013. This result should be realized for sharia bank due to their inefficient condition as the depiction of poor market share. Hence, sharia bank need to reach awhole costumer out in order to increasing their market share. According to this urgency, there is an attemption to creating synergy between sharia bank and ZIS (Zakat, Infaq, Sodaqoh) institution in terms of empowerment. This action aims to minimize failed payment happening recently in sharia bank due to funding mismanagement as well as create financial track record for an individual on ZIS level as a requirement on sharia bank financing. Eventually, awhole person proposing funding on sharia bank has been noted on ZIS institution in terms of financial track record and capacity.

Keywords : Sharia Bank, ZIS, Synergy, Failed Payment, Empowerment





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"In Search for an Islamic Strategy

to Deal with Global Economic Instability"





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THE MEASUREMENT OF EFFICIENCY AND EFFECTIVITY OF THE ALMS MAINTAINING AGENCIES

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Abstract

The purpose of this research is to measure the financial performance of alms maintaining agencies by use of efficiency and effectivity variables.

Designs/methods that this research uses are structural equatation modelling (sem) method and amos program. The input(s), output(s), and outcomes variables serve as latent exigent variables. While efficiency, effectivity, and the agency's performance serve as 1, 2, and 3 indigent variables.

The result of this research shows an indicator which serve as the input(s), output(s), and outcomes variables had an influence towards the efficiency and effectivity, thus the efficiency and effectivity variables also influenced the performance of the alms managing agencies.

Conclusion: these agencies' performance can be measured using the efficiency and effectivity variables, thus they can be also used as the standard for measuring all alms maintaining agencies' performance across Indonesia

Keywords ; efficiency, effectivity, performance, alms managing agency (ama)







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