
How do Baitul Maal Wat Tamwil empower Micro, Small and Medium Enterprises amidst COVID-19 pandemic? A case of Indonesia

Aminudin Ma'ruf^{a*}, Elmi Nur Azizah^a, Jannah Arruum Sari^a

^aDepartment of Islamic Economic Law, Faculty of Islamic Studies, Universitas Muhammadiyah Surakarta, Indonesia

Article Info

Article history:

Received 11 July 2022

Revised 05 November 2022

Accepted 02 December 2022

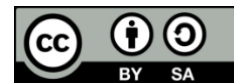
Keywords:

Baitul Maal Wat Tamwil;
Micro, Small and Medium
Enterprises; Islamic Financial
Institution

ABSTRACT

During the COVID-19 pandemic, Baitul Maal Wat Tamwil (BMT) in Sukoharjo, a region of Indonesia is consistently contributing to the empowerment of Micro, Small and Medium Enterprises (MSMEs). Hence, how the BMT empowers the MSMEs is a worthy attribute to explore. The current study delves into an in-depth exploration on the strategies and policy innovations carried out by the BMTs as well as to analyse the impact or influence caused by the existence of these strategies. The method used in this research is field research with a qualitative approach. Data collection techniques were carried out through observation with interviews with various related parties. The results showed that the empowerment strategy carried out by BMT Dana Mulia and BMT Makmur Mandiri was by implementing a restructuring policy in an effort to maintain the stability of the institution's operations. Meanwhile, BMT Bina Ummah Sejahtera has tightened risk mitigation by making efforts to be more careful in conducting financing and deposit transactions, using online media and the three BMTs providing business assistance. The influences that arise with this strategy are providing ease of capital assistance during the COVID-19 pandemic, assisting business development of MSMEs, minimizing the risks faced by MSMEs, and encouraging the spirit of MSMEs in marketing their businesses.

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* Corresponding Author:

Aminudin Ma'ruf
Department of Islamic Economic Law
Faculty of Islamic Studies
Universitas Muhammadiyah Surakarta
Email: aminudin.maruf@ums.ac.id

INTRODUCTION

Financial institutions have a vital role in the country's economic growth (Boachie et al., 2021; Zarrouk et al., 2017). One of the financial institutions that continues to grow today is the Islamic financial institution (Ülev et al., 2022; Zitouni & Jedidia, 2022). Islamic Financial Institutions are institutions that operate in the financial sector, operating on the basis of Islamic Sharia principles

based on the Qur'an and Sunnah (Ishak & Asni, 2020). Islamic financial institution operations must be free from some prohibited elements in Islam which include *gharar*, *maysir*, *haram*, usury and vanity (Mukhlisin, 2020). In carrying out its businesses and activities, Islamic financial institutions aim not only to be profit oriented, but also to be oriented to the elements of humanity and religiosity. This indicates that Sharia Financial Institutions must fulfil two elements, namely the element of conformity based on Islamic sharia and the element of legality of operations as a sharia financial entity (Alkhan & Hassan, 2021).

The development of Sharia Financial Institutions underwent a transformation in a positive direction. Based on the Islamic banking statistical data issued by the Financial Services Authority (OJK) in November 2021 the data shows that currently Indonesian Islamic financial institutions consist of 12 Sharia commercial banks, 411 Sharia business units and 163 BPRS with 633,784 Billion of asset (OJK, 2021). Among the purposes of Islamic Financial Institution operations is helping the business sectors that have the ability and expertise to achieve their goals especially micro and small enterprises. Financing for Micro Small and Medium Enterprises (MSMEs) is inseparable from the successful stories of Grameen bank, which has been established since the 1970s (Muheramtohad, 2017). In order to apply the Grameen bank method, Islamic financial institutions in their operational activities must distribute business capital loans to small communities and the informal sector which based on sharia principles (Kakembo et al., 2021; Yakubu et al., 2021). With the presence of COVID-19 pandemic, financial institutions are expected to be in their low performances (Miah et al., 2021). Previous studies stated that during the pandemic Baitul Maal wat Tamwil (BMT) experiencing a downturn period and need a right strategy to survive (Hasan, 2020). Similarly, found a difficult time for BMT during the pandemic and urge them to embrace digital system in their operations. It is evidenced that some of the BMT have taken innovative products and services to cater society during the pandemic time (Danisman et al., 2021).

Islamic financial institutions in the form of banks, capital market, takaful companies and BMT have developed from time to time. One of the functions of Islamic financial institutions is to empower MSMEs (Rokhman & Abduh, 2019). MSMEs have been hampered by access to funding from formal financial institutions (Mahmoud et al., 2022). In order to overcome these obstacles, non-bank financial institutions are increasingly growing and developing in the community that carry out business activities, including business development services and community empowerment. Islamic Microfinance Institutions (IMFIs) are divided into two forms, namely small Islamic bank institutions and non-bank institutions which mostly in the form of BMT.

BMT is one of the IMFIs whose function is to focus on serving the lower-class community in order to help improve living standards that are more developed for the community (Wulandari et al., 2016). BMT is a financial institution that is engaged in managing funds that are non-profit (social) or more directed towards non-profit businesses (Aisyah et al., 2017). In terms of BMT is a national socio-economic organization that aims to improve the economic, social, and spiritual welfare of the general public through a capital system and empowerment to improve social, economic, and spiritual welfare (Fitriyani et al., 2022). An important objective of BMT is to develop productive investment driven by micro, small and medium enterprises that will improve the quality and efficiency of economic plans of the nation, as well as to expand the number and scope of macro and micro economic plans.

MSMEs are productive businesses owned by individuals as well as business entities that have met the criteria as micro-enterprises. In Indonesia alone, from a total of 56,539,560 entrepreneurs, the number of MSMEs reaches 99.99% while the remaining 0.01% are large scale entrepreneurs. This phenomenon explains that MSMEs are productive businesses that deserve to be developed to support the progress of the Indonesian economy. MSMEs are types of businesses that play an important role in increasing Gross Domestic Product (GDP). The MSME sector has so far shown

rapid development so that it is able to support the country's economic recovery and growth during the economic crisis. The biggest obstacles faced by MSMEs are difficulties in obtaining capital, lack of business management, inadequate quality of human resources, and low production and distribution (Muthoifin, 2021). On this basis, the presence of BMT offers solutions to the middle class as a sharia-based microfinance institution. The services provided by BMT are focused on business development for micro and small business actors through capital assistance, productive business development and investment in developing business quality. BMT is an alternative for small and micro business actors who have the opportunity to increase and develop their business even more through sharia financial services (Fitriyani et al., 2022).

The increasingly widespread COVID-19 pandemic has damaged the entire fabric of life and has had a tremendous impact on the economies of countries in the world. Small and medium enterprises (MSMEs) who are at the forefront have also experienced economic shocks (Thaha, 2020). Bank Indonesia stated that as many as 87.5 percent of MSMEs were affected by the COVID-19 pandemic of which around 93.2 percent were negatively affected on the sales side. The COVID-19 pandemic puts pressure on sales turnover, profits, and cash flow, so business owners choose to wait and see (Wulandari et al., 2016).

The impact of the COVID-19 pandemic on MSMEs was 1,785 cooperatives and 163,713 micro, small and medium enterprises affected by the COVID-19 pandemic, resulting in falling sales, lack of capital and distribution constraints (Bahtiar & Saragih, 2020). BMT is considered to have an important role in strengthening MSME. However, the uncertainty of COVID puts pressure on BMTs whether to continue to provide financial access to MSME or not.

The role of BMT is very much needed in mentoring and financing the business of MSMEs based on the sharia system. In Sukoharjo Regency, many BMTs have started with business assistance programs for their members, either getting financing or just saving as a member in the BMT. The birth of BMT in Sukoharjo is expected to be a solution to the concerns of the people of Sukoharjo in particular and the people outside Sukoharjo and its surroundings in general.

The paper employs three BMTs in this study as a sample, including BMT Dana Mulia, BMT Makmur Mandiri, and BMT Bina Ummah Sejahtera. The three BMTs have several products that are offered as a form of facility service to the community, especially to micro business actors. However, what makes it different from other BMTs is that in addition to providing capital assistance the three BMTs also provide assistance to micro business actors. The forms of assistance provided by the three BMTs to MSME actors include the establishment of a community of traders/micro business actors, by holding debriefing, counselling, recitation and approaches to micro business actors. The business capital that has been provided along with business assistance is aimed at supervising the activities of business actors in running their business.

The assistance provided is expected to minimize risk, increase income and profits from the business. Based on the above background, the researchers are interested in studying more deeply about the extent to which the BMT strategy in Sukoharjo which includes BMT Dana Mulia, BMT Makmur Mandiri, and BMT Bina Ummah Sejahtera in the effort to empower MSMEs in the COVID-19 pandemic situation and the impact of these strategies in a study.

A Look at Baitul Maal Wat Tamwil

Theoretically, *Baitul Maal* is an institution managed by the state to receive income from personal obligations of Muslims while *Baituuttamwil* can be interpreted as financial institutions whose main business is to receive funds from the community and channel them back to the community in the form of financing activities in productive and profitable businesses. The activities will help the development of nation's economy (Muthoifin, 2021). The main business of Baitul Tamwil is in distributing its funds to the community through various financing schemes. There are relatively different forms of

disbursement of funds carried out by cooperatives in general. In its operations, BMT implements a business that is independent, professionally managed, developed independently, and leads to the welfare of its members and the community in its environment. BMT has two functions, namely Baitul Mal Place of Treasure and Baitul Tamwil. The two functions above are defined as BMT's mission in developing and empowering the community's economy. The spirit of a comprehensive BMT also has a triple bottom line mission which is a development effort, community economic empowerment and spreading Islamic da'wah.

Empowerment is an effort to build human resources by motivating, raising awareness of the potential of the community and trying to develop it. [Panjaitan et al. \(2020\)](#) argues that empowerment actually refers to the ability of the community to gain and utilize access to and control over important resources. An empowerment effort cannot be separated from the perspective of human development that human development is the formation of aspects of self-recognition, independence, ability to cooperate, and tolerance of others, by realizing their potential.

So, what is meant by empowerment in this study is the efforts made by BMT in Sukoharjo in raising awareness and motivation of the community, especially MSME actors so that they can develop their businesses in the COVID-19 pandemic situation and help invest in income. As the most important economic sector in Indonesia, MSMEs have an important position in the country's economic sector. MSMEs are known as agents of economic growth for small-scale residents, because MSMEs are located in various places that are able to assist in improving the economic quality of small communities ([Hardilawati, 2020](#)).

The presence of BMT is able to provide sufficient influence to help its customers. The impact resulting from the empowerment of BMT La-Tansa Gontor is quite positive for the surrounding community, especially customer members, the majority of customers feel helped by the financing from BMT La-Tansa Gontor. However, the role of empowerment in BMT La Tansa Gontor is not optimal, this is because BMT La-Tansa Gontor is still in the empowering stage which should have been in the protecting stage ([Prianto, 2021](#)). Research related to BMT has been carried out several times, such as [Oktavia \(2021\)](#) which explains that BMT is a non-governmental movement in the economic field that is engaged with the aim of helping the capital and financial needs of micro, small and medium enterprises affected by the COVID-19 virus pandemic causing bad loans.

The presence of BMT helps small traders in overcoming their capital problems. Business capital is deemed as one of the main problems in all types of business. Overall, the problem of micro-industries in Wonogiri Regency is capital, so sharia microcredit (BMT) must provide them with soft microcredit and consult their customers. Merchants' businesses after obtaining BMT financing, both profits and customer profits increase.

The COVID-19 pandemic is still causing ongoing problems. Various sectors have also been affected by this pandemic including Islamic Microfinance Institutions (IMFIs). In addition, the impact of the pandemic has also hit the sector of Islamic microfinance institutions such as BMT. Most MSMEs experienced a decline in turnover due to the COVID-19 pandemic which resulted in bad loans. Efforts to anticipate the risk of default requires reserve funds to cover BMT operations so that they can run as they should ([Solihin, 2021](#)). [Setyaningsih and Hanifudin \(2021\)](#) revealed through his analysis that in overcoming financial difficulties as a result of the pandemic, BMT had to take many risks to carry out its activities. However, the role of BMT in supporting the economy during the pandemic needs to be appreciated because it continues to carry out the applicable Islamic sharia law.

The presence of BMT as a financial institution during the COVID-19 pandemic has an impact on business sustainability for MSME actors by providing productive economic financing for its members. The increasing number of financings has an important role in the driving force of MSMEs, especially in the conditions of COVID-19. BMT in the middle of society still exists even in times of crisis. The level of public confidence in BMT is still promising. The existence of BMT as a sharia

microfinance institution has been present and provides services to the community in its economic activities as well as BMT's efforts to survive the COVID-19 pandemic, including the application of digital business and information technology, government support and internalization of management. The implication is that by increasing capital, BMT should allocate for information technology infrastructure which can be applied in an integrative way (Fauzi & Darussalam, 2019).

Anisah et al. (2021) showing in their study that BMT Artha has a good role in providing funding to MSMEs. However, there are services that need to be evaluated because before the pandemic the funding was carried out smoothly, but after the pandemic many MSMEs were late in paying so that the BMT provided an extension of the payment period and was more selective in providing funding. Haryati et al. (2020) explained in their research that BMT made instalment adjustments to make it affordable for members and the public by implementing health protocols and promoting in the form of advertisements. Among several ways to improve the quality of the marketing mix is to improve product quality, improve health protocols on site and carry out online promotions and display the name of BMT in strategic locations.

In a study entitled BMT Masalah Lil Ummah Al Mubarak in developing MSME productivity during the 2020 corona virus pandemic concluded that the role of BMT in developing MSMEs was twofold (Faisol, 2021). During the COVID-19 pandemic, the performance of MSMEs decreased as a result of limiting the number of workers. Therefore, several alternative strategies are needed that are recommended to improve the performance of MSMEs including: (1) need to apply market orientation (2) create competitive advantage (3) improve pricing capability (4) motivate employees to keep working by paying attention to health protocols (Wiyadi et al., 2021).

The pandemic condition forces business actors, both MSMEs and other sectors, to change their marketing, promotion and transaction strategies from conventional to digital. The use of digital marketing is the best solution for MSME players during this pandemic. Digital Marketing provides more benefits for MSME actors. Effective digital marketing cannot be separated from marketing strategies ranging from promotions, product quality, attractive packaging and other things. With digital marketing, MSME players can connect with people they never imagined could be reached at a low cost. MSME products or services will be able to reach far more people than before.

Fasa et al. (2021) revealed that MSMEs are one of the businesses that have been quite impacted by the COVID-19 pandemic. The existence of government policies such as lockdowns and Large-Scale Social Restrictions (PSBB) has a very significant impact on MSMEs. Due to this pandemic, many small businesses have gone out of business. For this reason, MSMEs need financial support, the role that BMT can play is by providing business capital assistance using the *qardhul hasan* concept, providing leniency in collaboration with *mudharabah* contracts and developing digital marketing technology. In contrast to several previous studies, we are trying to focus on the strategy carried out by BMT in Sukoharjo in empowering MSMEs during the COVID-19 pandemic and the impact or influence of this strategy.

METHOD

This study is qualitative research with the type of field research method. The adoption of qualitative research method is intended to cover rigorously the operations in the BMT and getting the true responses from the MSMEs which might not be covered in a quantitative research method. This qualitative research refers to primary data which was conducted by interviewing directly to the managers of BMT Dana Mulia, BMT Makmur Mandiri, and BMT Bina Ummah Sejahtera as well as to MSMEs which are members of the BMT. The secondary data was obtained by means of a literature study which includes books, articles, scientific works and company profiles of BMT Dana Mulia, BMT Makmur Mandiri, and BMT Bina Umat Sejahtera. The data analysis technique used in this research is qualitative analysis. By using qualitative data analysis, systematic, simultaneous and detailed data will

be obtained. The writing method used is descriptive, namely the analysis of data related to research and then the collected data can be explained and labelled according to the problems identified so as to be able to answer the problems studied.

RESULTS AND DISCUSSION

Along with the development of BMT in various regions, Sukoharjo Regency has established many BMT branches spread over 12 sub-districts. Researchers took 3 samples of BMT including BMT Dana Mulia, BMT Makmur Mandiri, and BMT Bina Umat Sejahtera. Based on the results of observational research as well as interviews with BMT Dana Mulia, BMT Makmur Mandiri, BMT Bina Umat Sejahtera, it is known that the condition of BMT during the COVID-19 pandemic experienced a significant downward shift in management operations at BMT. This encourages BMTs to be aware of the need for sustainable management which aims at long-term resilience in the face of uncertain economic challenges and opportunities. The rapid spread of the COVID-19 pandemic has resulted in organizational institutions including BMTs needing to review the institutional plans and strategies that have been designed.

Strategy of BMT to Empower MSMEs

The three BMTs do not want to be left behind from other financial institutions to develop MSME players around them in facing economic challenges due to the COVID-19 pandemic. The three BMTs revised policies by providing convenience in financing to members. Based on the results of observational research as well as interviews with BMT Dana Mulia, BMT Makmur Mandiri, BMT Bina Umat Sejahtera, the following is an explanation of the answers from the three BMT:

Table 1: Summary of BMT Strategies in Sukoharjo

No	BMT Empowerment Strategy	BMT Dana Mulia	BMT Makmur Mandiri	BMT Bina Umat Sejahtera
1	Changes in policy after the COVID-19 pandemic	√	√	-
2	Assistance and guidance to MSMEs	√	√	√
3	Innovation of policy strategies carried out	Implementing restructuring policies and online applications	Restructuring policy and promotion of SIJAKA products	Prosperous Diversion of online media services
4	Forms of assistance for MSMEs	Socialization training	Routine studies and cultural approaches by going directly to the field	Trade and study community
5	Constraints	Policies are controlled by the government and members who are less disciplined	BMT employees are limited	Members from various circles so that they are not updated about online media

In the face of the COVID-19 pandemic, BMT Dana Mulia has implemented a restructuring policy in an effort to maintain the stability of the institution's operations. In the early four months of COVID-19, BMT Dana Mulia did not experience any obstacles from the pandemic, in fact it reached the predetermined target. The impact is felt after the recovery from the government due to a long process. So that within two years BMT Dana Mulia has reached 1000 members and has collected four billion in assets. Members' trust in BMT Dana Mulia is due to BMT's transparent operational system

using modern applications so that members and employees can access their own balances with the application used. This result supported by the previous study by.

The restructuring policy was also implemented by BMT Makmur Mandiri which provided a suspension of financing for members who had difficulty making payments so that there was a change in the addition of the financing payment limit. According to the manager of BMT Makmur Mandiri, it is said that the impact felt by the COVID-19 pandemic was very influential in financing because it was directly related to members. The follow-up action taken by BMT Makmur Mandiri due to the decrease in turnover was to implement a policy that was less favourable for members, namely by revising the portion of the profit-sharing ratio. This is done so that BMT can survive and run in the midst of the pandemic and members will still get not as many benefits as before. BMT Makmur Mandiri held a product promotion of Futures Investment Savings (SIJAKA) with the aim of attracting members to make savings by promoting the attractiveness of giving gifts directly. found a similar result in his study that the financing activities at BMT are decreasing with the presence of the pandemic.

Distinct the two BMT. BMT Bina Umat Sejahtera continues to carry out institutional operations as normal before the COVID-19 pandemic occurred by tightening transaction procedures to mitigate risk by being more careful in conducting financing and deposit transactions. The form of innovation carried out by BMT Bina Umat Sejahtera is by making transaction services using online media in accordance with health protocols and intensively financing the business needs of members. The resource persons from the three BMTs conveyed that another strategy used by BMTs towards the growth and development of MSMEs was to provide assistance. The form of assistance is carried out through the establishment of a merchant community, routine studies and cultural approaches.

BMT Dana Mulia provides assistance through socialization and coaching by providing appropriate directions. Understand the condition of members by listening to the complaints experienced which are then reviewed by sending the survey team to the field. The obstacle faced by BMT in providing assistance and guidance is that they feel that the form of policy is more controlled by the government while BMT does not have more authority. Assistance provided by BMT Makmur Mandiri by empowering members who have businesses with a cultural approach. BMT Makmur Mandiri also conducts regular studies to organize members.

In the field of Maal or community, BMT provides assistance to members and MSMEs affected by the pandemic in the form of basic food assistance. Not much different, BMT Bina Ummah Sejahtera also conducts regular studies and has a trading community. Through this meeting, BMT knows the condition of members so as to provide easy financing for the capital needs of members who lack capital and provide direction so that the marketing of products and services can be carried out. The form of assistance includes assistance in the field of income distribution, financial management, and motivating MSMEs to improve the quality of their work.

Based on the results of observations and interviews submitted by MSMEs, almost all BMT members have felt the impact of the COVID-19 pandemic. Before the pandemic, BMT performances were fairly good. The impacts range from a decrease in turnover, difficulties in paying off loans, and meeting basic needs such as paying electricity bills and others. Another obstacle faced by MSME actors in the three BMTs is the difficulty of obtaining capital, difficulty in obtaining raw materials due to the increase in the price of goods, the decreasing number of customers, causing the production and distribution process to be hampered. The recovery steps taken by BMT as a survival strategy for MSME actors during the COVID-19 pandemic gave a positive signal for MSME actors.

Knowing the new policy issued by BMT and the mentoring strategy implemented, all members have one voice in describing the benefits of the policy. The benefits felt by members related to these strategies and policies are very helpful in the development of their business. The restructuring policy provided by BMT is able to ease members to pay instalments so as to provide convenience and enthusiasm for members who are financially constrained due to the COVID-19 pandemic. The

motivation that appears in MSME actors is indirectly the influence of business assistance provided by BMT when experiencing difficulties. This assistance is very influential on the mentality of business actors so that it increases the confidence of members to continue to survive.

The strategies developed by the three BMTs to implement the empowerment of MSMEs are quite effective. This is considered effective because each BMT has implemented an empowerment strategy for MSMEs through policy innovation and assistance. BMT goes directly to the field in order to understand business developments as well as examine the capital mechanisms that have been offered, answer all challenges in business, and provide suggestions and solutions that will help MSME continue to exist competitively with healthy competition.

The form of BMT assistance in the sustainability of MSMEs is by providing assistance to the capital provided by BMT. When MSMEs begin to experience a decline in income or experience other obstacles, BMT quickly provides input and support to keep the business running. The purpose of sustainability assistance is so that MSME actors can survive in the current situation and can develop their businesses. With this assistance, MSMEs know how to manage their business in an appropriate way during the COVID-19 pandemic and good financial management so that they can launch MSME income.

The obstacle faced in implementing the empowerment strategy is in terms of capital, marketing, management, and market competition. BMT also feels the impact of the COVID-19 pandemic, namely a decrease in BMT turnover and the risk of members failing to pay, but BMT must continue to try as much as possible to provide good facilities and services to its members. Another obstacle experienced by BMT is the lack of knowledge and experience of MSME actors in running their business, because BMT members consist of various groups, both educated and uneducated. Therefore, it causes members to be less disciplined in implementing their business because they are less responsive in implementing the assistance provided by BMT, so that the assistance is not optimal.

The effect of the BMT empowerment strategy on MSMEs affected by the COVID-19 pandemic

From the data above, it shows that the policies implemented by BMT have received a fairly good response. Several MSMEs who are members of BMT feel helped by these strategies and policies. The strategies implemented by the three BMTs have had a positive impact on the surrounding community, especially MSMEs as an effort to empower and prosper MSMEs in surviving the COVID-19 pandemic situation. Some of the effects felt for MSME actors who are members of the BMT include:

Access to Finance

The capital assistance provided by BMT is expected to be utilised as a good use for members productive businesses so that they are able to support them in empowering MSMEs, especially small traders. The influence of capital assistance felt by MSMEs is quite large, most MSMEs feel helped by capital assistance and conditions that are not difficult. With the help of this capital, MSMEs can continue to live their lives in the challenges of the pandemic situation that has shattered economic order throughout the world (Mutamimah et al., 2021). The assistance provided by BMT is quite helpful for business development. With this assistance, MSMEs know how to manage their business in an appropriate and appropriate way during the COVID-19 pandemic and good financial management so that they can boost MSMEs income (Kakembo et al., 2021). This shows that the strategy and assistance carried out by BMT has been quite effective.

Business Improvement

There is a strategy carried out by BMT in providing business assistance for MSMEs, providing business knowledge in marketing their business to the wider community (Rashid & Rathen., 2021). Business assistance has opened up opportunities for MSMEs to continue to improve their business. The fast and responsive BMT in identifying the problems experienced by MSMEs can minimize

considerable risks for MSMEs. Therefore, with this assistance, MSMEs feel guided and directed in their business.

Risk Control

The mechanism for going directly to the field is also justified by MSME actors to see business developments and control the capital financing provided (Falkner & Hiebl., 2015). With this control, it can help prevent bigger risks faced by business actors. This is confirmed by some MSMEs that the control system is very helpful in business management. Anticipate the impact of large losses due to the COVID-19 pandemic.

CONCLUSION

The empowerment strategies carried out by BMT Dana Mulia, BMT Makmur Mandiri, and BMT Bina Umat Sejahtera have similarities that are not much different. BMT Dana Mulia and BMT Makmur Mandiri implemented a restructuring policy in an effort to maintain the stability of the institution's operations. While BMT Bina Umat Sejahtera did not implement a new policy, the policy that was carried out was to tighten risk mitigation by making efforts to be more careful in conducting financing and savings transactions and using online media. Another strategy carried out in the empowerment and development of MSMEs by the three BMTs is mentoring. The form of assistance is carried out through socialization, the establishment of a routine study merchant community and a cultural approach. In addition, this paper contributes theoretically through the proven result on the adaption of BMT strategies to remain sustainable. On the practical side, this study emphasizes the importance of digital adoption in businesses operations in this era and urging the BMT industry to migrate accordingly. The influence of the empowerment strategy by BMT has a positive impact on MSMEs who are members of the BMT. The perceived impact is that, with the restructuring policy, most of the MSMEs feel helped by capital assistance. Another impact is the existence of business assistance, MSMEs have knowledge in entrepreneurship that can encourage the spirit of marketing their business to the wider community. Business assistance has opened up opportunities for MSMEs to continue to improve their business, thereby minimizing the risk of bankruptcy. Therefore, with this assistance, MSMEs feel guided and directed in their business. In addition, the impact felt by MSMEs is the existence of risk control with a mechanism that goes directly to the field of businesses.

This research has a practical contribution that BMT can further optimize the empowerment strategy for MSMEs in other policies that can support MSMEs business development and continue to maximize ongoing work programs. This research also opens new horizons, that it turns out that MSMEs have a big contribution to the country 's economy. Therefore, it is hoped that the government will continue to support the empowerment of the MSME community. The government must continue to optimize the empowerment of MSMEs, especially with the collaboration and synergy between economic institutions. Besides that, the government also needs to maximize the role of Islamic economic institutions, in this case BMT, which is being pioneered and is starting to have a positive impact, especially for MSMEs. This paper carries some limitations such as limited sample and area of research. Furthermore, the methodology used in this paper might be explored other methodologies to enrich the discussion on BMT. This study recommends further investigation with the hope on contributing to the nation's economy.

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