

# THE INDONESIAN SHARIA BANK PLAYS A CRUCIAL ROLE IN SUPPORTING THE SHARIA ECONOMIC COMMUNITY PROGRAM IN TIRTANADI VILLAGE

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**Abstract-** *This article discusses the MES organization, government and Bank Syariah Indonesia which launched the MES program, namely rose mas in NTB with the aim of growing the community's economy and eradicating mosque-based loan sharks. To obtain data around this theme, the writer used qualitative research with the data collection techniques used were observation, interviews, documentation. After obtaining these data, the author went through several stages of data analysis, namely data reduction, data presentation and data verification. The results of this research show that Bank Syariah Indonesia together with the MES Program is able to build a quality economy by increasing economic growth rates by opening up employment opportunities by offering business capital provided by Bank Syariah Indonesia through the MES program implemented in Dasan Gerung, Tirtanadi Village. So with this business capital, the unemployment rate in that place can be reduced quite significantly. On the other hand, with the opening of several business units, unemployment and crime rates in these places have also decreased drastically.*

**Keywords:** *Role, Sharia Banking, Support, Sharia Economic Society.*

**Abstrak-** Artikel ini membahas tentang organisasi MES, pemerintahan dan Bank Syariah Indonesia yang meluncurkan program MES yaitu mawar mas di NTB dengan tujuan menumbuhkan prekonomian masyarakat serta memberantas rentenir berbasis masjid. Untuk mendapatkan data seputar tema ini, penulis menggunakan penelitian kualitatif dengan teknik pengumpulan data yang digunakan adalah observasi, wawancara, dokumentasi. Setelah mendapatkan data-data tersebut, penulis melewati beberapa tahapan analisis data, yaitu reduksi data, penyajian data dan verifikasi data. Hasil dari penelitian ini menunjukkan bahwa Bank Syariah Indonesia bersama Program MES mampu membangun prekonomian yang berkualitas dengan meningkatnya angka pertumbuhan perekonomian dengan membuka lapangan kerja dengan menawarkan modal usaha yang diberikan oleh Bank Syariah Indonesia melalui program MES yang diterapkan di Dasan Gerung Desa Tirtanadi. Sehingga dengan modal usaha tersebut, angka pengangguran di tempat tersebut mampu ditekan dengan cukup signifikan. Di sisi lain, dengan terbukanya beberapa unit usaha, angka pengangguran dan kriminal di tempat tersebut juga menurun drastis.

**Kata Kunci:** Peran, Perbankan Syariah, Support, Masyarakat Ekonomi Syariah.

## Introduction

Indonesia's economic prosperity is on the rise in the period of globalization, thanks to the assistance provided by the Indonesian Sharia Bank (Raharjo, 1994). Bank Syariah Indonesia offers a variety of facilities and products with Sharia influences to the public. The goal is to contribute to the economic growth of Indonesia by collaborating with other Indonesian Sharia Banks. This collaboration aims to create a healthy economy and improve the financial well-being of the people in Indonesia. Bank Syariah Indonesia holds a crucial role as an economic entity that operates in compliance with Islamic law. The formation of Bank Syariah Indonesia is a manifestation of the application of economic concepts and public comprehension in line with Islamic law. Bank Syariah Indonesia's transactions are based on a cooperative and profit-sharing process, which includes lending, borrowing, and other social transactions. The bank plays a role in developing and strengthening the local economy, aiming to create a robust community economy that can effectively compete in the digital financial era (Apriyanti, 2022).

Sharia banking adheres to fundamental principles that include the prohibition of collecting or applying riba (bank interest) and the avoidance of investing in haram firms, such as those involved in immoral activities or the manufacturing of haram beverages. Bank Syariah Indonesia adheres to the principles of Islamic sharia, as stated in Surah Al-Rum of the Al-Qur'an, verse 39:

وَمَا آتَيْتُمْ مِّن رِّبَا لِّيَرْبُوَ فِي أَمْوَالِ النَّاسِ فَلَا يَرْبُوا عِنْدَ اللَّهِ وَمَا آتَيْتُم مِّن زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ  
الْمُضْعِفُونَ ٣٩

*Usury that you give to increase other people's wealth is not growing in the sight of Allah. As for the zakat that you give with the intention of gaining Allah's approval, (meaning) they are the ones who multiply (the reward).*

The verse above elucidates that usury refers to the act of providing or receiving more than the amount owed to someone, resulting in the accumulation of wealth in the hands of the recipient. Consequently, Bank Syariah Indonesia was founded, along with organizations like MES, Sharia Banking, and other financial institutions based on sharia principles, with the aim of eliminating usury as prescribed in this verse. Sharia banking is a financial institution that operates based on sharia principles and employs different techniques to establish connections with other financial institutions through collaboration. For example, Indonesian sharia banks collaborate with the government and MES organizations to launch economic community programs, such as the Mawar Mas program in NTB, specifically in East Lombok.

This program was introduced to the people of Dasan Gerung, Tirtanadi Village by one of the MES administrators who participated in the initial launch of MES in East Lombok (Arifin, 2009). Bank Syariah Indonesia plays a crucial role in promoting economic development within the community by offering business capital loans through the MES program. This initiative aims to encourage entrepreneurial spirit and ensure the stability of the local economy on an annual basis. As per the principles outlined in Surah Al-Hujurat verse 13 of the Al-Qur'an:

يَا أَيُّهَا النَّاسُ إِنَّا خَلَقْنَاكُمْ مِّن ذَكَرٍ وَأُنْثَىٰ وَجَعَلْنَاكُمْ شُعُوبًا وَقَبَائِلَ لِتَعَارَفُوا ۗ إِنَّ أَكْرَمَكُمْ عِنْدَ اللَّهِ أَتْقَاكُمْ ۗ إِنَّ اللَّهَ  
عَلِيمٌ خَبِيرٌ ١٣

*O people, indeed We have created you from a man and a woman. Then, We made you into nations and tribes so that you might know each other. Indeed, the noblest among you in the sight of Allah is the one who is most pious. Indeed, Allah is All-Knowing, All-Aware.*

The aforementioned verse elucidates the imperative for the Muslim community to provide mutual assistance in terms of financial resources and collaborative efforts to foster a robust economy within our surroundings. This is exemplified by the implementation of the MES program among the Dasan Gerung community of Tirtanadi Village, which aims to bolster the economic well-being of the Dasan community. The name of the village is Gerung Tirtanadi. Bank Syariah Indonesia is actively promoting sharia economics by collaborating with other institutions, including sharia banking, the

financial services authority, the national sharia council, DSN-MUI, and associated groups such as the sharia economic community (MES). In order to achieve these objectives, Bank Syariah Indonesia convened and invited all interested parties to establish an organization dedicated to implementing a long-lasting community outreach program. This organization, known as the Sharia Economic Community (MES), was established in 2001 ([www. Ekonomisyariah.org](http://www.Ekonomisyariah.org)).

The MES organization was first developed just in the Jakarta area, with no intentions of expanding to other regions. Nevertheless, this program entices colleagues from different places to replicate or execute comparable actions in their own distinct regions. The objective of MES is to establish economic operations that adhere to sharia standards. The objective of MES is to serve as a platform for expediting economic growth via the implementation of economic ethics in conformity with Islamic law. The primary objective of the MES mission is to establish connections between economic players and relevant financial institutions. Additionally, it aims to promote and enhance activities and interactions among members, as well as with relevant authorities and institutions ([www. Ekonomisyariah.org](http://www.Ekonomisyariah.org)).

Erick Thohir states that MES (Sharia Economic Society) serves as the daily management body of the MES organization. MES is a non-profit organization with the objective of promoting and expediting the implementation of the Indonesian sharia economic and financial system, which strictly adheres to the principles of Islamic sharia. MES serves as a comprehensive platform for gathering funds from all available Sharia economic resources and fostering collaboration among its stakeholders. It is widely acknowledged as a leading authority and role model in driving the growth and implementation of the Indonesian sharia economic system and business ethics. MES is explicitly recognized as an autonomous entity, distinct from both governmental and political organizations. It operates as an independent organization, but with the backing of the NTB government and Bank Syariah Indonesia. The organization was inaugurated in East Lombok under the name Mawar Mas.

The occurrence of Micro, Small, and Medium Enterprises (MES) within the population of NTB, particularly in East Lombok, would potentially provide favorable outcomes for the community by expediting economic recuperation. The MES program plays a crucial role in the government's endeavor to enhance economic activity, despite the lack of awareness among many individuals in the local community regarding MES. Additionally, there is still a preference for conventional products over sharia-compliant products, particularly in the financial institution sector where people favor simple and readily available options, such as those offered by moneylenders. Nevertheless, these factors do not impede the implementation of the MES program in Lombok with the aim of generating income. The focus on the economy in the community, particularly in East Lombok, may be found on the website [www.cnbcindonesia.com](http://www.cnbcindonesia.com).

Thus, the MES program was introduced in East Lombok, namely in Dasan Gerung, Tirtanadi Village, with the aim of stabilizing the economy and alleviating the community's dependence on predatory lenders. In order to engage the residents of Dasan Gerung Tirtanadi Village in using MES products, the management of MES introduced a program called Mawar mas. This program involves

discontinuing mosque-related activities and instead using the mosque as a platform to encourage the congregation to apply for business capital loans at MES. The objective of this initiative is to alleviate individuals from their dependence on predatory lenders and enhance the economic development of the community. The MES program has been operational for a duration of 3 years at Dasan Gerung, Tirtanadi Village. The dataset consists of 80 individuals who are members of MES, and the fund payout process is separated into two stages, which are facilitated by Bank Syariah Indonesia. The implementation of the MES program in Dasan Gerung, Tirtanadi Village, successfully transformed the community's perspective. Initially, they heavily relied on loan sharks for financial support. However, after the introduction of the MES program, which provided capital assistance with 0% interest on loans, the community witnessed a significant decrease in their dependence on loan sharks. This privilege is exclusively granted to female pilgrims who are members of the MES and possess small companies in the market, while also being jobless or without employment, together with other small traders.

In addition to receiving assistance from the MES organization, the MES program is completely backed by Bank Syariah Indonesia. This support includes offering interest-free money through qard contracts and distributing wadiah savings books to members of the MES congregation. The beneficiaries of the sharia economic community program experience a notable development. Previously, they had limited tools to operate their businesses. However, by obtaining additional capital from Bank Syariah Indonesia through the MES program implemented in the village, their business turnover will inevitably increase. Is seeing annual growth, as seen in the table provided.

#### **Economic growth of the Dasan Gerung community of Tirtanadi Village**

| Year | Economic Growth Figures<br>Dasan Gerung, Tirtanadi Village | Ups and down |
|------|--|--------------|
| 2019 | 40 %   | -            |
| 2020 | 70 %   | Up 30 %      |
| 2021 | 80 %   | Up 10 %      |
| 2022 | 50 %   | Down 30%     |
| 2023 | 80 %   | Up 30%       |

Based on the data provided in the table, it can be inferred that the Dasan Gerung community in Tirtanadi Village would have an economic recession in 2029 due to the significant increase in unemployment and the prevalence of loan shark usage. In 2020, the MES program was introduced in Dasan Gerung Tirtanadi Village by Mr. Mashun, one of the MES administrators and the chairman of MES in Dasan Gerung. The program was fully funded by Bank NTB Syariah. However, in 2022, there was a recession due to deposits being congested and funds being blocked in Bank NTB Syariah. Fortunately, from mid-2022 until 2023, the program started to see an increase again as it was taken over by Bank Syariah Indonesia.

#### **LITERATURE REVIEW**

The topic of this research has garnered significant interest from scholars, like Nurul Izzati Lubis (2019), who explored "Dampak Masyarakat Ekonomi Syariah (MES) Terhadap Peningkatan Literasi Keuangan Syariah di Indonesia". This research examines the function of MES and employs qualitative

research methods such as observation, interviews, and recording. Nurul Izzati's study focuses on the relationship between financial literacy, the economy, and the implementation of MES in society. However, the distinction in the research analyzed by the researcher was that Nurul Izzati's study did not investigate the involvement of Indonesian sharia banks. Nurul Izzati's study exclusively concentrated on the function of the MES. Concurrently, the researcher examined the contribution of Indonesian sharia banks in facilitating the MES program in Dasan Gerung, Tirtanadi Village.

S. Supiandi (2022) examines the advantages of a program aimed at combating predatory lending practices by mosque-based loan sharks among the congregants of Jamiatul Khair Mosque in East Lombok. S. Supiandi's research explores a topic similar to that investigated by other academics. Specifically, S. Supiandi's research focuses on the advantages of the Mawar Mas program in alleviating individuals' reliance on loan sharks by redirecting monies from MES. This research employs qualitative research methods, specifically interviews, observation, and documentation. However, it distinguishes itself by not only focusing on the Mawar Mas program, but also investigating the role of Indonesian Sharia Bank in facilitating the implementation of the MES program, specifically the Mawar program. I live in Dasan Gerung, namely in Tirtanadi Village.

Lina Marlina (2018) examines "Kontribusi Bank Syariah Indonesia Dalam Penerapan Keuangan Inklusif Bagi Pelaku UMKM Di Tasikmalaya". Lina Marlina's study focuses on the direct implementation of financing for the MSME community with the aim of enhancing the economy of Tasikmalaya. This study investigates the role of Bank Syariah Indonesia in supporting the MES program through qualitative research methods such as observation, interviews, and documentation. However, the key distinction lies in the researchers' focus on examining the bank's role in distributing and directly providing support for the MES program. The Indonesian sharia is implemented through the MES program, which aims to provide support to those with small companies or those who are unemployed.

Hilmi Kosari (2023) investigates "Kontribusi Bank Syariah Indonesia Dalam Menggalakkan Program MES Di Dasan Gerung Desa Tirtanadi". Both this study and earlier studies examine Bank Syariah Indonesia and MES, utilizing qualitative research techniques such as interviews, observation, and documentation. However, the distinction lies in the specific goal and location of the research, as well as the researcher conducting the study. The Indonesian Sharia Bank plays a crucial role in supporting the MES program in Dasan Gerung, Tirtanadi Village. The objective is to foster a robust economy and eliminate mosque-based loan sharks, hence reducing the reliance on loan shark services in the village.

## **RESEARCH METHODS**

The author uses a type of qualitative descriptive research in which the author explains a situation observed in the field in a specific, transparent, clear and in-depth manner. Based on this research, researchers used two data sources, namely primary data and secondary data. In this case, it is done to assist researchers in obtaining the results of discussions and decisions about this research. Primary data sources are data sources that directly provide data for data collection which is directly

collected by the researcher himself from the place or research object (Sugiono, 2018). The primary data source used by researchers is direct interviews with informants. Meanwhile, secondary data sources are data collection obtained from indirect data. The secondary data sources used in this research were obtained from books, journals, news and documentation. The data collection techniques used in this research are: Observation, Interviews and Documentation.

## **DISCUSSION**

### **General description of Tirtanadi Village, Labuhan Haji District**

Tirtanadi Village is a rural community mostly engaged in agricultural activities. This is evident from the predominant use of the land for agricultural purposes, including for cultivating food crops, horticulture, and plantations. Agricultural land and plantations are regarded as highly fruitful. Tirtanadi Village, a part of Korleko Village in the northern region, is located in the Labuhan Haji District of the East Lombok Regency, which is situated in the West Nusa Tenggara (NTB) Province. From a socio-economic standpoint, the Tirtanadi community is categorized as impoverished, despite having some arable land. However, the extent of land ownership is severely restricted, with an average of only 0.3 hectares per household. As a result of this situation, a significant number of Tirtanadi inhabitants were compelled to emigrate in order to seek employment opportunities as Indonesian laborers.

Tirtanadi spans an area of 512.32 hectares (ha) and is situated at an elevation ranging from 18 to 45 meters above sea level. It is bordered to the north by Teko Village in Pringgabaya District and Anggaraksa in Pringgabaya District. The southern boundary of the area is defined by Korleko Village in the Labuhan Haji District. To the east, the boundary extends to Korleko Village in the Labuhan Haji District and includes the neighboring village. On the western side, the boundary encompasses Bandok Village in the Wanasaba District, Mamben Baru Village in the Wanasaba District, and Tanak Gadang Village in the Peringgabaya District. The geographical coordinates of Tirtanadi are 35°46.54" South Latitude (LS) and 116°035'11.85" East Longitude (BT).

The maximum distance from the Village Government Center is approximately 2 kilometers, which may be covered in around 15 minutes. The road infrastructure that connects the Region to the Village Government headquarters is insufficient. In addition, the proximity between residential areas within the same region is considerable. The Village Government center and the District are around 12 km apart, with a travel duration of 20 minutes. The Village Government center and the Regency Capital are approximately 13 km apart, with a travel duration of around 25 minutes. The distance between the Village Government center and the Provincial Capital is around 80 kilometers, and it takes about 2 hours to traverse this distance.

Tirtanadi has a predominantly mountainous landscape, with a minimal lowland portion. Residential villages resemble those situated on hillsides with irregular inclines. The Tirtanadi people intentionally avoid settling on the fertile agricultural and plantation land that is situated at a low altitude. The mean elevation ranges from 18 to 45 meters above sea level (asl) and exhibits diverse inclines. The terrain in the area where the locals live is characterized by rough conditions. This area differs from

the lowlands as it consists of sand and cliffs that contain a significant amount of pumice. The local population has been extracting the pumice from these cliffs.

The majority of the Tirtanadi population is employed in the agriculture industry. The geographical circumstances of Tirtanadi Village are inseparable from this. The primary sector serves as a genuine means of sustenance for the people. The rural community is characterized by its proximity to agricultural land and plantations. For the past six months, Tirtanadi Village has had bustling market activity every Friday. Specifically, located on the cross-regency route that links Tirtanadi with communities in the Pringgabaya and Wanasaba sub-districts. The rate of increase among traders is rapid. The presence of a market is seen crucial for fostering economic development within the Tirtanadi community. Observing the ongoing expansion of the market, a significant number of Tirtanadi people express dissatisfaction with their circumstances as vendors.

However, the agricultural development sector does not correlate directly with the degree of land ownership, despite being designated as an agricultural region. Only a minority of the community consists of true farmers. The remaining individuals are engaged in agricultural labor and possess no specialized skills. In addition to their agricultural activities, farmers of Tirtanadi village also engage in animal breeding during their leisure time. In addition, there are some individuals in the Ijobalit sub-district who work as pumice miners and sand miners. Out of the 7,438 inhabitants of Tirtanadi, when categorized by age group, there is a youthful workforce comprising 14.2 percent, a middle-aged workforce comprising 44.68 percent, and an elderly workforce comprising 27.2 percent.

The establishment of Village-Owned Enterprises (BUMDES) aims to facilitate the economic development of the local community in the village. Deviating from this premise, a BUMDES named BUMDES Tirtanadi Sejahtera has been established in Tirtanadi Village. Philosophically speaking, the Tirtanadi community has the potential to evolve into a successful civilization in the future. An establishment overseen by Tirtanadi Village, which will function in areas closely aligned with the existing potential within Tirtanadi Village. These areas include agriculture, animal husbandry, fishing, and savings and loan services, among others. Operates in accordance with Islamic principles in its administration. It is anticipated that the Islamic economic system, deeply rooted in the life of the Tirtanadi community, would lead to a more prosperous future. One possible area for growth in this BUMDES is the cultivation and exploitation of Tirtanadi agricultural goods in the agricultural sector. In agricultural societies, the acquisition of agricultural production infrastructure may be a significant area of development. The number of dealers in the sphere of savings and loan services in Tirtanadi is consistently increasing. From the earliest days of trade, beginning with basket dealers and extending to modest kiosks.

The establishment of BUMDES, which implements an Islamic economic-style profit sharing idea in its savings and loan system, aims to eliminate the oppressive savings and loan practices that have burdened society thus far. A multitude of budding businesses are beginning to surface. The primary hindrance is, in fact, the financial component. If BUMDES can assume control of the capital component,

it is anticipated that the Tirtanadi community's economy would effectively eradicate the persistent poverty that plagues them.

### **The role and support provided by Bank Syariah Indonesia in supporting the MES program and the benefits of the MES program to the community of Dasan Gerung, Tirtanadi Village**

A role refers to an activity or sequence of action performed by an individual, or the conduct exhibited by an individual who assumes a specific position. Guidelines for appropriate behavior and conduct based on an individual's social position (Timbage, 2017). Sharia banking refers to a commercial company or institution that primarily holds its wealth in the form of financial assets, goods, and non-financial assets, or real assets, based on sharia doctrines. It is overseen by a sharia supervisory board (Priyadi, 2016).

Indonesian sharia banks have been assigned the task of supporting the MES program in Dasan Gerung, Tirtanadi Village. Their role is to promote economic development by addressing unemployment in the area. This is achieved by creating job opportunities through interest-free capital provided by MES. Individuals who wish to start their own businesses can access this capital, while those who already have small businesses can receive additional support for trading activities.

#### *The Form of Role Given by Indonesian Sharia Banks Towards The MES Program*

The role provided by Indonesian sharia banks in supporting the MES program in Dasan Gerung, Tirtanadi Village, includes:

a. Building a quality economy

Quality economic growth is economic growth that is able to reduce poverty and unemployment. To grow a quality economy, the management is trying to reduce the unemployment rate in Dasan Gerung, Tirtanadi Village. To reduce the unemployment rate which has reached 50%, our management, with the support of BSI, is ready to provide solutions for the community by creating jobs in the form of inviting people to open businesses through capital provided by BSI through the MES program, this capital is not only given to business people. small businesses and mothers who already have businesses, but this MES program provides business capital to people who do not have jobs who want to open a business. For example, this capital is given to women who have just graduated from high school and bachelor's degrees and mothers who do not have education.

What Mr. Mashun stated was in line with what Ibu Saupiah, the MES treasurer, said: this MES program is not only aimed at small traders, but is also given to women who do not have jobs because The high unemployment rate has a negative impact on the economy of the people in Dasan Gerung, Tirtanadi Village. This is an economic problem that must be immediately resolved with capital provided by BSI through the MES program which has been implemented in Dasan Gerung, Tirtanadi Village. Bank Syariah Indonesia and MES are working together to build an economy that is in accordance with Islamic law to realize the vision and mission that has been

created to build a quality, healthy, stable economy and eradicate mosque-based loan sharks through implementing the MES program.

b. Eradicating Sharia-Based Loan sharks

According to the OJK, loan sharks are people who illegally lend funds to the public and obtain profits from the prevailing interest without the supervision of any legal entity or financial services authority ([sikapiuangmu.ojk.go.id](http://sikapiuangmu.ojk.go.id)). The targets of loan sharks roaming around *Dasan Gerung* in *Tirtanadi Village* are small traders in markets and poor people in villages in the *Dasan Gerung* area. To realize the vision and mission of Bank Syariah Indonesia through the MES program so that all communities are free from loan sharks, the MES management hopes that this program can reduce unemployment and change people's mindset to the idea that loan sharks are not the solution to everything. Therefore, we as MES administrators hold a recitation once a week at the *Jamiatul Al-Khair* mosque and *Gerung Tirtandi* village specifically with the theme of the dangers of usury and reminding the public to be careful in using the services of loan sharks and inviting the public to run their businesses in accordance with Islamic principles. . This was all done by the MES management to increase the public's insight and knowledge regarding the sharia economic community.

*The Form of Support Provided by Indonesian Sharia Banks for The MES Program*

Sarason, Lieve, Basham, said that social support is the presence, willingness, care of people who can be relied on, respect and love us (Kumalasari, 2012). The support provided by BSI is in the form of social support and then the social support is implemented to the *Dasan Gerung* community of *Tirtanadi Village* in the form of instrumental support provided for the sustainability of the MES program. Instrumental support includes providing facilities to make things easier or help other people, for example equipment, supporting facilities and free time. Mr Mashun as chairman of MES *Dasan Gerung Tirtanadi Village* said that the form of instrumental support provided by BSI to the MES program which has been implemented in the *Dasan Gerung* community of *Tirtanadi Village* is:

1. Distribution of funds to the community through the MES program

The funds provided by BSI to the MES congregation through the MES program are used as business capital by the community. The capital provided by BSI KCP Pancor to the MES congregation was disbursed in stages. The first stage was given in the amount of 1 million for 40 people and the second stage was 2 million for 40 people, with a payment tenor of 10 months for a loan of 1 million 100 per month and a loan of 2 million 200 per month.

2. Provide full funding from Bank NTB Syariah before Bank Syariah Indonesia

Bank NTB Syariah is MES's first collaboration partner in implementing this program in Lombok, West Nusa Tenggara. Bank NTBS provided full funding for this program starting from 2020. And there was a bottleneck in early 2022 because at that time Bank NTBS used regional

treasuries and wanted to use an interest system. And at the end of 2022 switch to BSI. BSI covered the bottleneck in funds disbursed from Bank NTBS and continued the role of Bank NTBS in financing the MES program.

### 3. Savings book creation service

The savings book service provided to MES members is only made specifically for MES members who make capital at MES with the aim of making it easier for members to carry out savings activities, make deposits and receive a record of the total disbursement of funds, for example how much was received and how much was deducted for making savings because it was recorded in the savings book provided.

## **Benefits of The MES Program for The People of Dasan Gerung, Tirtanadi Village**

Effective implementation of well-planned and purposeful programs will inherently provide favorable outcomes that will be enjoyed by individuals, groups, institutions, and society as a whole. In addition, the MES program has been executed by MES administrators inside the community with the aim of maximizing the town's economic development. The advantages of the MES program are as follows: (a) Assisting individuals in recovering from their dependence on loan sharks. Loan shark addiction is a compulsive dependence that arises from a lack of alternatives due to urgent financial needs, leading individuals to rely on loan sharks who can provide funds promptly. (b) Enhancing the economic conditions of the community. The economic growth in a village can be assessed by examining the state of the community, as demonstrated by researchers who have observed that the implementation of the MES has enabled the community to fulfill their needs through entrepreneurial activities, specifically trading, which is funded by the MES.

Based on the aforementioned explanation, the author can infer that the role and support provided by Indonesian sharia banks, with the assistance of the MES management through the MES program, have been effectively implemented. This implementation has resulted in a positive impact on the environment, society, and the economy of the people residing in Dasan Gerung, Tirtanadi Village. The ultimate objective is to foster a thriving economy of high quality. To eliminate mosque-based loan sharks, additional programs are being implemented, specifically recitations conducted every three months. This aims to establish a robust economy and liberate the community from the clutches of loan sharks. These efforts are closely monitored by the OJK, which offers numerous advantages, including a reduction in the number of loan shark users in Dasan Gerung, Tirtanadi Village.

## **Economic Condition of the Dasan Gerung Community of Tirtanadi Village Before and After the MES Program**

Based on the results of interviews conducted by researchers with all MES administrators and MES congregation in Dasan Gerung, Tirtanadi Village, the economic situation of the Dasan Gerung

Community in Tirtanadi Village is very clear before and after the existence of the MES Program in Dasan Gerung, Tirtanadi Village.

*Before the MES existed in Dasan Gerung, Tirtanadi Village*

Prior to the implementation of the MES in Dasan Gerung, the community experienced a significant economic decline in the previous year until 2019. This was primarily attributed to a high unemployment rate, resulting in a decrease in everyone's income. Additionally, the community faced a substantial increase in debt due to a large number of individuals utilizing loan shark services. It is worth noting that some individuals borrowed money solely for personal use rather than for business purposes, and incurred high interest rates. Among several factors, two things contribute to the economic deterioration of the Dasan Gerung community: The number of individuals utilizing loan shark services is substantial. Prior to the Microfinance Empowerment Scheme (MES), the residents of Dasan Gerung in Tirtanadi Village relied on the services of usurious lenders and other financial institutions that imposed interest on their loans. This was due to the expedited nature of the loan shark services, which did not need any verification of the borrower's identification.

The economic downturn is attributed to individuals resorting to the services of usurious lenders, resulting in exorbitant interest rates and subsequent indebtedness. Initially, their business loans were successful and led to a boost in the local economy. However, over time, the community's economy suffered a deterioration due to an excessive influx of deposits and the imposition of high interest rates.

*After implementing the MES program in Dasan Gerung, Tirtanadi Village*

This program has had a positive impact on the economic growth of Dasan Gerung, Tirtanadi Village, seen from the growth rate which continues to increase in 2023. The efforts that have been made by sharia banking, the MES organization, the MES program and the MES management have succeeded in creating a healthy and quality economy through business. which is run by the community with capital provided by Bank Syariah Indonesia through the MES program. The increase in growth rates is due to improvements made by the MES management in convincing the public that the capital offered by MES without interest aims to reduce users of loan shark services and runs smoothly. The MES program is also present as a solution for young people who want to open a business to reduce unemployment. Management MES invites the people of Dasan Gerung, Tirtanadi Village, to use MES services for their Sharia-based capital to avoid usury and being in debt by taking advantage of the MES program that has been implemented in Dasan Gerung, Tirtanadi Village. The quantity of loan shark service users has decreased. The implementation of MES in Dasan Gerung, Tirtanadi Village has had a positive impact on the community as seen from the increasing growth rate and the lack of users of loan shark services in the Dasan Gerung environment because 80% of the community invests in MES.

Based on the results of the explanation above, the author can conclude that in the previous year until 2019, before the implementation of MES in Dasan Gerung, the community's economy had declined greatly due to the high unemployment rate which caused everyone's income to decrease, and the large number of activities using loan shark services which caused community debt to increase due to some people borrow only for themselves, not for business, plus they borrow money at quite high interest rates due to the large number of individual loan sharks and loan sharks who claim to be sharia and the emergence of debts and receivables due to loans offered by loan sharks. This is what caused the economic recession experienced by the community before the MES program existed which voluntarily provided interest-free loans as long as the community was willing to implement sharia-based businesses in Dasan Gerung, Tirtanadi Village.

And after implementing the MES program in Tirtanadi village, the MES program has started to build the community's economy little by little, starting from building community trust and insight and spreading this program through outreach and holding religious studies to encourage the community to build a healthy economy through this program and thank God After several years until now the economy in Dasan Gerung, Tirtanadi Village is starting to recover with the help of MES administrators who have been sincere in fighting to build a healthy economy in Dasan Gerung, Tirtanadi Village and this is all a form of support from Indonesian Sharia Bank which has contributed to its role and support. give after bank NTB sharia.

### **Obstacles Faced by MES Management in Implementing the MES Program in Dasan Gerung, Tirtanadi Village**

When establishing or executing an organization, there are often challenges that impede its operations. These obstacles can arise within institutions or companies, as well as for us as administrators of the MES program in Dasan Gerung, Tirtanadi Village. The implementation of this MES program is an integral part of our responsibilities. Amidst the myriad problems and hurdles encountered in the operation of this MES program. The challenges encountered during the implementation of the program in this community can be attributed to two factors: (1) Insufficient management of Manufacturing Execution System (MES) at Dasan Gerung, Tirtanadi Village. Effective management is crucial for the successful implementation of programs within an organization or company. Without proper management, planned initiatives are likely to be poorly executed. In order to ensure the smooth implementation of the program, the MES organization has established MES management in Dasan Gerung, Tirtanadi Village. (2) Insufficient public awareness. The low education of the people, restricted to elementary school or no schooling at all, contributes to their lack of awareness. Consequently, they have challenges in acquiring information and distinguishing between sharia and non-sharia economics. When interest rates are determined, it is assumed that all financial institutions are similar to predatory lenders that wander around the community. (3) A region. The expansive size of the Tirtanadi village and its diverse population pose significant challenges for MES in disseminating socialization and sharia

economic education to the community. This is due to the limited reach of MES and the fact that MES administrators are only present in the Gerung area.

The author's analysis indicates that there were three primary obstacles encountered by MES administrators during the implementation of the program in Dasan Gerung, Tirtanadi Village. These obstacles included inadequate management, a significant lack of community knowledge, and the challenge posed by the area's size, which resulted in a diverse population with varying backgrounds, understandings, and opinions. These factors collectively made it challenging for MES administrators to initiate the program successfully.

## **CONCLUSION**

Bank Syariah Indonesia has successfully implemented the MES program, which has had a positive impact on the environment, society, and the economy of Dasan Gerung, Tirtanadi Village. The program aims to create a strong economy and eliminate mosque-based loan sharks. Additional programs, such as training and recitations, are conducted every three months to promote a healthy economy and free the community from the burden of loan sharks. The program is closely supervised by OJK, which provides numerous benefits, including significant economic growth.

Prior to the implementation of the MES in Dasan Gerung, the community experienced a significant economic decline in the previous year until 2019. This was primarily attributed to a high unemployment rate, resulting in a decrease in everyone's income. Additionally, the prevalence of loan shark services led to a substantial increase in community debt, as some individuals borrowed for personal use rather than for productive purposes. Utilized for commercial purposes, businesses often resort to borrowing funds at exorbitant interest rates from numerous individual loan sharks and those who falsely claim to adhere to sharia principles. This has resulted in a surge of debts and outstanding payments, contributing to the economic downturn experienced by the community. However, the introduction of the MES program, which offers interest-free loans, has provided a voluntary solution for the community to engage in sharia-compliant businesses in Dasan Gerung, Tirtanadi Village.

Following the implementation of the MES program in Tirtanadi village, it has gradually contributed to the development of the community's economy. This progress has been achieved by fostering trust and knowledge within the community, as well as promoting the program through outreach efforts and religious studies. These initiatives aim to encourage the community to establish a robust economy through the MES program, for which we express gratitude. The economy in Dasan Gerung, Tirtanadi Village has recently shown signs of recovery, thanks to the dedicated efforts of MES administrators who have been committed to building a robust economy in the area. This progress has been made possible with the support of Bank Syariah Indonesia, which has played a significant role and provided assistance. Provide the Bank NTB sharia thereafter.

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