

Research Article

The Impact of BMT on the Welfare of Market Traders in Kudus

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ORCIDFradela Putri Aggraeni: <https://orcid.org/0000-0003-1459-8114>**Abstract.**


The business world is an industrial world that is very supportive of the country's economic recovery. Many Indonesians depend on the business industry, especially the lower class. Kudus City has long been a client of the City of Commerce, to be dependable on the commercial industry for their livelihood. However, the need for support for business development is still minimal. With these problems, BMT and even Islamic banks can become the main channel to support the development of the business sector in the market, which was initially a problem. This study aims to determine the effect of BMT on the welfare of market traders in Kudus City. This research uses descriptive qualitative research. Information was obtained from related journal references. Besides that, it can also be from online media.

Keywords: trade, industrial, BMT, Kudus

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1. Introduction

The presence of BMT in the financial world is a positive signal for the business world, especially in the trade sector, where before the arrival of BMT, there was chaos in the Muslim community due to economic activities based on the principle of usury [1].

The presence of BMT in the community is expected to bring positive changes, especially in Muslim communities if economic activities are still exploited by the principle of usury in supporting financing or community activities. Development is likely to affect small and medium businesses or other economic activities. The presence of Islamic microfinance institutions. In particular, BMT is seen as a social benefit for small communities as well as those who reject usury as it targets the civic economy. In addition, the presence of BMT is one way to complete Islamic economic missions and on the other hand, is able to carry out financial tasks. To improve microeconomic performance. BMT is not just a commercial institution, but also a social institution to distribute wealth fairly and equitably [2].

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However the presence of BMT has not been able to take over economic activities among Muslim communities to abandon the principle of usury, most Muslim communities, especially those bound by the business world, are still minimally switching from the principle of usury to BMT with the sharia concept. The presence of BMT itself is to take the middle way for MSME entrepreneurs, especially in the trade sector to develop their businesses. Where is the presence of BMT with Sharia principles, when it is suitable for business activities in the trade sector?

Trade is an important economic activity in distributing the necessities of life among all classes of society. According to the Central Bureau of Statistics (BPS) for the 2016 Economic Census, wholesale and retail businesses are also the largest job creators in Indonesia, the 2016 Economic Census shows that large and retail businesses contribute 22.4 million people or 31.81% of Indonesia's non-agricultural workforce. Market entrepreneurs, especially market traders, are the drivers of the Indonesian economy from the informal sector because the Indonesian economy grows strongly from this sector.

However trading conditions in Kudus experienced chaos and confusion, many factors influenced this, such as capital conditions, market regulatory conditions the condition of the targets and objectives of the trading sector itself which were still in turmoil.

The development of small businesses in the market is very diverse, because it is easy to enter the industry when the business is considered profitable, and entrepreneurs quit when it is considered profitable or the entrepreneur has found a better and more profitable job. Traditional market traders need a source of capital to trade. The need for fast and small capital also forces entrepreneurs to borrow from capital-producing sources of capital [3].

Traditional market traders need capital to start a trading career. The need for fast and small capital also forces entrepreneurs to borrow from sources of capital that can produce capital quickly and easily. Sources of trading capital are needed to support the smooth supply of commodities. In this case, business capital is needed in the form of money. Most entrepreneurs receive capital from financial institutions [4].

Umu Khotimah conducted almost the same research to know the role of BMT in empowering MSMEs and the obstacles to empowering MSMEs, and the results of this study indicate that BMT has a very large impact on the development/empowerment of MSMEs [5]. UMKM Mila Bistiana and Rachma Indriani conducted a study on the role of BMT in increasing the impact of small and medium enterprises during the COVID-19 pandemic. The results of the study show that BMT plays a role in creating good data collection, but requires attention in carrying out duties [6].

However, this research is still related to the MSME sector globally or in general, has not yet reached the business sector in detail, and there are still only a few scholars in the sacred realm who study bmt to revitalize business in sacred markets. Therefore, it is hoped that with this study, this study can be beneficial and beneficial to all areas of the holy ummah and its surroundings. BMT is an Islamic financial institution that operates based on Sharia principles [7]. However, the presence of BMTs has not been able to change public perceptions regarding the differences between BMTs, Islamic banks, and conventional banks.

Baitul Maal Wa Tamwil (BMT) is an Islamic financial institution that uses a combination of the Maal concept and the Tamwil concept. BMT is tasked with raising funds and also channeling funds such as Zakat, Infaq, Shodaqoh, Endowments, and grants, as well as acting as an institution engaged in productive investment such as banking. BMT also acts as a financial institution. BMT's mission is to collect funds from the community (BMT members) who deposit their funds to the BMT and channel the funds to the community (BMT members) through BMT funding. However, as an economic institution, BMT has the right to carry out economic activities such as trade, industry, and agriculture [8].

With this research related to the market business, it is hoped that market business conditions will be well-ordered in the sacred realm its management will develop rapidly and the object or purpose of the existence of the market will be right by its intent or purpose. Hopefully, the presence of BMT in the field of marketing business will not cause capital or financing problems. In addition, the sacred area still lacks the role of BMT in the development sector intervention and is even able to revive market trading in the sacred area.

2. Literature Review

2.1. Community Welfare Theory

Seal and Bruzy in the journal of Social Welfare Science in 2009 said that social welfare is a prosperous condition of a society that includes health, economic conditions, happiness, and quality of life of the people [9].

Midgley explained that social welfare is a state of social well-being composed of three elements, namely: first, how high social problems are controlled; Second, to what extent needs are met, and Third, to what extent are the opportunities for individuals, families, communities and society [10].

Welfare grand theory, namely the Welfare State according to Bentham, promotes the idea that the government has a responsibility to ensure the greatest happiness (welfare) of the greatest number of their citizens. Bentham uses the term utility to describe the concept of happiness or well-being. Based on the principle of utilitarianism that he developed, Bentham argues that something that can cause extra happiness is something good. Conversely, something that causes pain is bad [11].

Welfare according to the United Nations Development Program (UNDP): Welfare is defined as the ability to expand choices in life, among others by including the assessment of “participation in public decision-making”. Welfare according to BAPPENAS: Welfare is defined as a condition in which a person or group of people, men and women can fulfill their basic rights to maintain and develop a dignified life.

Welfare according to the 1945 Constitution: Welfare is defined as a condition in which a person or group of people, men, and women can fulfill their basic rights to maintain and develop a dignified life [12].

2.2. Maqashid Sharia Theory in Islamic Welfare

Al-Wa'ie defines that welfare in the Islamic view is not only assessed by material measures but also assessed by non-material measures which include fulfilling spiritual needs, maintaining moral values, and realizing social harmony [13]. According to the Islamic view, a society is said to be prosperous if two criteria are met, namely first, the basic needs of every person, whether food, clothing, shelter, education, or health, are fulfilled. Second, the maintenance and protection of religion, soul, reason, human dignity, and reason (maqashid sharia). Allah SWT has made Islam the perfect religion. Sharia regulates all aspects of life, whether political, economic, legal, social, or cultural.

The Islamic Economic System requires the realization of an economy that meets the needs of all people, fair distribution of income and wealth, full employment opportunities, each individual gets his rights according to their respective contributions (obligations), no individual exploitation by other individuals and protection of the natural environment. Islamic economics requires all economic activities to be carried out with the principle of benefit (prosperity) by balancing aspects of the world and the hereafter. (Diola, 2011). It is based on QS. Al-Qashash: 77 (enjoyment) worldly and do good (to others) as Allah has done well to you, and do not do damage in (face).

2.3. General Welfare

According to Law No. 6 of 1974 concerning the Principles of Social Welfare, the definition of social welfare is formulated, namely, social welfare is an order of life and material and a spiritual social life that is encompassed by a sense of safety, decency, and inner and outer peace, which allows every citizen to carry out efforts to fulfill the best possible physical, spiritual and social needs for oneself, family and society by upholding human rights and human obligations by Pancasila.

2.4. Financing

Financing is one of the main tasks of the bank, namely providing facilities for the provision of funds to meet the needs of parties who are deficit units. According to the nature of the use of financing can be divided into two:

2.5. Productive Financing

Productive financing, namely financing aimed at meeting production needs in a broad sense, namely to increase business, both productive business, trade, and investment. Productive financing itself is financing intended for activities to meet production needs, an activity to increase business, both production, trade, and investment [14]. BMT is a provider of productive financing, namely financing that is used for a business in the real sector or a sector that continues to grow and be productive such as telephone kiosks, postal goods kiosks, convection and others. The aim itself is to introduce to the wider community technological advances to increase the productivity of the results of the members, then encourage the growth of home industries or product managers, as well as prepare trade or marketing networks and inputs for production results, and of course it is profitable, should not interfere with short-term programs by conditions are managed by a separate and professional management system which is sometimes seen as the reason for increasing prices.

Working Capital Financing

Working capital financing is financing to meet working capital needs which are usually used up in one business cycle. This working capital financing is provided in the short term, namely for a period of one year. Needs can be financed using working capital financing, including the need for raw materials, wage costs, purchase of merchandise, and the need for funds needed to cover the company's balance sheet.

Investment Financing

Investment financing is financing to meet the needs for capital goods and facilities closely related to them. In general, investment financing is provided in large amounts and settles for quite a long time. Therefore, it is necessary to prepare a cash flow projection that includes all components of costs and income so that it will be known how much funds are available after all obligations have been met. In addition, then an amortization schedule is prepared which is an installment (refinancing) of financing [15].

Consumer Financing

2.6. Consumptive financing is a type of financing provided for purposes other than business and is generally individual in nature.

2.7. Factors Affecting BMT Customers in Market Welfare

Marketing Mix Factor

According to the marketing mix is a set of marketing tools that the company uses to continuously achieve its marketing objectives in the target market. The marketing mix consists of product, price, distribution and promotion.

Cultural Factors

Culture is a complex symbol and fact created by humans and passed down from generation to generation as determinants and regulators of human behavior. According to Lamb, Hair, and McDaniel, culture is an important character of social status that distinguishes it from other cultural groups.

Social Class Factor

Society is divided into several groups/groups based on certain considerations, for example in terms of income level, location of residence, and type of housing.

Reference Group

According to Kotler and Armstrong, reference groups are all groups that have direct and indirect influence on a person's attitude/behavior [16].

3. Methods

The type of research used is qualitative research. Qualitative research is research that is descriptive in nature and tends to use analysis with an inductive approach [17].

In qualitative research, data analysis requires that data be examined and interpreted to gain meaning, understanding, and develop knowledge. The research process involves the questions that arise and the procedures for data that are usually collected, the analysis of data that is built on facts that occur in the field and the researcher makes ideas according to the data [18].

To analyze the data the researchers used the Miles and Habermen analysis model where the analysis method is carried out interactively, this analysis method can be in the form of data collection, data reduction (data reduction), data display (presentation of data), and conclusion drawing or verification (conclusion/verification) [19]. The following is a description of the analysis method:

3.0.1. Data collection

Data collection is a very important step in research. Data collection is the process of procuring data for research needs. Researchers cannot get results without finding and retrieving data.

3.0.2. Data Reduction

Data reduction is a series of activities that include summarizing, categorizing what is most important, narrowing the focus on what is important, and looking for patterns. In this way, the reduced data provides a clearer picture and makes it easier for researchers to carry out further data collection and search if needed.

3.0.3. Data Presentation (Data Display)

Presentation of data is an expression that can be done in the form of brief descriptions, in the form of charts, relationships between categories, flowcharts, and the like. The form of text which is narrative in nature is a presentation of data that is very often used in qualitative research.

The existing theoretical basis will be used as a reference so that the research focus is by the facts on the ground. Later the researcher will look for respondents who will be interviewed in several individuals, so that the researcher can find some differences in the views and perceptions of these respondents towards BMT Muamalat Mulia. Respondents were asked to answer general questions, determine perceptions,

opinions, and feelings about the ideas or topics discussed, and determine the direction of research.

The method used in this research is the descriptive qualitative research method. Qualitative descriptive is a research method whose level of study is solely to reveal a situation as it is (objective). Qualitative is research in which data is presented in the form of words that have meaning. The location of the research object is the Kudus Traditional Market and BMT Muamalat Mulia Kudus.

The type of data obtained from this research is into two types, including Primary Data which is data obtained directly from sources. The primary data was obtained from the results of interviews and observations. The things that were asked during the interview with the manager and marketing of BMT Muamalat Mulia Kudus were about how the portion of the financing was used as a superior product (mudharabah, murabahah) BMT Muamalat Mulia Kudus, the authors took a sample of 10 traders around the Baru market (fruit traders, chickens, groceries, food stalls, and so on). This is done so that there are no deviations or misunderstandings regarding the problems the author discusses. As for the author's observations here, observing the atmosphere of performance behavior of BMT Muamalat Mulia, as well as recording everything related to the three leading financing (mudharabah, murabahah) at BMT Muamalat Mulia Kudus. Secondary data is data obtained indirectly [20]. The data was obtained from reports and reference books related to BMT Muamalat Mulia.

In addition, it can also come from online media, namely the official website of BMT Muamalat Mulia Kudus. Collection techniques. The observation method is carried out by observing events or activities that occurred at BMT Muamalat Mulia Kudus during the research period. Then record the results of these observations to find out what happened. The interview is a method of collecting data by asking questions to the source directly. In this study, the authors conducted interviews with managers, marketing, and several customers of BMT Muamalat Mulia Kudus. Documentation here means a data collection method using company data, both from company business development reports and from other data owned by the company that can be used as authentic evidence [1].

4. Results and Discussion

The business world is the industrial world which has so far supported the country's economic recovery. Many Indonesians, especially the lower class, depend on the business world. The Kudus City has long been a customer of the trading city, so many

residents of the Kudus City depend on the trading industry for their jobs. However, the need for business development support is still minimal. These issues can shape BMTs and even Islamic banks into the main channels to help develop the corporate sector in the market. The beginning of this problem is in the financial sector. The purpose of this study was to determine the effect of BMT on the welfare of market traders in the city of Kudus. This research uses descriptive qualitative research. Information obtained through secondary information obtained discursively Information from manual references related to BMT Muamalat Mulia. Also free from online media, namely the official website of BMT Muamalat Mulia Kudus.

Purpose of BMT Muamalat Mulia Kudus:

Serving with trust and professionalism to members to improve the welfare of society.

Motivating members and employees to earn a more decent income.

Providing capital to small communities.

From the purpose of the presence of BMT Muamalat Mulia Kudus, there is a main point, which is to provide capital to low-income people. From this statement, it is very clear that BMT Muamalat Mulia Kudus will be able to help and its presence will have an impact on the life of the market trader sector. We see and know that there are still many market traders, especially in the Kudus City market, who are still struggling in the financial sector and the presence of BMT Muamalat Mulia Kudus will greatly support and have an impact on business. market traders market traders need additional capital for their business and that is where BMT Muamalat Mulia Kudus fulfills its goals, one of which is to generate capital for the small community. In many small communities, we meet people who belong to the lower class, which we often encounter in market life.

Target of BMT Muamalat Mulia Kudus

Increasing the business and income of market traders, especially in Kudus Regency and the people of Kudus in general. The purpose of BMT Muamalat Mulia Kudus itself is focused on developing market traders in the Kudus area and increasing income. Therefore, the aim that BMT Muamalat Mulia Kudus is very suitable for market traders to improve their welfare and can even help revive the welfare of market traders who are often still having financial difficulties. Funding is the central key to business development, especially in the trading world of the Kudus Market.

Financing is not that difficult, especially for small loans without collateral.

Data on the number of BMT Muamalat Mulia Kudus members

Based on the table above, states that the data on the number of members of BMT Muamalat Mulia Kudus in 2014 were in the category of 906 deposits, 772 in financing,

TABLE 1:

Year	Savings	Financing	Deposit
2014	906	772	103
2015	1055	796	115
2016	1221	865	118

and 103 in deposits. 115. Finally, in 2016 there was a significant increase in the difference from the category of 1221 deposits, 865 financing, and 118 deposits.

5. Conclusion

The development of small businesses engaged in business in the market varies greatly because this branch of business is easy to enter. The Islamic Economic System wants the realization of an economy that meets everyone’s needs. One of the missions of BMT Muamalat Mulia Kudus is to participate in improving and developing the people’s economy, where this people’s economy will later become the people’s livelihood, especially the middle to lower class society, which we find in many middle-class people. are spread across the markets. Because many of us know that market life is a commodity pathway for the welfare of middle to lower-class society. Therefore, with the BMT Muamalat Mulia Kudus, it is hoped that it will be able to participate in reviving the welfare of market traders in Kudus City. The mission of BMT Muamalat Mulia Kudus, will be a guideline for customers to want to participate as members of BMT Muamalat Mulia Kudus customers, with an appropriate mission that will make customers feel comfortable and calm to participate as members of the customer. BMT Muamalat Mulia Kudus has a main point which is aimed at providing capital to small communities. From this statement, it is very clear that BMT Muamalat Mulia Kudus will be able to help and its presence will have an impact on the life of the market trader sector. What we have found and know is that there are still many market traders, especially markets in the city of Kudus, who still have problems in the financial sector, and with the presence of BMT Muamalat Mulia Kudus, this will greatly help and greatly impact the business of market traders. Where market traders need additional capital for their business and their BMT Muamalat Mulia Kudus is present according to their goals, one of which is to provide capital to the small community. What we encounter in many small communities are people who belong to the lower middle class which we often encounter in market life.

The target of BMT Muamalat Mulia Kudus itself is centered on developing and increasing the income of market traders in the Kudus district. And because of that,

with the aim of BMT Muamalat Mulia Kudus it is very suitable for market traders to increase their welfare and can even help revive the welfare of market traders who are often known to still have financial problems. Finance is the main key in business development, especially business in the world of market trading in Kudus.

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