

PRIVILEGES OF *QARDH* FINANCING AT MICRO *WAQF* BANKS

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ABSTRACT

Writing this article aims to reveal and prove the privilege of financing using a *Qardh* contract at the Micro *Waqf* Bank Al-Anshor Cares Ambon. The research method used is field research with a case study approach and a qualitative paradigm. Data collection techniques using observation and interviews focused on indicators of *Qardh* financing without collateral, *Qardh* without interest, channeling funds on target, group or cooperation systems, managed by Micro *Waqf* Banks formed by Islamic Boarding Schools, business coaching, and avoiding moneylenders, cooperation system (*Gotong Royong*) managed by Islamic boarding schools with permission from the OJK, providing business knowledge and training as well as religious education. The results of this study found that the *qardh* financing feature can change the daily life of micro-entrepreneurs, increase income, avoid loan sharks and interest on loans, better household consumption patterns, and relatively good family education. This proves that *Qardh* financing has advantages over other financing models.

Keywords: Financing; *Qardh*; Micro *Waqf* Bank.

ABSTRAK

Penulisan artikel ini bertujuan mengungkap dan membuktikan keistimewaan pembiayaan dengan menggunakan akad *qardh* pada Bank Wakaf Mikro Al-Anshor Peduli Ambon. Metode penelitian yang digunakan adalah penelitian lapangan dengan pendekatan studi kasus serta paradigma kualitatif. Teknik pengumpulan data menggunakan observasi dan wawancara yang terfokus pada indikator pembiayaan *qardh* tanpa agunan, *qardh* tanpa bunga, penyaluran dana tepat sasaran, sistem kelompok atau gotong royong, dikelola oleh Bank Wakaf Mikro bentukan Pondok Pesantren, adanya pembinaan usaha, dan menghindari rentenir, sistem gotong royong, dikelola Pondok Pesantren dengan izin dari OJK, pemberian pengetahuan dan pelatihan bisnis serta pendidikan agama. Hasil penelitian ini menemukan bahwa pembiayaan dengan akad *qardh* dapat mengubah kehidupan sehari-hari pengusaha mikro, meningkatkan pendapatan, menghindari rentenir dan bunga pinjaman, pola konsumsi rumah tangga yang lebih baik, dan pendidikan keluarga yang relatif baik. Hal ini membuktikan bahwa pembiayaan *qardh* memiliki keunggulan dibandingkan model pembiayaan lainnya

Kata Kunci: Pembiayaan; *Qardh*; Bank Wakaf Mikro.

INTRODUCTION

Al-Qardh is different from other financing models, both financing in the bank and non-bank financial institutions (Minsih et al., 2020). The specialty of *qardh* can be seen in Micro *Waqf* Banks (BWM), which use waqf funds to help community groups who experience difficulties in accessing finance (*unbankable*) (Ali Sakti, et al, 2021), (Disemadi & Roisah, 2019), (Bagus et al., 2021), (S. L. Sulistiani et al., 2019), (Hasib & Rusydiana, 2022).

The topic of *waqf* funds has received a lot of attention from academics and researchers around the world. Especially in the previous few decades. *Waqf* is considered a successful socio-economic instrument that embodies Islamic ethical principles and is one of the funding vehicles that is beneficial to Islam and society (Aldeen et al., 2020), (Haque, 2022). Therefore, the Indonesian government through the Financial Services Authority in collaboration with the National Waqf Agency is targeting Islamic boarding schools to serve as a strategic forum for implementing the use of waqf funds by using *qardh* financing (Muflihin, 2019), (Sumarwan & Himayasari, 2022) as a precise and good instrument.

Why is *qardh* financing special? The specialty of *qardh* financing is that there is no collateral or extra burden to be borne by the borrower. If interest is charged to the bank or other non-bank financial institutions, then *qardh* is interest-free. Other features compared to other types of financing, namely: 1) Avoid misuse of loan funds and distribution of funds that are not on target; 2) Group system or mutual cooperation; 3) *Qardh* financing is managed by BWM which was formed by Islamic Boarding School. BWM is not only intended for Muslims but is open to customer groups from various religions; 4) There is mentoring and business development 5) BWM's business activities are carried out according to Islamic principles so as to avoid moneylenders. Hence it (Antonio, 2001) refers to *qardh* as assets are given to people in need and billed back according to the specified time, but there is no reward from the loan of the property (Afkar, 2017).

This *qardh* financing without collateral (Dzikrayah & Nugroho, 2023) is provided to community business groups or small and micro business actors with a maximum financing of IDR 3 million and a profit-sharing margin equivalent to 3% per year. The number of loans disbursed starts from IDR 1 million with an installment payment system per week for 52 weeks or one year. However, if the micro business actor makes an application and is deemed appropriate by BWM, they are entitled to receive a capital of IDR 3 million (Ibrahim, 2021).

The phenomenon of financing at Islamic microfinance institutions without collateral is

common because this financing model makes it easier for customers to easily obtain financing. To avoid bad loans from *qardh* financing provided, the strategy carried out by BWM is to implement a system of mutual responsibility (*gotong royong*) that applies to all business actors. (Kamalia, 2021).

The *qardh* financing model for BWM is now being intensively practiced in non-bank financial institutions, namely Islamic Boarding Schools across Indonesia. BWM is used as one of the recipient institutions of *waqf* funds. Responding to *qardh* financing on BWM, the President of the Republic of Indonesia, Joko Widodo said, the existence of BWM can solve problems that cannot be solved by bank financial institutions and non-bank financial institutions which require complicated guarantees and administration (Fauziah, 2018). While on the other hand, banks usually charge interest to customers. Meanwhile, BWM does not charge more than the principal loan including interest. Even if there is, it is only limited to business consulting fees.

The *Qardh* loans, said Antonio, were needed to help small businesses. The *Qardh* loans are needed because the risk is small (Antonio, 2001). *Waqf* assets come from a variety of financing applied in the development of traditional and modern schemed *waqf* assets, and self-funding (Shulthoni & Saad, 2018).

For example, *BWM Al-Anshor Peduli Ambon*, which was established in May 2019, is the only BWM in Ambon City. BWM has facilitated venture capital loan services for around 200 micro-entrepreneurs in Ambon City. The presence of BWM Cares Ambon targets business actors with small capital and residents who do not have capital but wish to open a business. BWM's capital was obtained from *waqf* funds provided by the state of IDR 4 billion. Where IDR 3 billion is for deposited funds, while IDR 1 billion is used to finance micro businesses or customers. Each customer IDR 1 million for business capital. BWM's operational costs come from deposits. Business actors are not charged with refunding more than the principal loan and are not subject to interest. (Ali Lekasailasa, Administrator of *BWM Peduli Ambon*, Interviewed, Ambon, February 12th, 2021).

Research on small and micro businesses that utilize the crowdfunding concept of *qardh* contracts on BWM is still minimal, even though the presence of BWM to trigger economic growth is a sure thing to occur. Moreover, *qardh* is included in the crowdfunding concept which is closely related to religious and spiritual issues. According to Aderemi and Shahrul, 2020 in their research, this opinion is confirmed. For both crowdfunding is easy to use as a means of

financing. However, this crowdfunding concept is correlated with spiritual and religious responsibilities that can increase the economic growth of Micro and Small Enterprises (Aderemi & Ishak, 2020).

The *Qardh* financing research (Afkar, 2017) states that it has a significant effect on the profitability of Islamic banking in Indonesia. *Qardh* is a financing scheme that is truly for benevolence or to help micro-entrepreneurs who need funds that are not too large. *Qardh* financing is also not an Islamic banking business activity in the main financing scheme but is able to generate profits compared to *Mudharabah*.

Other studies that discuss *qardh* contracts as the focus of their research include; (Aldeen et al., 2020) (Amran et al., 2015), (Diniyya, 2019), (Aslam et al., 2015), (Aneeq et al., 2020), (Faujiah, 2018), (L. S. dkk Sulistiani, 2019). The researchers focused on *aqad qardhul al-hasan*, BMW, and Islamic boarding schools, legalization of BWM, BWM financial inclusion, and poverty and community empowerment. While this research article focuses on the features of *qardh*, Therefore, this article is important to parse and reveal the features of *qardh* financing practiced by Micro Waqf Bank of *Al Anshor Peduli Ambon* Islamic Boarding School.

RESEARCH METHOD

This type of research is field research with a case study approach. The focus of this research is related to “Privileges of *qardh* financing at Micro Waqf Bank of *Al-Anshor Peduli Ambon* and its impact on micro business groups before and after receiving the financing”. Because it is based on one topic and studied holistically, John Creswell classifies it as a case study with a single instrument. Critical theory is used to improve research methodology. For example, researchers will look at the features of *qardh* financing and its contribution to business actors through the Micro Waqf Bank of *Al-Anshor Peduli Ambon*.

Retrieval of this data through primary and secondary sources. While the techniques used are observation, interviews, and documentation (Sugiyono, 2016). Observations are used according to Spradley in Sugiyono, namely; focused, descriptive, and selected observations about *qardh* loans and business development of micro business groups in Ambon city. The business group data from the results of temporary observations totaled 205 micro-business actors. Observations were not limited to people, but also other objects, business conditions, *qardh* loan practices from managing informants, managers, and staff of Micro Waqf Bank Peduli Ambon, as well as micro business actors who became customers. Research using standard open interviews (Moleong, 2021) aimed at BWM administrators and business actors.

Creswell's stages consisted of making questions and identifying informants with the purposive sampling method as the primary source (Creswell, 2015). Secondary sources from supporting reference studies, both accredited journals and international journals. Observations, interviews, and documentation as a reference for data collection will focus on the features of *qardh* financing with indicators of *qardh* financing without collateral that must be borne by micro-entrepreneurs, *qardh* is free of interest, channeling funds on target, group system or mutual cooperation, managed by Micro *Waqf* Banks formed by Islamic boarding schools, there is business development, and avoid loan sharks.

Qualitative data analysis is used by Bogdan and Biklen in (Moleong, 2021) The data to be analyzed is related to Micro *Waqf* Bank of *Qardh* loans and the business development of micro-entrepreneurs. The preparation used inductive writing techniques (Hadi, 2015) and theoretical dialogue. Then confirmation is carried out so that the research findings can be accounted for. The final stage of drawing conclusions contains theoretical implications for producing findings on concepts, models, and formulas.

RESULT AND DISCUSSION

In the context of Sharia financing, the specialty of *qardh* is very important to become the identity of bank and non-bank financial institutions. The privileges of *qardh* financing are also practiced by Ambon Micro *Waqf* Bank of *Al-Anshor Peduli Ambon*, including:

1. Collateral is not Required for *Qardh*

There are various financial institutions in Indonesia, but their operations are different. There are conventional-based financial institutions and sharia-based financial institutions, where people apply more transactions such as financing or credit to conventional-based financial institutions because they are familiar with them and the procedures are different. Conventional financial institutions are closely related to interest and guarantees or guarantees that customers must offer to financial institutions.

In contrast to Sharia-based financial institutions which are more concerned with *amaliyah* profits in accordance with the Sharia economic system, so there is no element of usury in this transaction and credit without using collateral or guarantees. Islamic financial institutions are an integral element of the Islamic economic system, providing space and convenience for the public to be able to borrow money from Islamic financial institutions. The loan helps them grow their business and live a happier life. Loans are goods or funds that must be returned within a certain period of time. There are usually two types of loans in this category: secured and

unsecured. A person making a loan at a financial institution must be fully aware that all credit agreements have been written, stamped, signed and approved by the person making the agreement, and must be accounted for in accordance with the terms of the agreement.

The absence of collateral is practiced by Micro Waqf Bank of *Al-Anshor Peduli Ambon* in carrying out an empowerment program aimed at small micro business actors in Ambon city.

“Based on my experience, applying for a loan at Micro Waqf Bank of *Al-Anshor Peduli Ambon* is very easy compared to applying for a loan at a bank or savings and loan cooperative. Banks or cooperatives require collateral, such as merchandise, certificates, houses, BPKB, or other guarantees. For me, I won’t be able to get a loan if I have to provide those guarantees, while Micro *Waqf* Banks don’t need to provide loans and this makes it easier for me.” This statement was confirmed by the manager of BWM *Al-Anshor Peduli Ambon*, Ali Lekasailasa.

Indeed, there are provisions that are required of us in the operation of this Micro Waqf Bank. One of them is that there should be no collateral or collateral imposed on small business actors who want to borrow or be given business capital, because the contract that is enforced at BWM is a *qardh* financing contract.

The financing provided by *BWM Al-Anshor* does not impose collateral requirements on prospective customers. This is an traction, advantage and convenience for prospective customers or micro entrepreneurs who will apply for financing at Micro *Waqf* Banks. What is BWM *Al-Anshor Cares for Ambon* doing in accordance with DSN-MUI Fatwa No.19/DSN-MUI/IV/2001 because it is distributed to micro and small business actors who need it without requiring an additional loan burden. BWM has also outlined the time limit in which micro-enterprises must pay the money owed within the agreed timeframe when the contract was signed.

Since *qardh* loans are designed to be offered to those who need financial assistance but do not have it, for social or humanitarian reasons, the MUI Fatwa is in line with the thinking of (Al-Bugha, 2010), who said that *qardh* is a loan that is returned without any additional burden. Lenders and loan recipients cooperate to set the payment mechanism and loan term. Thus, it can be understood that *qardh* is defined as a contract or transaction between two parties. in this case *qardh* is the act of giving something to another party which must be returned later. In Islam, the nature of *qardh* is based on the aim of helping people who are in dire need and without extra burdens to pay. As emphasized by (Muhamad, 2014) that loans only need to repay the principal amount with *qardh*.

Loans provided by *BWM Al-Anshor Peduli Ambon* can be useful for business people, both for people who do not have initial business capital and people who lack capital. The benefits of *qardh* financing are in accordance with the statements of the scholars. As described by Malikiyah scholars, *qardh* financing is an object that is given to other parties and must have economic value and be useful (Saputra, Sudiarti, 2021). While the Hanafi scholars argue that because *qardh* is a borrowed asset, the level and scale must be clear, and the Syafiiyah scholars argue that the loan must have a very good value. The scholar's *ijtihad* is also justified (Shihab, 2013), in al-Mihsbah's interpretation that a good loan in the sense of a clean and honest purpose, a sincere heart, and lawful money are the only things emphasized in *qardh* loans. For this reason, said Qardhawiy in Al-Irbili, in his research it is clear that the relationship between micro-entrepreneurs and bank, non-bank and BWM financial institutions is better served by Qardh contracts. This *qardh* contract service is also without any commercial character (Ghuyub, 2010) between micro and BWM business actors.

The researcher concludes that *qardh* financing is offering loans with the premise of helping without profit for the lender, credit is given according to the agreement in the sense of the borrower, but it is permissible for the borrower to provide excess when returning the loan. Because the credit is based on sincerity.

2. *Qardh* (Interest-Free)

In contrast to conventional financial institutions which charge extra fees or interest, *qardh* financing frees interest. Borrowing does not have to be done through a formal financial entity. They prefer to pay off debts one by one. Micro entrepreneurs accommodated by *BWM Al-Anshor Peduli Ambon* believe that when they pay back loans to banks, cooperatives, or other financial institutions, they also have to return larger amounts of money because interest must be paid. Currently, around 300 business actors who are regular BWM customers no longer borrow from banks or other conventional non-bank entities. This was acknowledged by Mrs. Rahmatia Silano, a micro-entrepreneur.

I sell vegetables, tofu, tempeh, and kitchen ingredients. At first, I borrowed IDR 1 million for business capital. *BWM Al-Anshor Peduli Ambon* came and offered a good loan model. In my opinion, this is very good because there is no interest and no collateral. So, thank God, we can avoid usury. According to ustadz (Islamic teacher), usury is a sin" (Ms. Rahmatia Silano (41 years old), Fried Food Seller, Customer of the Micro Waqf Bank of *Al-Anshor Peduli Ambon* Interviewed, July 17th, 2021).

Micro Waqf Banks that practice *qardh* financing are different from other financing institutions. Apart from being referred to as a loan that is returned without burden, *qardh* financing is also mutual help (Abdullah, 2021). In contrast to conventional financing institutions that require collateral, interest charges and often ensnare micro business actors. In contrast to conventional financing institutions that require collateral, interest charges and often ensnare micro business actors. Such as Drasmawita and Herianingrum's research, which found micro-entrepreneurs were always being chased by moneylenders and charged interest on loans from 5% to 10% per month. This practice is criticized in Islam because it includes usury and *gharar* (Drasmawita, Herianingrum, 2020).

3. *Qardh* Implementation Could Avoid Loan Sharks

Borrowing money is now considered very important by certain communities in order to improve their standard of living and support their economic activities. Most people borrow money or owe money to others because they don't have the skills to handle financial matters. Today, borrowing money from others is called credit rather than debt. Loans that have been lent to third parties will be repaid at the due date. As complained by micro-entrepreneurs, Mrs. Irawati Badaruddin (52 years old) in an interview.

“Due to an urgent need, initially I borrowed from a savings and loan cooperative with interest. I have to pay more than I borrowed. But over time it feels heavy. I also got an offer from the bank for credit. The Bank employee said that I can credit up to 20 million. But if I use interest, I should pay more. That makes me doubt it. So, when the Micro Waqf Bank of *Al-Anshor Peduli Ambon* socialization came, I was immediately interested. I borrowed from *BWM Al-Anshor Peduli Ambon* for IDR 1,000,000. But if the installments are paid off, you can borrow IDR 2,000,000 to IDR 3,000,000. That's the limit. But we have to be in groups. In my group there are 10 people. Thank God we are no longer being chased by daily bills from loan with interest” (Mrs. Irawati Badaruddin (52 years), Kiosk Owner, Customer of Micro Waqf Bank of *Al-Anshor Peduli Ambon*, Interview, July 12th, 2021).

This complaint is the same as the complaints of other business actors interviewed by researchers. To avoid moneylenders who set a high interest. The presence of Micro Waqf Bank of *Al-Anshor Peduli Ambon* with *qardh* financing can overcome this. Because of the benefits of BWM (Sulistiani, et al, 2019) in her research, said that the benefits of BWM Apart from helping to provide easy and inexpensive business funds, it also prevents small communities from being trapped by load sharks/ moneylenders. Moreover, in Kamus Besar Bahasa

Indonesia, loan sharks are branded as usurers or loan sharks (Kementrian Pendidikan dan Kebudayaan RI, 2016). Meanwhile, according to Choi, et.al in (Khan et al., 2019), Islam strictly prohibits commercial transactions in any form that contain usury.

4. A Mutual Cooperation System

Financing is one of the projects that aim to reduce poverty in *Al-Anshor Peduli Ambon* Islamic Boarding School area by providing micro businesses with cash. However, after further study, a system of shared responsibility or mutual cooperation between members in the group was made as a precaution against default (bad loans), where if the borrower has not paid the installments when the installment payments are made, other group members will pay them off first. As stated by Mrs. Amelia Umar (39 years old).

Usually, if one of the group members cannot pay the installments, which may be because they don't have the money or don't have time to attend a group meeting or Al-Qur'an recitation conducted by the Micro Waqf Bank, then the group will pay for the installments. Usually, we collect Rp. 2,000 or Rp. 5,000 to even Rp. 20,000, as the number of installments that we have to return to BWM. But sometimes there are friends who immediately cover the installments. Later, the members who have not paid yet will pay to that person" (Ms. Amelia Umar, 39 years old, Vegetable Seller at Batu Merah Market, Customer of *Al-Anshor Peduli Ambon* Micro Waqf Bank, Interview, July 20th, 2021).

From the interview, it was learned about the BWM *Al-Anshor Peduli Ambon* system, in which each group member is ready to take joint responsibility guarantees (mutual cooperation), that is, if one member cannot make a payment within the specified time period, the other members will be responsible for repaying the loan. The purpose of implementing shared responsibility is to reduce the number of defaults by micro-entrepreneurs who are unable to fulfill their obligations.

In this joint financing, the party providing the financing is BWM *Al-Anshor Peduli Ambon* the owner of the capital. If participating in joint financing, that is, 5-15 group members must be present, make an agreement and get directions about financing with the joint financing system (mutual cooperation).

In practice, the co-financing process consists of 5-15 members in each group, at the beginning of the agreement it has been agreed orally and in writing by BWM *Al-Anshor Peduli Ambon* with customers to be advised to carry out a joint financing system if one of the group members cannot carry out an obligation to pay installments. Then the other members also bear

the burden.

According to DSN MUI Fatwa No. 11/DSNMUI/VI/2000, the guarantee object must be clear and not contradictory to Islamic sharia (Fatwa Dewan Syari Nasional, 2000). In addition, in the joint financing system there is the principle of mutual assistance to relieve the suffering or burden of other members. If one customer cannot pay installments due to an accidental accident, then the other customer is responsible for the remaining unpaid financing. In addition, the principle of cooperation or mutual assistance is also reflected, where if one customer fails to pay due to bankruptcy or something that is not possible to pay again, then the other customer sincerely covers the remaining shortfall in financing with funds from savings collected every week.

Therefore, from the explanation above, it can be concluded that from the point of view of the *qardh* contract in joint financing, it is in accordance with the Sharia principle that lending without profit (margin) and it does not impose collateral requirements.

5. Managed by Islamic boarding schools with permission from OJK

Al-Anshor Ambon Islamic Boarding School does not only focus on traditional education which still maintains classic books. If you look at its potential and development, the *Al-Anshor* Islamic Boarding School does not only play its traditional function but also becomes a center for the economic empowerment of the surrounding community. Therefore, the function of Boarding School is not only as a center for the cadre of religious thinkers, and centers of excellence (human resources), but is also expected to become an institution that can empower the community (agent of development). This role was then followed up by the Financial Services Authority (OJK) by granting permission to Islamic boarding schools to establish Micro Waqf Banks (BWM) including the Ambon *Al-Anshor* Islamic Boarding School (OJK, 2018).

Al-Anshor Ambon Islamic Boarding School has now played an important role in bringing together unbankable people with financial institutions with the aim of economic empowerment. Thus, the presence of BWM is also useful as a medium of preaching by increasing the economy and income of micro-entrepreneurs. The main reason why BWM is located in an Islamic Boarding School is to make the boarding school an economic base for the people, especially marginalized people, who live in poor conditions, have no business capital or trade but have difficulty developing their wares in the city of Ambon, said by the leader of the *Al-Anshor* Ambon Islamic Boarding School, Abu Imam Rumbara.

“Since the beginning of the establishment of the Micro Waqf Bank at the *Al-Anshor*

Peduli Ambon Islamic Boarding School, it has been planned that the target of this Micro Waqf Bank, as the name implies, is to target the community or micro business actors who need additional capital in doing business or people who want to do business but do not have business capital. More specifically, people who have difficulty accessing finance in formal or non-formal financial service institutions” (Abu Imam Rumbara, Leader of *Al-Anshor Peduli Ambon* Islamic Boarding School, Interview via cellular, August 12th, 2021).

Islamic boarding schools are considered to have noble values that are trusted and respected by the community in their surroundings, so socialization and distribution of loan funds will be easier to do. In addition to the inherent noble values, (Fauziah, 2018) said in her research, Islamic Boarding School is one of the elements of society that has a strategic function in assisting to encourage the economy of the community, especially around the Islamic Boarding School environment. With its unique position, Islamic Boarding School is expected to be an alternative for human-centered development and at the same time a development center oriented towards its noble values. One of the renewals of the Islamic Boarding School in the development process is the renewal of functions, from the beginning it was only an educational function, developed so that it also includes socio-economic functions (Nadir, 2021). This is the advantage of Islamic boarding schools and of course, they are different from other financial institutions, both banks, and non-banks, which are indicated to be practicing a moneylender system and applying interest on loans.

6. Imparting Knowledge, Business Training, and Religious Education

BWM Al-Anshor Peduli Ambon also provides religious education and business education as part of its empowerment efforts.

“We received business development guidance, Islamic religious knowledge on how to do good and halal trade. It is usually done once or twice a week. Thus, there is a *tausiyah* from BWM. If we have problems in trading, we can talk and find a solution together because we form a group of 3 or 5 traders. with the name *halaqah* weekly. Sometimes we even confide in about our family” Ms. Hamida Tamce, 43 years old, Food seller at the Clove Garden Junction, Customer of *Al-Anshor Peduli Ambon* Micro Waqf Bank, Interview, July 18th, 2021).

BWM Al-Anshor Peduli Ambon provides a lot of assistance, as can be seen from the interview above. Micro entrepreneurs or BWM customers are taught in advance how to do business, starting from business planning to generating halal income, blessings, and *thoyib*. Customers are asked to avoid buying and selling methods that contain *maysir*, *gharar*, usury,

and *risywah* values. In addition, micro business actors are also trained in skills according to their business plan and instilled in the principle of mutual assistance among micro business actors in one group.

At *BWM Al-Anshor Peduli Ambon*, micro business actors are given training in groups called Compulsory Group Training (PWK) and Weekly Halaqah (Halmi) is assistance carried out by BWM Al-Anshor Cares Ambon. PWK is assistance before becoming a prospective customer as well as an activity to introduce the financing system and provide material regarding business. PWK is held before financing is given or while still a prospective customer. PWK is carried out for 5 (five) consecutive days in the form of education and training activities that must be attended by prospective financing members who are declared eligible after a due diligence test (Abu Imam Rumbara, Leader of Al-Anshor Ambon Islamic Boarding School, Interview via cellular, August 12th, 2021).

In the training, the material presented included Islamic boarding schools and *BWM Al-Anshor* institutions, prospective customers must know each other among group members, reading pledges, reading the rights and obligations of members, subject about working hard and working smart, financing procedures, installment payment procedures, contracts used in financing or loans, determining the name of the group of business groups, discussions about *Halmi*, and finally the approval of the company. As explained by the Manager of *BWM Al-Anshor Peduli Ambon*, Ali Lekasailasa below;

“Weekly *Halaqah* provides guidance to group members, channeling and raising installments. Meanwhile, assistance, in this case, is carried out after micro-business actors have been formed into business groups and have followed the requirements that have been met. The customer must also know the roles and responsibilities as a Micro Waqf Bank customer not only related to financing materials, such as an introduction to Micro Waqf Banks, contracts used, installment fees, business development, and household management but also religious knowledge taught by the parties. BWM Al-Anshor Peduli Ambon (Ali Lekasailasa, Manager of Micro Waqf Bank of *Al-Anshor Peduli Ambon*, Interview via cellular, July 21st, 2021).

As a result of mentoring and business coaching, it is justified that micro-entrepreneurs receive educational assistance, development, and financing from *BWM Al-Anshor Peduli Ambon*. As revealed by one of the customers, Mrs. Umi Idris (38 years old).

Alhamdulillah, besides getting a loan, we are also assisted in trading. If we run into any

problems while trading, we will definitely tell the BWM officers. Every week we share about the activities of the Weekly *Halaqah*. Sometimes the contents of lectures from the BWM about the procedures for doing business in Islam. the study was very good (Ms. Umi Idris (38 years old), Trader of agricultural products at the Mardika Market, Customer of *Al-Anshor Peduli Ambon* Micro Waqf Bank, Interview, July 18th, 2021).

Miranti Kaluku, A vegetable seller at Ambon's Mardika Market, also conveyed this, "BWM employees also help offer the products we sell. So, they accompanied us by giving very good and positive training. We can also establish brotherhood in one group, helping each other. So, it's not just borrowing money from BWM, but we also get assistance from them every week. The best thing is that we are always given religious insights. We never get this, moreover we trade almost every hour. So, thank you for BWM" (Ms. Miranti Kaluku (47 years old), Vegetable seller at Batu Merah Ruko, Customer of *Al-Anshor Peduli Ambon* Micro Waqf Bank, Interview, July 18th, 2021).

From the results of the research and explanations that have been presented, the form of assistance provided by *BWM Al-Anshor Peduli Ambon* to micro-entrepreneurs consists of education and business training, religious education, and how to deal with problems that occur. The facilities provided are for the implementation of mentoring and coaching through Compulsory Group Training and Weekly *Halaqah*. The process of coaching and mentoring Micro Waqf Banks is emphasized in the *Otoritas Jasa Keuangan* Number 62/POJK.05/2015 concerning Amendments to the Financial Services Authority Regulation Number 13/POJK.05/2014 regarding *Penyelenggaraan Usaha Lembaga Keuangan Mikro* (Maulida, Hasan, Umar, 2020).

CONCLUSION

The advantages of *Qardh* financing have played a role in and have an impact on improving the business and daily life of micro-entrepreneurs, both in terms of income, household consumption, avoiding moneylenders and interest on loans, and ensuring family education. This advantage is the privilege of a *Qardh* contract that is not owned by other contracts or financing models. Evidence of the privilege of this *Qardh* is practised by the Islamic Boarding School of *Al-Anshor Peduli Ambon*. Micro entrepreneurs receive collateral-free, interest-free financing, the distribution of funds is on target, it is used in a cooperation system, they are given business coaching, on how to avoid moneylenders, they are managed by Islamic boarding schools with

Otoritas Jasa Keuangan permits, they are also given knowledge and business training and religious education.

ACKNOWLEDGMENTS

Thank you to the IAIN Ambon Research Institute, for providing space and opportunities in the process of research and writing of this article. Thank you also to the management of Tasharruf: Journal of Economics and Business of Islam, which has provided space for the publication of this article.

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