SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

Implementation of Islamic Bank Mudharabah Financing in Makassar

Maryam Nurdin[1*], Mukhtar Lutfi[2], Muhammad Wahyuddin Abdullah[3], Saiful Muchlis[4]

[1, 2, 3, 4] Faculty of Economics and Business, Universitas Islam Negeri Alauddin Makassar, Indonesia

Email: *maryam.nurdin555@gmail.com
Corresponding Author

revised : 19/11/2023 ***published*** : 05/01/2024

Abstract*. This study aims to determine the implementation of mudharabah contracts in Islamic banks. The type of research used is qualitative. This research was conducted with in-depth interviews. The informants who will be the source of data in this research are people who are directly involved in mudharabah financing practices. Informants were determined by purposive sampling and snowball techniques. Informants were determined by certain criteria: (1) Islamic banking leaders in Makassar (2) Islamic banking account officers in Makassar (3) Customers who are or have received mudharabah financing. The total number of informants is 5 people. The results showed that there is a high risk of moral hazard so that this financing is transferred to the Mudharabah contract, so the conclusion of this study is that the implementation of the mudharabah contract is not fully implemented.*

Keywords*: Mudharabah Financing, Islamic Bank, Implementation of Financing, Bank Financing*

Introduction

The presence of Islamic banking has a very important role in the Indonesian economy. With the aim of supporting the implementation of national development in order to increase justice, togetherness and equality of people's welfare. Islamic banking with the same function as conventional banking is to collect funds from the public and channel funds to parties in need and provide services in the form of banking services (Andrianto, 2019). For this reason, Islamic banking is constantly developing its products and will be increasingly in demand by the public, (Dimas, 2022). Including the ability to manage funds is a basic principle in improving the performance of Islamic banking, (Sulisytawati, 2021).

There are 238.09 million people or 86.93% of Indonesia's population recorded as Muslim at the end of 2021. Thus the majority of the population in the country are Muslims, (Viva, 2023). From this data, Indonesia is a huge market potential for the development of Islamic banking. It is appropriate for Indonesia to become a pioneer in the development of Islamic banking in the world. In addition, based on the assessment of the Global Islamic Financial Report (GIFR) in 2011, Indonesia ranks fourth in countries that have the potential and are conducive to the development of the Islamic financial industry after Iran, Malaysia and Saudi Arabia. Basically, Islamic banks or Islamic banks are banks whose operations do not rely on interest. The definition of Islamic bank itself is a financial or banking institution whose operations and products are developed based on the

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

Qur'an and Hadith, (Nafik, 2018). The development of Islamic banking is directed to provide the greatest benefit to the community and contribute optimally to the national economy, (Akhmad, 2013).

However, even though Islamic banks have been tested in the face of the global crisis, there are still many obstacles faced by Islamic banking in carrying out its operations, some of the studies include: (1) The public's understanding of Islamic banking is still lacking (Ahmad, 2021) (2) The lack of interest of the Muslim community to save in Islamic banking,(Ayu, 2016) (3) The products are not known to the public (Samsul, 2020) (4) including the results of studies, research and analysis of the DSN-MUI fatwas concluded that there are a number of fatwas that are not appropriate and can even be considered violating sharia provisions including in cases of financing (Hafidz, 2016).

The same thing was also revealed by the Financial Services Authority (OJK) 6 Sulampua as of November 2019, that the Islamic banking industry continues to remain at 5 percent. Especially in the Sulampua region, it was recorded that conventional banking assets amounted to 94.23 percent of the total banking assets of South Sulawesi which reached Rp 141.5 trillion. Likewise with Third Party Funds (DPK) where Islamic banks are still 5.85 percent while conventional banks are 94.15 percent (Marzuki,2020). This is a challenge for Islamic banking to further improve its performance through banking products and services offered to the public. Based on positive law (several decisions issued by the government), Islamic banks in Indonesia actually have the flexibility to develop products and operational activities (Muhammad, 2002). The development of Islamic financial institution products is one of the basic foundations in an effort to improve the Islamic financial institution industry in Indonesia. The latest breakthrough of Islamic financial institution products is now aimed at providing other alternatives in meeting the needs of the community's financial products and services based on the principles of sharia (Islamic) law (Kadir, 2022).

In Islamic banking operations, there are 2 financing products, namely: productive financing and consumptive financing, (Ascarya,2017) Based on data from OJK, the development of financing products in Islamic banking can be seen in Table 1.1 below:

Table 1. Financing Development Based on Akad At Islamic Commercial Banks in 2017 - 2021 (In Billion Rupiah)

Year	**Financing Type**				
	Productive		**Consumptive**		
	Mudharabah	***Musyarakah***	***Murabahah***	***Istishna***	***Qardh***
2017	6.584	57.324	110.079	18	5.474
2018	5.577	65.100	115.253	15	6.839
2019	5.413	84.582	122.725	11	9.276

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

2020	4.098	92.279	136.990	21	10.425
2021	3.629	95.986	144.180	4	10.396

Source: Sharia Banking Statistics December 2021

Based on Table 1 it can be seen the comparison of productive financing and consumptive financing. Mudharabah is a business cooperation contract between two parties, where the first party (shahibul maal) provides all/100 percent of the capital, while the other party becomes the manager (Rahman, 2010). Murabaha financing with the concept of sale and purchase shows a high number, indicating that financing with this model is very attractive to customers. Meanwhile, productive financing, mudharabah and musyarakah contracts with the concept of profit sharing show low numbers. This indicates that financing with these contracts is less attractive to customers. The data shows that this mudharabah contract is one of the important contracts to drive the economy from the business sector, especially Islamic financing.

Around 90% of the total companies in Indonesia are MSMEs and have provided employment. As an important pillar in the Indonesian economy, the number of MSMEs based on the Ministry of Cooperatives and MSMEs reached 64.2 million with a contribution to GDP reaching 61.07%. This contribution in the economy is in the form of employment up to 97% of the total workforce in Indonesia. Absorbing investment up to 60.4% of total investment (Anindita, 2022). The vital role of MSMEs makes governments in various regions always try to accommodate and provide support for the progress of MSMEs (Chusnul, 2023).

On the basis of the phenomena described above, it is the basis for the author to conduct research, which will explore the phenomenon of mudharabah financing, which is a core product in Islamic banking but has not been able to make Islamic banks a global player, even though the facts show that Islamic banks have proven their resilience in the face of the financial crisis. Appropriate financing distribution will be able to resilience banking and improve welfare for the community (Dwi, 2011)

Research Methods

This research is a qualitative research by conducting initial observations and then conducting in-depth interviews. The informants who will be the source of data in this research are people who are directly involved in mudharabah financing practices. Informants are determined by purposive sampling and snowball techniques. Qualitative methods are specifically used to take three related concepts namely: (1) Qualitative research epistemology that is not proof-oriented, (2) Qualitative research strategy is to interpret and reveal concepts and meanings rather than generalize coincidental relationships and (3) Qualitative research techniques cannot be equated with numbers (Farida, 2014), The phenomenon in this study is related to the practice of mudharabah financing with a profit-sharing core system as a mainstay product of Islamic banks. The focus to be studied is trust-based mudharabah financing. This research was conducted to find the meaning behind the financing practice.

Sample determination in qualitative research is not based on statistical calculations. The selected sample serves to obtain maximum information not to be generalized (Lincoln, 1985). Informants are determined by certain criteria: (1) Islamic banking leaders in Makassar (2) Islamic banking account officers in Makassar (3) Customers who temporarily or have received mudharabah financing. The total number of informants is 5 people. stated that the number of informants as many as 5 people was sufficient, but if the desired answers or information had not been achieved (not saturated) then the number could be increased (Georgy, 1991).

Results and Discussion

Implementation of Mudharabah Financing in Islamic Banking

This research begins with the researcher asking several questions about the application of mudharabah financing. Researchers conducted interviews with Mr. AG who is an informant from PT Bank Muamalat KC Makassar. From the results of the interview Mr. AG gave the following answers: "If the productive one is possible, if the current segmentation is specifically in Muamalat, yes, the last 3 to 5 years actually the segmentation is just that most of the industrial sectors are in education and health, this is for productive. The third segment is LKS, sharia financial institutions, both cooperatives and BMT and BPR BPR sharia, basically sharia financial institutions. Now if the implementation of the mudharabah contract among the 3 industries that we mean, it is only in the LKS actually, if the implementation is good, although actually some of these industries can also use mudharabah contracts, but if for example the implementation is more in cooperatives or LKS such as BPR, let alone the name, yes BPR syariah and sharia cooperatives. Like that".

The results of the interview with Mr. AG, there is a sentence that, "In the last 3 to 5 years, the segmentation of financing is mostly the industrial sector, namely education and health". Meanwhile, the implementation of the mudharabah contract is more to Sharia Financial Institutions, such as Sharia Cooperatives or BPRs. The same thing was also stated by Mr. MD, with the following interview results: “Well while if the current condition of our society may not generally be able to accept such a concept, if in my opinion yes because usually if it is like that if the higher the income in the investment place, it should also be higher profit sharing to us (Muamalat) and vice versa if it is lower, it means that it must be lower also submitted to the bank for the results. That's why the trustworthy nature may still be lacking. Finally, maybe one of the reasons so that the implementation of mudharabah is still in LKS which is easier to implement ".

From the results of these interviews it can be interpreted that the bank is reluctant to market mudharabah financing products directly. So that this financing is given to Sharia Financial

Institutions on the grounds that LKS is countable and has complete financial reports. This is in line with research conducted by Suciningtias (2017) and Teti Rahmawati (2015) His research shows that some Islamic banks are reluctant to market mudharabah financing and prefer musyarakah financing due to indications of moral hazard.

Based on the research of Suciningtias and Teti Rahmawati Mudharabah is a contract that is prone to moral hazard, so the bank must be careful in determining customers who deserve this financing in accordance with the conditions set by the party. Where not all customers can enjoy this financing because the bank requires that the customer's business has been established for 2 years with complete financial reports every period.

However, this is considered heavy and a burden for customers. The same thing was expressed by Mr. AG that not a few financing customers felt troubled by these requirements. This is also supported by the statement of one prospective financing customer who failed to get the financing. As a result of the requirements set by the bank. This has an impact on this product not being a superior product at the bank. Research conducted by Hendrik et al, shows that mudharabah financing is basically an appropriate partnership scheme financing instrument in an effort to increase the micro business group to the small and medium business group.

Table 2. Implementation of Mudharabah Financing

No.	Variables	Elements of Mudharabah	Findings
1.	Business Capital	• 100 % provided by the bank	• Not yet compliant
2.	Guarantee	• Not mandatory	• Required by the bank
3.	Risk	• The risk of customer negligence is borne by the customer • Risks that are not the customer's negligence are borne by the Bank.	• High risk of moral hazard so that this financing is transferred to the Murabahah contract.
4.	Profit	• Profit Sharing	• Not yet compliant

Source: Data processed by researchers, 2023.

In the concept of trust, in addition to mutual trust, transparency also requires responsibility in the form of supervision from the bank to all financing customers. The results showed that there are still many business actors who are unsuccessful in managing their business due to limited knowledge in managing their business. So in this study researchers added one indicator in the concept of anamah in the form of mentoring. Assistance as a complementary element in the concept of trust proposed by the researcher.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

Assistance is an effort made by the bank to improve the business of the financing recipient customers and will also have an impact on business continuity. Assistance will have an impact on the ability of the recipients of financing to carry out the main obligation to the bank, namely the return of financing. A high rate of return from customers will result in a low NPF rate. Which will have an impact on the resilience of Islamic banking.

Conclusion

Based on the explanation above, the following conclusions can be drawn: 1) Business capital should be given 100 percent from the bank to the customer but in reality this is not the case. 2) Collateral in the stipulated rules should not be an obligation, but can be an additional file with the existence of prudential factors, but the bank needs to be careful in responding to this. 3) The bank feels the high risk of moral hazard from the customer so that each does not trust as a partnership bond but rather the occurrence of mutual suspicion is so great that the bank will divert to murabahah financing. 4) In profit sharing the bank does not do profit sharing but diverts it to other financing so that profit sharing does not occur.

References

Journal

Abdulmajeed, Muhammad Raji Aderemi. Mudharabah Based Crowdfunding as an Alternative Source of Funding Book Publications in Malaysia. Journal of Islamic Marketing, 2021.

Akhmad Faozan, “Implementasi Good Corporate Governance Dan Peran Dewan Pengawas Syariah di Bank yariah." La_Riba 7.1 (2013): 1-14.

Ana, Dimas Elly and Arif Zunaidi. Strategi Perbankan Syariah Dalam Memenangkan Persaingan. Proceedings of Islamic Economics, Business, and Philanthropy, Volume 1, Issue 1, 2022.

Ambo Masse, Rahman. Konsep Mudharabah Atas Kajian Fiqh dan Penerapan Perbankan. Jurnal Hukum Diktum, Volume 8, Nomor 1, Januari 2010, hlm 77-85

Arianto, Dwi Agung Nugroho. Peranan Al-Mudharabah sebagai Salah Satu Produk Perbankan Syariah Dalam Upaya Mengentaskan Kemiskinan di Indonesia. Jurnal Ekonomi & Pendidikan, 8(2), 2011.

Asmirawati and Sumarlin, "Perilaku Moral Hazard Nasabah pada Pembiayaan Berbasis Bagi Hasil pada Perbankan Syariah." LAA MAISYIR: Jurnal Ekonomi Islam 5.1, 2018.

Farida Nugraha, Metode Penelitian Kualitatif, (Surakarta: 2014).

Giorgi A, Phenomenology and Psychological Research, (Duquesne University Press, 1991).

Hermawan, Iwan, Nurwadjah Ahmad, and Andewi Suhartini. "Konsep Amanah dalam Perspektif Pendidikan Islam." QALAMUNA: Jurnal Pendidikan, Sosial, Dan Agama 12.22020.

Hidayat, Chusnul Maulidina, Lina Fatimah Lishobrina, and Maliana Puspa Arum. "Analisis Peran Financial Technology dalam Meningkatkan Keuangan Inklusif pada UMKM di Kabupaten Banyumas." Jurnal Riset dan Inovasi Manajemen 1.2, 2023.

Kadir, Syahruddin, M. Lutfi dan NB Sapa. Implementasi Akad Musyarakah Mutanaqishah Di Lembaga Keuangan Islam. Islamic Economic and Business Journal 4.2, 2022.

Kusnandar, Viva Budi. Jumlah Penduduk Muslim di Indonesia https://databoks.katadata.co.id/datapublish/2022, diakses pada tanggal 22 Juli 2023, jam 20.26.

Lincoln, YS-Guba, and E G Guba, Naturalistic inquiry, (1985), h.43.

Marzuki, Simposium Asbisindo, Antara, 2020.

Muhammad, Dzaki Bisri. Analisis Pengaruh Pembatasan Kegiatan Masyarakat, Pemahaman Mudharib Dan Laporan Kegiatan Usaha Terhadap Bagi Hasil Pembiayaan Mudharabah Pada Masa Pandemi Covid 19Diss. UIN Raden Intan Lampung, 2022.

Musfika, Risky Ana, Wahyuddin Abdullah, and Ismawati Ismawati. Pelaksanaan Lelang Eksekusi Aset Jaminan Murabahah BNI Syariah Berdasarkan Perspektif Bai'Al-Muzayaddah Dalam Menentukan Harga Limit Kewajaran (Studi Kasus pada KPKNL Makassar)." Islamic Banking, Economic and Financial Journal 1.2, 2021.

Muhammad. Penyesuaian Masalah Agensi (Agency Problem) dalam Kontrak Pembiayaan Mudharabah. journal.uii.ac.id, 2008.

Najib, Mohamad Ainun. "Penguatan Prinsip Syariah Pada Produk Bank Syariah." Jurnal Jurisprudence 7.1, 2017.

Nissa, Izzun Khoirun, and M. Dhzuhri. "Peran bank syariah dalam berbagai aspek bagi masyarakat Indonesia." Jurnal Rekoginisi Ekonomi Islam. 2022.

Novitasari, Anindita Trinura, Kontribusi UMKM Terhadap Pertumbuhan EkonomiEera Digitalisasi Melalui Peran Pemerintah. JABE (Journal of Applied Business and Economic), 9. 2, 2022.

Purnomo, Joko Hadi. Manajemen Resiko Pembiayaan Mudharabah Pada Perbankan Syariah (Studi Kasus Bank Muamalat Cabang Surabaya). Al Hikmah: Jurnal Studi Keislaman 7.2, 2017.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

Putro, Bobby Setyo. Penerapan Prinsip Transparansi dalam Produk Pembiayaan Mudharabah pada Bank Syariah. Diss. Brawijaya University, 2015.

Rahmawati, Teti. Indikasi Moral Hazard Dalam Penyaluran Pembiayaan Pada Perbankan Syariah di Indonesia. Jurnal JRKA, 2015.

Romdlan, Ahmad dan Mashuri Toha. Persepsi Pemahaman Masyarakat Tentang Perbankan Syariah. Jurnal Penelitian Ekonomidan Bisnis, vol. 1(2), 2021.

Samsul dan Ismawati. Tingkat Pemahaman Mahasiswa Terhadap Produk-Produk Perbankan Syariah. : Jurnal Ekonomi, Keuangan dan Perbankan Syariah, , vol. 4(1), 2020.

Sulisytawati, A. I., Santoso, A., & Ulfa, A. Bisnis Bank Syariah : Telisik Faktor Pengaruh Profit Distribution Management. Jurnal Ilmiah Ekonomi Islam, 7(1), 311. https://doi.org/10.29040/jiei.v7i1.1717. 2021.

Book

Abdurrahman, Hafidz. Rapor Merah Bank Syariah. Bogor, Al Azhar Press, 2016.

Andrianto dan Firmansyah M. Anang. Manajemen Bank Syariah. Bandar Lampung, Qiara Media, 2019.

Al-Qaradhawi, Y. Norms and Ethics of Islamic Economics. Depok: Gema Insani, 2021

Ascarya. Akad dan Produk Bank Syariah. Depok, PT. Raja Grafindo Persada, 2011.

Marshall., Chaterina, & Gretchen B Rossman. Designing Qualitative Research, second Edition, Sage Publisher, London, Publication, International Educational and Proffesional, 1995.

Moleong, Lexi J., and P. R. R. B. Edisi. "Metodelogi penelitian." (Bandung: Penerbit Remaja Rosdakarya, 2004.

Nasution, Muhammad Lathief Ilhamy. Manajemen Pembiayaan Bank Syariah, 2018.

Ryandono, Muhamad Nafik Hadi dan Rofiul Wahyud. Manajemen Bank Syariah. Jogjakarta: UAD Press, 2018.

Sugiyono. Combination Research Methods (Mixed Methods). Cet. X; Bandung: Alfabeta, 2018.