

**DIJMS:**
**Dinasti International Journal of
Management Science**

E-ISSN: 2686-522X
P-ISSN: 2686-5211

<https://dinastipub.org/DIJMS> dinasti.info@gmail.com +62 811 7404 455

DOI: <https://doi.org/10.38035/dijms.v6i4>
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Analysis of the Effect of Sharia Microfinance on Economic Growth of UMJ Food Court MSMEs

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Abstract: This study aims to analyze the effect of Islamic microfinance on the economic growth of Micro, Small, and Medium Enterprises (MSMEs) in the food court at the University of Muhammadiyah Jakarta (UMJ). The research method used is a qualitative approach with data collection techniques through in-depth interviews, observations, and document analysis. The results of the study indicate that Islamic microfinance provides a significant contribution to the economic growth of MSMEs by increasing capital accessibility, strengthening financial management, and encouraging business innovation. This study concludes that Islamic microfinance is an effective instrument to support the development of MSMEs in higher education environments.

Keyword: UMKM, Analysis of the Influence of Sharia Microfinancing.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are currently the center of attention of the government and society because they have an important role in economic growth. MSMEs as a means to create jobs and encourage economic progress and create a private sector so that the development of MSMEs is very instrumental in economic development.

In Indonesia, most of the population has low education and lives in small business activities in both the traditional and modern sectors. MSMEs are present as a solution to a healthy economic system. MSMEs are one of the industrial sectors that are little or not at all affected by the global crisis that hit the world. With this evidence, it is clear that the role of MSMEs in Indonesia's economic growth can be taken into account. Analysis of the Effect of Sharia Financing on the Development of Micro, Small and Medium Enterprises in the UMJ Food court. *Journal of Development Economics*, 18(1), 45-58. (Tunas, A. N. P., Anggraeni, L., & Lubis, D, 2020)

The Role of MSMEs in Indonesia's Economic Development Based on Law No. 20 of 2008. *Journal of Economics and Public Policy*, 10(2), 200-215.(Yulia, F. (2019).

NO	Business	Criteria	
		Asset	Turnover
1	Micro Business	Maks. 50 Million	Maks. 300 Juta
2	Small Business	>50 Juta – 500 Million	>300 Million – 2,5 Billion
3	Medium Enterprises	>500 Million – 10 Billion	>2,5 Billion – 50 Billion

Micro Businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria of micro businesses as stipulated in this law. Asset criteria: Max. 50 million, turnover criteria: Max. 300 million rupiah.

Economic growth requires a political environment that creates incentives for investment, a legal system that protects property rights, and protection of the general public against corruption, bribery, theft, and expropriation of the proceeds of their investments. Even in a conducive or crime-free environment, political decisions can affect the incentives to invest and the productivity of those investments, including regulations such as those on trading in securities, protection of ideas through patents and on labor issues.

At this time, the government provides capital or financing solutions to the community, especially MSME players by forming institutions that can provide loans with relatively low interest in conventional financial institutions and a profit-sharing system (Mudharabah) in Islamic financial institutions so that Muslims can avoid the element of usury. (Adiwarman 2024) Warta Nasantara,

Islamic banking is one of the instruments used to enforce Islamic economic rules. As part of the economic system, the institution is a whole of the social system. The community as users of Islamic banks must follow the rules or policies in accordance with Islamic law regulated by Bank Indonesia, Implementation of Sharia in the Indonesian Banking System. Jakarta: Kencana Prenada Media Group.(Ismail, A. G.2024)

Financing contained in Islamic banks also requires marketing or marketing to sell products owned in order to meet the targets to be achieved as a way to get customers who will have a positive impact in the form of profits and can help the community according to their needs.

Sharia Financing is one of the Islamic Financing that issues Islamic microfinance products called Warung Mikro Financing. Warung Mikro itself has a target market, namely small and medium-sized businesses that need capital to develop their business. But to market it requires effort and a good marketing strategy. Therefore, marketing micro warung financing requires a precise marketing strategy to meet the targets made by the bank and market it to the public.

Another problem concerning capital is also due to differences in perceptions between MSMEs and financial institutions that have the principle of prudence. The considerable business risk makes financial institutions more cautious in providing loans to MSMEs so that it requires the character of MSME actors who can convince financial institutions in establishing cooperation to be able to convince financial institutions that they are able to return loans.

So for us, building a strong national economy can only be done when the country's microeconomic institutions receive attention and support from all parties, including the government, DPR, and other communities as a whole. This is the paradigm that must be built and instilled, so that the problems of poverty and unemployment that occur in this beloved homeland can be overcome.

Based on the description above, the author wants to review it in the form of writing in the form of a final project with the title Analysis of the Effect of Sharia Microfinance on the Income of UMJ Micro, Small and Medium Enterprises.

METHOD

The research method used in this study is a qualitative method. The application of a qualitative approach with consideration of the possibility of data obtained in the field in the form of data in the form of facts that need in-depth analysis. Then the qualitative approach will encourage more in-depth data achievement, especially with the involvement of researchers themselves in the field. In qualitative research, the researcher becomes the main instrument in collecting data that can be directly related to the instrument or object of research.

RESULTS AND DISCUSSION

UMKM Food Court at Universitas Muhammadiyah Jakarta (UMJ) is a collection of small and medium enterprises that provide various types of food and beverages for students, lecturers, staff, and campus visitors. This food court functions not only as a place to eat but also as a means to support the local economy and the development of entrepreneurship among students. the types of MSME Food Court businesses at UMJ consist of various types of culinary businesses, including traditional food stalls providing archipelago cuisine such as fried rice, soto, and soto.

traditional food stalls provide archipelago cuisine such as fried rice, soup, and satay. cafes and coffee shops serve various types of coffee, tea, and snacks. fast food restaurants offer fast food such as burgers, pizza, and fried chicken. snack businesses sell snacks such as fried foods, meatballs, and market snacks. (Suryana, Aan, 2024)

Characteristics of MSMEs Business scale Most MSMEs in the UMJ food court operate on a small to medium scale, with relatively few employees, usually less than 10 people. Capital sources come from various sources, including Islamic microfinance, personal savings, and loans from family or friends. Technology and innovation Some MSMEs have adopted simple technology such as digital cashier systems and promotion through social media to increase efficiency and market reach. Economic conditions before Islamic microfinance before obtaining Islamic microfinance. (Suryana, Aan, 2024), many MSMEs in this food court face various economic challenges, such as, limited capital the difficulty of obtaining business capital causes limitations in developing businesses and improving facilities. lack of marketing, limited ability to promote and market products resulting in low sales volume, operational constraints lack of adequate resources and facilities hamper daily operations and service to customers.

The role of Islamic microfinance Islamic microfinance has played an important role in helping MSMEs in the UMJ food court to overcome these challenges. through this financing, MSMEs gain access to the capital needed to expand their business by adding menus, increasing production capacity, and opening new branches. facility improvement Improving and updating facilities and equipment, to improve customer service and comfort. promotion and marketing improving promotion and marketing efforts through social media and other marketing strategies. economic growth of MSMEs After obtaining Islamic microfinance, MSMEs in the UMJ food court showed significant economic growth, including, among others, increased revenue, there was a consistent increase in monthly revenue. job creation, increasing the number of employees to support growing operations.

Increased customer trust Customer satisfaction increased along with improved product and service quality. MSME Food Court at UMJ plays an important role in providing food and beverage needs for the campus community while supporting the local economy.

CONCLUSION

Islamic microfinance on the economic growth of UMJ Food Court MSMEs includes several main points:

1. The positive and significant effect of Islamic microfinance is proven to have a positive and significant effect on the growth and development of MSMEs in the UMJ Food

Court This shows that Islamic microfinance is able to improve the financial and operational capabilities of MSMEs.

2. Factors supporting success Some of the factors found to play an important role in the success of MSMEs are length of business, business turnover, total assets, and the amount of financing received. These factors collectively contribute to the economic performance of MSMEs.
3. Increased productivity and turnover With Islamic microfinance, MSMEs can overcome capital limitations that are often a major obstacle in business development. As a result, business productivity and turnover increase significantly.
4. Importance of external support In addition to financing, support from various parties such as financial institutions, government, and communities also play an important role in supporting the growth of MSMEs. This support can be in the form of training, mentoring, and access to wider markets.
5. Recommendations for further development This study also suggests that increasing access and disseminating information on Islamic microfinance should continue to reach more MSMEs. In addition, there is a need for innovation in financing products that suit the specific needs of MSMEs.

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