

Improving Village Entrepreneurship Through The Role Of The Mudharabah Agreement

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Abstract.

This research is motivated by the fact that every entrepreneurial development experience capital difficulty. Capital loan transactions, sharia principles can influence business development. The aim of the research is to determine the role of Mudharabah in developing entrepreneurship in villages and introducing more deeply about sharia contracts, namely contracts Mudharabah. This research uses a qualitative method with a descriptive approach. The results of this research indicate that the role of contracts Mudharabah This has a lot of influence on the development of entrepreneurship in the village so that of course entrepreneurs who want to develop a business but cannot because of limited capital, the role of this mudharabah agreement can help to develop their business into a large business. This mudharabah financing is required to be expanded further in the surrounding community so that many people are familiar with this mudharabah financing. Socialization regarding mudharabah contracts must continue to be carried out and implemented in communities that primarily do not have capital to run their businesses. So, this contract is used as a capital solution.

Keywords: Entrepreneur, Mudharabah contract.

1. INTRODUCTION

In developing a business, we certainly experience various kinds of problems, sometimes we have lots of ideas emerging but when establishing these ideas, we don't have the capital, then there are also those who have a lot of capital but can't create creative ideas in developing their business. The village itself is where the village has many entrepreneurs and certainly has many problems in developing its business. These problems include capital problems, division of time, lack of self-confidence and so on.

According to Thomas W. Zimmerer and Norman M. Scarbrough quoted (Labetubun, 2021) explaining that "Entrepreneurs are people who create new businesses by taking risks and uncertainties in order to achieve profit and growth by identifying opportunities and combining the resources needed to establish them." Peter Drucker was quoted (Athik Hidayatul Ummah, 2021) as saying that entrepreneurs do not look for risks, they look for opportunities.

In the business context, according to Sri Edi Swasono quoted (Bairizki, 2021), entrepreneurship is entrepreneurship, but not all entrepreneurs are entrepreneurs. Entrepreneurs are pioneers in business, innovators, risk bearers who have a vision for the future and have excellence in achievements in the business sector.

However, most of these problems are the problem of not having any capital to develop the business. According to existing data, many people take credit from banks as business capital and the average credit intake is from conventional banks. However, it turns out that many people do not know that this mudharabah contract is a product of the sharia bank itself. In fact, this mudharabah contract has many advantages and does not require paying interest rates as with conventional banks. We can also apply the role of the mudharabah contract in everyday life where there is willing to provide capital (shohibul mal) and there are also people who are willing to run the business.

The role of entrepreneurs in developing countries like Indonesia has many positive impacts. According to Darwanto, quoted (Shavab, 2021), the role of entrepreneurship is in the form of contributing to the transformation of a society with a low income to a higher income and from a society based on the primary sector into a society based on the service and technology sectors. There are three positive impacts of entrepreneurs in solving problems in developing countries. First, entrepreneurs open new types of businesses in the economy. The businesses being developed add to the heterogeneity of businesses in Indonesia. People are becoming creative in developing types of business. Second, provide employment opportunities and absorb labor. When an entrepreneur opens a business, it means taking steps to reduce the proportion of unemployed and job applicants. Third, increase national per capita output. Increased productivity due to the emergence of new businesses will increase national economic growth and national income.

This mudharabah agreement certainly provides a solution to the problem of entrepreneurs who do not have capital. With this agreement, the system provided is a profit-sharing system based on an agreement between both parties. In the village itself, it turns out that there are already people who use this mudharabah contract system and it can really increase the development of a business in this village. Even though many people don't know, it turns out that many people have used this contract to progress their business.

The mudharabah contract in the Islamic banking system itself provides the capital, namely the bank itself, while the person who will manage the funds is the customer or mudharib. From last year's data, the number of customers using mudharabah contracts has increased continuously because customers have experienced the mudharabah contract system, so the percentage increases from year to year. The mudharabah contract process should be improved further to be able to expand a business in other villages and financing in the mudharabah should be further improved in the future to meet the needs of entrepreneurs.

Therefore, seeing the huge investment potential, Islam strongly recommends its followers to carry out investment activities, especially investment in the real or direct asset sector (direct investment) because investment in the real sector seen from a conventional and shariah perspective has many positive impacts. Starting from increasing productivity, increasing competitiveness, as well as investment in the real

sector as long-term investment, it has a big role in economic growth because it is felt that investment in the real sector has a direct impact on society at large (Setiawan, 2015). The real sector, especially Micro, Small and Medium Enterprises owned by the community, is believed to be a driver of increased economic recovery and growth through expanding employment opportunities and expanding the economy in various regions (Nasrun, 2020).

Based on this, it is very important to conduct research related to Village Entrepreneurship Development through the Role of Mudharabah Agreements.

II. METHODS

This research seeks to analyze and describe the increase in village entrepreneurship through the role of mudharabah agreements. The type of research used in this research is a descriptive analysis method. According to (Haris, 2023), descriptive analysis is empirical research that investigates a specific symptom or phenomenon in a real life setting. The results of this research were collected using primary data and secondary data.

The approach used in this research is a qualitative approach. According to Bogdan and Taylor in (Arifudin, 2023), a qualitative approach is a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. According to (Saepudin, 2019) the method is to transcribe the data, then coding the notes in the field and interpreting the data to obtain conclusions.

This research uses qualitative research with field research methods. According to (Arifudin, 2018) this approach is adapted to the main aim of the research, namely describing and analyzing increasing village entrepreneurship through the role of mudharabah contracts. So that this method will be able to explain the problems of the research (Saepudin, 2020).

Determining appropriate data collection techniques greatly determines the scientific truth of a research. The data collection techniques used in this research are observation, interviews, and documentation.

Engineering can be seen as a means of carrying out technical work carefully using the mind to achieve a goal. Even though the study is an effort within the scope of science, it is carried out to collect realistic data systematically to realize the truth. Research methodology is a means to find a cure for any problem. In this case, the author collected information about increasing village entrepreneurship through the role of mudharabah contracts from books, articles, journals, theses, ebooks, etc. (Arifudin, 2019).

Because it requires material from the library as a data source, this research utilizes library research. Researchers need books, scientific articles and other literature related to the topics and problems they explore, both print and online (Hanafiah, 2021).

Searching for information from data sources requires the use of data collection techniques. Amir Hamzah in (Chadijah, 2023) claims that data collection is an effort to collect information related to the subject under study. The author uses library research

methods to collect data. Specifically, the author started with the library to collect information from books, dictionaries, journals, encyclopedias, papers, periodicals, and other sources that provide views regarding increasing village entrepreneurship through the role of mudharabah contracts.

Amir Hamzah was further quoted (Arifudin, 2020) as saying that data collection means various efforts to collect facts related to the topic or discussion that is being or will be explored. These details can be found in scientific literature, research and scientific writings, dissertations, theses and other written sources. According to (Tanjung, 2020) data collection can be carried out in various circumstances, using different sources, and using different techniques.

Observation is part of the research process directly regarding the phenomena to be researched (Arifudin, 2021). With this method, researchers can see and directly feel the atmosphere and condition of the research subject (Sofyan, 2020). The things observed in this research are about increasing village entrepreneurship through the role of mudharabah contracts.

The interview technique in this research is a structured interview, namely interviews conducted using various standard guidelines that have been established, questions are arranged according to information needs and each question is needed to reveal any empirical data (Rahayu, 2020).

Documentation is a technique for collecting data through existing documents or written notes. Documentation comes from the word document, which means written items. In implementing the documentation method, researchers investigate written objects, such as books, magazines, meeting minutes and diaries. According to Moleong in (Arifudin, 2024) the documentation method is a way of collecting information or data through examining archives and documents. Documentation strategies are also data collection techniques proposed to research subjects. The data collection method using the documentation method was carried out to obtain data about the condition of the institution (research object), namely increasing village entrepreneurship through the role of mudharabah contracts.

Muhadjir in (Arifudin, 2022) states that data analysis is the activity of carrying out, searching for, and compiling records of findings systematically through observations and interviews so that researchers focus on the research they are studying. After that, make the findings material for other people, edit, classify, and present it.

III. RESULT AND DISCUSSION

In this village, many businesses are developing, and the average business is small scale. The aim of developing this business is to improve welfare in society in the Indonesian economy. One of them is that employment opportunities are increasingly expanding because the more businesses that are established, the more jobs there will be, thereby reducing the existing poverty level.

The purpose of the mudharabah agreement itself is to help develop the business and help open the business that will be run, especially in the field of capital. This mudharabah agreement is a solution to the problem of developing business activities. This mudharabah contract will certainly provide benefits for both parties, namely by sharing the profits that have been determined at the beginning of the contract agreement. According to field facts, through interviews with entrepreneurs in this village, it turns out that most of their capital does not come from themselves but comes from other people who invest in their businesses.

The wider community is familiar with the Mudharabah contract system. Most are not interested and have their own capital to run their business. Entrepreneurs consider it easier to apply for financing in Sharia banking through a Mudharabah agreement. There are also quite a lot of people who borrow capital from conventional banks, although the benefits of applying for financing are better from sharia banks, but it all depends on the convenience of each party.

Investment through implementing a mudharabah contract is one scheme that can be used in sharia investment activities using the concept of sharing business results and risks or profit and loss sharing between the parties involved in the investment activity. As a contract that prioritizes the principle of trust, where in practice the capital is fully provided by the investor as the owner of the capital and the capital is fully managed by the business manager, the mudharabah contract which prioritizes profit sharing and risk sharing is one of the principles in the sharia financial system.

The mudharabah contract scheme in real sector investment has great benefits, especially for business actors in the real sector who need funding in the form of capital for business operations. Apart from providing convenience for business actors who do not have sufficient capital, mudharabah contracts also provide opportunities for someone who can earn money (in the form of business capital) but has limited skills or time to manage a business so that they can make the assets they own productive. Thus, the application of mudharabah contracts in investment activities in the real sector, especially in the enterprise or business sector, has enormous benefits for achieving the benefit and welfare of society (Nurhayati & Wasilah, 2015). With mudharabah investment, it will increase and become a solution to capital problems for businesses that still lack capital and become a forum for investors to invest in the real sector, namely in various businesses owned by the community.

Financing products or investment partnerships in various financial institutions, both banking and non-banking, are efforts to provide credit assistance and working capital financing for businesses (Bintarto & Setiawan, 2021).

IV. CONCLUSION

Based on the analysis that has been explained regarding the role of mudharabah contracts, the role of mudharabah contracts is seen as a contract that can provide benefits in the field of entrepreneurship, especially in the capital sector. This

development in MSMEs has a positive impact on society itself, namely being able to expand existing job opportunities. This mudharabah financing is required to be expanded further in the surrounding community so that many people are familiar with this mudharabah financing. Socialization regarding mudharabah contracts must continue to be carried out and implemented in communities that primarily do not have capital in running his business. So, this contract is used as a capital solution.

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