

# THE IMPLICATIONS OF BMT FINANCING ON MSMEs DEVELOPMENT

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## ABSTRACT

The capital problem faced by MSME businessmen is the difficulty in reaching banks due to the inability to provide bankable requirements. BMT aims to develop productive businesses and invest in improving the quality of economic activity in the real sector, especially micro, small, and medium entrepreneurs. BMT in Banyumas Regency helps members overcome capital problems through a variety of products. This study aims to find out how MSMEs develop after getting financing from BMT in Banyumas Regency. Therefore, this study uses a quantitative approach with 150 samples and the Wilcoxon Signed Rank Test (two related samples test) as a tool. The results of the data analysis show that there is a significant difference between before and after the provision of financing on indicators of capital, sales turnover, income/profit, number of customers, and number of workers. Then, the results of the different tests show that the provision of financing is considered effective because it has given different results in a positive direction after the provision of financing. Except for the number of workers, the results of the analysis show that half of the sample shows no increase in the use of the number of workers.

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## 1. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) play an important role in Indonesia's national economic development. They contribute to national economic development in terms of increasing state revenues. The growth of the MSME sector is increasing from year to year, in which MSMEs cover 99.99% of the

total business actors in Indonesia or 56.54 million units. MSME business contributes around 60% to GDP (Gross Domestic Product).<sup>1</sup>

Indonesia's MSMEs contributed up to Rp. 8,573.9 trillion to Indonesia's GDP (at current prices) in 2018. Indonesia's GDP in 2018 was Rp. 14,838.3 trillion, so the contribution of MSMEs reached 57.8% of

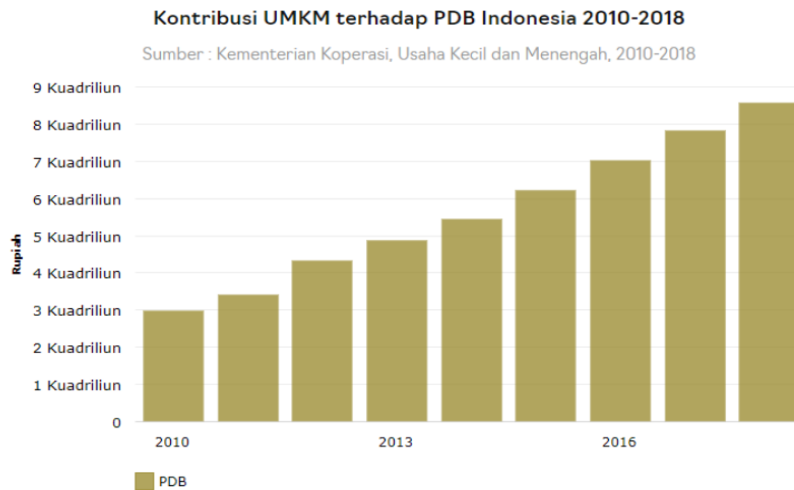
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<sup>1</sup> Hartadi A Sarwono, *Profil Bisnis Usaha Mikro, Kecil Dan Menengah (Umkm), Bank Indonesia Dan LPPI*, 2015.

GDP. In 2016, the role of MSMEs in the national GDP was recorded at 59.84% of the total GDP. Meanwhile, in 2017, the role of MSMEs in the national GDP was recorded at 60.00% of the total GDP, meaning that they had developed by 1.84% compared to 2016<sup>2</sup>. Another contribution of

MSMEs was to create jobs for the community. MSMEs were able to absorb a lot of workers, as can be seen in

Table 2 is about the workforce and market share of MSMEs and large enterprises.



**Figure 1. Contribution of MSMEs to GDP in Percent (2016-2018)**  
Source: Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia

The 2020 Annual MSME Survey recorded the number of MSMEs in Indonesia at 4.21 million businesses. Java Island is the island with the largest number of MSME businesses. The number of MSME businesses on Java Island reached 63.11 percent of all MSMEs in Indonesia. The provinces of Central Java, East Java, and West Java are the provinces with the largest number of MSMEs, each with more than 600 thousand businesses. This condition is very different from the provinces of Maluku and Papua, where the number of businesses each reaches less

than 23 thousand businesses/companies.<sup>3</sup> The development of MSMEs also occurred in the Banyumas district. Based on data provided by the Industry and Trade Office of Banyumas Regency, until October 2017, the development reached 66,000,000 MSMEs, and almost 99% were Micro and Small Enterprises. The growing number of MSMEs is not proportional to the development in quality. MSMEs have limited financial knowledge and consulting support, making it difficult for the MSME sector to develop due to a lack of financial literacy.<sup>4</sup>

<sup>2</sup> Dwi Hadya Jayani, 'Berapa Sumbangan UMKM Terhadap Perekonomian Indonesia?' (<https://databoks.katadata.co.id/datapublish/2020/05/20/berapa-sumbangan-umkm-terhadap-perekonomian-indonesia#>, 2020).

<sup>3</sup> Bambang Siswoyo, 'Profil Industri Mikro Dan Kecil', *Jurnal Penelitian Transportasi Laut* 22, no. 2 (2021), <https://doi.org/10.25104/transla.v22i2.1713>.

<sup>4</sup> Pooja Khatri, 'A Study of the Challenges of the Indian MSME Sector', *IOSR Journal of Business and*

The obstacles that MSMEs must face are lack of access to funds, weak human resources, inability to explore the potential of the economic scale, lack of information regarding market opportunities and new technology, and weak resources for innovation.<sup>5</sup> MSMEs face problems in terms of accessing funds for operations and expansion needs. The Government is looking for solutions through various steps such as providing priority sector loans, special units from banks to provide loans to MSMEs, debt restructuring, trusted credit guarantees, loan schemes from goodwill funds, and so on.<sup>6</sup> Many MSMEs are not yet bankable, either due to transparent financial management capabilities or a lack of managerial and financial capabilities.

BMT is a cooperative legal entity that is automatically under the auspices of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia. Based on the Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 16/Per/M. KUM IX/2015 concerning the Implementation of Sharia Savings and Loans and Financing Business Activities, *Koperasi* (community-based economy) is a unit engaged in business, including savings and loans and financing according to Sharia principles, which includes managing *zakat*, *infaq* (alms), and *waqf* as part of the activities of the cooperative concerned. Principally, BMT is aimed at developing productive businesses and investment in improving the quality of economic activity in the real sector, especially micro, small, and medium entrepreneurs.

BMT in Banyumas Regency provides services to borrowers or depositors of funds and operates its activities based on Sharia principles. BMT in Banyumas Regency helps members overcome capital problems through a variety of products. One of the financing products that are quite risky for financial institutions is *mudharabah* financing, which is used in working capital financing. One example is the *mudharabah* financing product at BMT Hanada, where a capital owner (*shahib al-mal*) hands over capital to the manager (*mudharib*) to be used as a business, provided that the business earns a profit. The profit is divided into two based on a previous agreement, and if the business does not make a profit or goes bankrupt, the material loss is fully borne by the owner of the capital. But at BMT Hanada Kebasen, this does not apply. Intentional or unintentional losses are still borne by the customer (*mudharib*). Thus, if the customer or *mudharib* suffers a loss, for example, if the customer falls ill, the vegetables rot, the cattle die, and the merchandise does not sell, the BMT still asks the customer to repay the *mudharabah* financing every month.

Another example of BMT, which is one of the non-bank Islamic financial institutions located in Banyumas Regency, which was established in 1995 and obtained legality as a cooperative legal entity from the Cooperative Service in 1997, is BMT Dana Mentari. Members of this BMT are traders in Karanglewas Market and its surroundings. From initial observations in Karanglewas Market, many formal and informal financial institutions target Karanglewas market

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*Management (IOSR-JBM)* 21, no. 2 (2019): 5-13, <https://doi.org/10.9790/487X-2102050513>.

<sup>5</sup> Malcolm Athaide and H. K. Pradhan, 'A Model of Credit Constraint for MSMEs in India,' *Small Business*

*Economics* 55, no. 4 (2020): 1159-77, <https://doi.org/10.1007/s11187-019-00167-4>.

<sup>6</sup> Khatiri, 'A Study of the Challenges of the Indian MSME Sector'.

traders, including conventional banks, Islamic banks, BMTs, and even moneylenders. BMT Dana Mentari in Banyumas Regency is one of the financial institutions that has many members in Karanglewas Market and its surroundings. The financing that is most in demand at the Mentari Fund BMT is musharaka financing. However, it also contributes to a fairly high NPF (Non-Performing Financing) value due to the procedure for this financing, which requires financial reports as a supervisory process. Unfortunately, there are still many MSME actors who are not familiar with, let alone make financial reports. Therefore, one of the solutions from BMT is to help make financial reports.

The case above is an example of how the provision of financing for MSME actors is not fully able to help them solve capital problems. Other BMTs within the scope of Banyumas Regency are BMT Amanah Wangon, BMT Multazam Barokah, BMT NU Sejahtera, BMT El Mentari, BMT Mitra Mentari, BMT Khonsa, and BMT Hanada. One indicator of a growing business is an increase in business capital, sales turnover, profits, the number of workers, the number of customers, and the number of types of goods. In this study, the indicators used to see business development are the increase in business capital, sales turnover, profits, number of customers, number of workers, and number of types of goods.<sup>7 8</sup> Business capital is obtained from financial institutions, in this case BMT. Sales turnover shows that additional capital can increase the number of sales. Profits can

occur if the number of sales increases. When production increases, of course, it requires a lot of labor. If MSMEs experience good development, there is a possibility that MSMEs will increase in the number of customers and types of goods. If there are developments in MSMEs after using financing, it means that the use of financing is successful. On the contrary, if there is no development in MSMEs after using financing, it means that the use of financing has not been successful.

Theoretically, this research will determine whether or not financing has an impact on the development of MSMEs. The results of a survey conducted on several members who received financing showed that not all businesses run by MSME actors after obtaining financing from BMT in Banyumas Regency could develop because it depended on the type of financing they received. Based on the background of these problems, there is one question: Can the provision of financing effectively help overcome capital problems so that MSMEs can develop as expected? This study is intended to find out more about the development of MSMEs after obtaining financing from BMT in Banyumas Regency.

## 2. LITERATURE REVIEW

Recently, BMT has become increasingly popular in the discussion, especially in the Islamic economy. BMTs, which are also known as sharia cooperatives, have experienced significant developments in recent years. Even the Government, through the Ministry of

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<sup>7</sup> Gerald Absanto, 'Analysis of Business Growth Strategies and Their Contribution to Business Growth,' *International Journal of Economics, Commerce and Management* I, no. 1 (2013): 1-14, <https://ijecm.co.uk/wp-content/uploads/2014/01/116.pdf>.

<sup>8</sup> Jenifer Vásquez et al., 'A Sustainability Maturity Model for Micro, Small and Medium-Sized Enterprises (MSMEs) Based on a Data Analytics Evaluation Approach,' *Journal of Cleaner Production* 311, no. April (2021), <https://doi.org/10.1016/j.jclepro.2021.127692>.

Cooperatives and SMEs, stated that currently, BMT is one of the financial institutions outside the monetary system that is included in the economic sphere of the small people that seeks to develop productive and investment businesses aimed at increasing the economic activities of small entrepreneurs based on sharia principles and cooperative principles. The purpose of this BMT is to provide services and socio-economic empowerment of the people through concrete activities.<sup>9</sup>

BMT is a small-scale economic institution designed to promote the growth of productive businesses and investments, aiming to enhance the economy of small-scale entrepreneurs. Sharia principles guide its operations. Although the legal status is a cooperative legal entity, in reality, only a few BMTs are legally legalized as cooperative bodies<sup>10</sup>.

The purpose and function of *Baitul Maal* is the realization of *zakat*, *infaq*, *shodakoh* (Charity), and *waqaf* collection services that optimize value for *muzaki*, *munfiq*, *tatasaddiq*, and *muwafit*. The second goal is to realize *ziswaf* utilization services that optimize efforts to empower *mustahiq* based on network fees. In addition, *Baitul Maal* is a good organization that optimizes value for stakeholders.<sup>11</sup> BMT can carry out various types of business activities, both financial and non-financial. First, the collection of *zakat*, *infaq*, and *shadaqah* funds is to be distributed to *mustahiq* (recipients of zakat funds). Second, the collection of

BMT funds by mobilizing funds and developing them in various deposits. Third, the distribution of funds through micro and small business financing activities<sup>12</sup>. There are several reasons why BMT needs to be developed in Indonesia and various regions. One of the goals of establishing BMT is to serve small communities. It is also intended to relieve novice entrepreneurs by presenting a financial system that is easy and does not have high costs. The failure of business development at the micro level is the high-interest rates on capital loans, which sometimes make no economic sense. Therefore, the presence of BMT is considered a solution to this condition. It seems that the existing BMTs often highlight the financing side, which is on the *bait-at-Tamwil* side. In this position, BMT is more profit-oriented. In fact, BMT, being a cooperative entity for Islamic financial services, is in the second position.<sup>13</sup>

BMT is considered an institution that can be a solution in serving small communities to get additional capital, especially for those who experience problems in getting links to banking. MSMEs can use this additional capital to develop their businesses.<sup>14</sup> Business development is a form of effort for businesses to develop and become better in order to reach the peak of success. Business developments that have begun to appear have the opportunity to go further. An increase in business capital, sales turnover,

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<sup>9</sup> Ahmad Hasan Ridwan, *BMT & Bank Islam Instrumen Lembaga Keuangan Syariah* (Bandung: Pustaka Bani Quraisy, 2004), 45.

<sup>10</sup> Nurul Huda et al., *Keuangan Publik Islami: Pendekatan Teoritis Dan Sejarah* (Kencana Prenada Media Group, 2017), 285.

<sup>11</sup> Agus Marimin, 'Baitul Maal Sebagai Lembaga Keuangan Islam Dalam Memperlancar Aktivitas Perekonomian', *Jurnal Akuntansi Dan Pajak* 14, no. 02 (2014): 39-42, <https://doi.org/10.29040/jap.v14i02.139>.

<sup>12</sup> Kuart Ismanto, 'Pengelolaan Baitul Maal Pada Baitul Maal Wa Tamwil (Bmt) Di Kota Pekalongan', *Jurnal Penelitian* 12, no. 1 (2015): 24, <https://doi.org/10.28918/jupe.v12i1.641>.

<sup>13</sup> Ismanto.

<sup>14</sup> Widiyanto, 'Effectiveness And Sustainability Of Baitul Mal Wat Tamwil Financing In The Development Of Micro- Enterprises In Central Java, Indonesia' (Universiti Putra Malaysia, 2007).

profits, number of customers, number of workers, and number of kinds of goods indicates a growing business.<sup>15</sup> Aladejebi's research results show that BMT plays an important role in the development of MSMEs, especially in the capital sector, because BMTs have easier access.<sup>16</sup> Therefore, BMT is considered to bridge the difficulties of SMEs in accessing financial resources. Financial inclusion has a significant positive direct influence on the business performance and production factors of SMEs.<sup>17 18</sup> Therefore, this study concludes that microfinance has a large influence on MSMEs in stimulating economic growth.<sup>19</sup> A study in Uganda shows that there are operational failures of MFIs in providing services to MSMEs. However, after a new law was introduced that included aspects of Islamic microfinance in its framework, it opened up opportunities to be able to develop MFI performance, especially in lending services to MSMEs.<sup>20</sup>

Indicators of this business development include (1) Business Capital,

which is also defined as funds used to run a business so that the business can continue.<sup>21</sup> Every business always needs funds or capital to finance the company's daily operations for investment or other purposes.<sup>22</sup> (2) Sales Turnover: Turnover in the *Kamus Besar Bahasa Indonesia* is defined as the amount of money from the sale of certain goods during a period of sale<sup>23</sup>. Meanwhile, selling is an activity of selling goods with the aim of making a profit or income. Thus, sales turnover means the amount of income or profit obtained from selling goods or services within a certain period of time, which is calculated based on the amount of money earned.

Operating profit is the difference between income and expenses (costs), namely the difference between the selling price and all production costs and product sales, including taxes.<sup>24</sup> Profit is the result obtained by entrepreneurs on the investment of funds, time, and risks that may arise in building, developing, and advancing their business. Earnings on

<sup>15</sup> Wina Saparingga, Neneng Nurhasanah, and Nunung Nurhayati, "Analisis Perbandingan Tingkat Perkembangan Usaha Mikro Kecil Menengah Sebelum Dan Sesudah Mendapatkan Fasilitas Pembiayaan Mikro (Studi Kasus Di Brisyariah Kcp Kopo Bandung)," *Prosiding Keuangan Dan Perbankan Syariah* (2015): 314-321.

<sup>16</sup> Olufemi Aladejebi, 'The Impact of Microfinance Banks on the Growth of Small and Medium Enterprises in Lagos Metropolis,' *European Journal of Sustainable Development* 8, no. 3 (2019): 261, <https://doi.org/10.14207/ejsd.2019.v8n3p261>.

<sup>17</sup> Abhijeet Biswas, Shashi Srivastava, and Raj Kumar, 'A Study of the Factors Influencing the Financing Gap for the MSME Sector', *International Journal of Management Studies* 5, no. 2(2) (2018): 69, [https://doi.org/10.18843/ijms/v5i2\(2\)/10](https://doi.org/10.18843/ijms/v5i2(2)/10).

<sup>18</sup> G.R.Rajalakshmi, G.Rajamani, and C.Anitha Mary, 'Rural Entrepreneurship: A Study on Internal Environmental Factors Influencing the Business Performance of Rural Micro, Small and Medium Enterprises (MSMEs) in Coimbatore District,' *Strad Research* 7, no. 8 (2020): 1-10, <https://doi.org/10.37896/sr7.8/001>.

<sup>19</sup> Godwin Omogbai Ofeimun, C. Nwakoby, and Osaretin Andrew Izeke, 'Effects of Microfinance Banks on Small Businesses' Growth in Nigeria,' *IIARD International Journal of Economics and Business Management* 4, no. 4 (2018): 15-25, [https://www.iiardjournals.org/get/IJEBM/VOL.4.NO.4.2018/EFFECTS\\_OF\\_MICROFINANCE.pdf](https://www.iiardjournals.org/get/IJEBM/VOL.4.NO.4.2018/EFFECTS_OF_MICROFINANCE.pdf).

<sup>20</sup> M Hussein Kakembo, S., Abduh and PMHA Pg Hj Md Salleh, 'Adopting Islamic Microfinance as a Mechanism of Financing Small and Medium Enterprises in Uganda,' *Journal of Small Business and Enterprise Development* 28, no. 4 (2021): 537-52.

<sup>21</sup> Tri Siwi Agustina, *Kewirausahaan Teori Dan Penerapan Pada Wirausaha Dan UKM Di Indonesia* (Jakarta: Mitra Wacana Media, 2015), 57.

<sup>22</sup> Asnaini, Evan Stiawan, and Windi Asriani, *Manajemen Keuangan* (Teras, 2012), 16.

<sup>23</sup> Tim Bejana, *Kamus Bahasa Baku Bahasa Indonesia* (Jakarta: IKAPI, 2009), 102.

<sup>24</sup> Djoko Sudantoko and Pandji Anaroga, *Koperasi, Kewirausahaan, Dan Usaha Kecil* (Jakarta: Rineka Cipta, 2002), 184.

profits enable companies to improve the standard of living of their employees, build new businesses, pay taxes, and thus help the Government in development. (4) Manpower or workers are human resources of an organization or company who are involved in the company's operational activities and carry out the daily tasks of the organization based on what has been determined by management. Therefore, in carrying out their duties, the workers have sacrificed their resources both in the form of energy and thoughts for the achievement of the organization. As part of a business organization, employees have an interest in the sacrifices they have made. Business organizations appreciate this interest in the form of rewards such as wages and salaries, commissions, health and welfare benefits, and non-material awards. (5) Customers are people who directly utilize, use, and submit requests for goods or services offered by organizations or companies.<sup>25</sup> Based on the above theories, the following hypotheses can be formulated:

Ho = There is no difference in the development of MSMEs after obtaining financing from BMT in Banyumas Regency

Ha = There are differences in the development of MSMEs after obtaining financing from BMT in Banyumas Regency

### **3. RESEARCH METHOD**

This study is a field research. Field studies are carried out to observe certain conditions and collect the necessary data for analysis. The method used in this study is a quantitative research method with comparative analysis, namely the method

used to determine whether there are differences between two or more variables compared in the study. The condition of MSMEs is seen from the indicator variables of capital, sales turnover, business profits, labor, number of customers, and number of types of goods before obtaining financing compared to after obtaining financing from BMT in Banyumas Regency.

The population of this research is MSME actors who receive financing from BMT in Banyumas Regency, with the assumption that the population is BMT customers who are MSME actors. Sampling in this study uses a clustering technique, namely by making the sample group smaller. So after the clustering process, the customers taken as samples are customers who are MSME actors from BMT Dana Mentari, BMT Nusa Ummat Sejahtera Purwokerto, BMT Syirkah Muawanah (NU) Kramat Jatilawang and BMT Ummat Sejahtera Ajibarang. The sample criteria in this study include MSME actors who receive a minimum of one year of financing from BMT in Banyumas Regency. Therefore, the respondents in this study amounted to 150 MSME actors who fit the criteria.

In addition, the research variables and indicators, drawing from Munizu's insights as relayed by Elizabeth and Dina Fitri,<sup>26</sup> encompass a comprehensive evaluation of Micro, Small, and Medium Enterprises (MSMEs) performance. Key metrics such as the sales growth rate, increased capital, labor growth rate, and broad market growth rate provide a thorough understanding of the financial, operational, and market-oriented aspects crucial for assessing the overall success and

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<sup>25</sup> Sudaryono, *Pengantar Bisnis Teori Dan Contoh Kasus* (Yogyakarta: ANDI Yogyakarta, 2015), 4-25.

<sup>26</sup> Elisabeth Lia Riani Kore and Dina Fitri Septarini, "Analisis Kinerja Usaha Mikro Kecil Dan Menengah

(UMKM) (Studi Kasus Pada UMKM Sektor Industri Kecil Formal Di Kabupaten Merauke)," *Jurnal Ilmu Ekonomi & Sosial* 9, no. 1 (2018): 22-37.

sustainability of MSMEs. Moreover, the study delves into the effectiveness of financing products as a pivotal measure of success, examining indicators like the increase of business assets, elevated sales turnover, augmented operating income, and improved business stability.

Collectively, these indicators contribute to evaluating the tangible outcomes and achievements aligned with predetermined objectives, shedding light on the impact of financing on various facets of MSME operations. The study employs the Normality Test and the Wilcoxon Signed Rank Test as non-parametric statistical techniques. The choice of the Wilcoxon rank test is justified by its suitability for data derived from the same number of respondents and related to different observation periods – specifically, before and after obtaining financing from BMTs throughout Banyumas Regency for MSMEs that are members.

This approach allows for robust conclusions irrespective of the shape of the population distribution, emphasizing the significance of the study in providing insights into the efficacy of financing interventions on MSMEs within the specified context.

#### 4. RESULT AND DISCUSSION

SME owners, on the whole, believe that after receiving business financing, their businesses grow. The results from a sample of 150 SME owners indicate that not all business development indicators can be considered as having grown.

#### 4.1. Differences in Business Capital After Obtaining Musyarakah Financing from BMT in Banyumas Regency.

Table 1. Result of Business Capital

	After Business Capital - Before Business Capital
Z	-7.753 <sup>b</sup>
Asymp. Sig. (2-tailed)	.000

Source: Data Processing Results

Based on the results of data analysis using the Wilcoxon sign rank test, it shows that all respondents who are sampled have a higher capital value after financing than the capital value before financing. From the different tests conducted for the venture capital variable, it is known that the Z value obtained is -7,753 with a *p-value* (Asymp. Sig 2 tailed) of 0.000, which is less than the critical research limit of 0.05, which means **Ho is rejected**. Thus, it can be concluded that there is a significant difference in MSME business capital before and after obtaining financing from BMT. This research is in line with Afrianti's research.<sup>27 28</sup> This found that the provision of financing by BMT has a significant effect on changes in the value of the initial capital and final capital of MSME actors. Capital has an important role in creating profits, so high capital growth will improve company performance. The financial ability to carry out business operations to produce goods and services is highly dependent on the business capital owned by MSME actors, and this is the reason why MSME actors develop the businesses they run.<sup>29</sup>

<sup>27</sup> Nonie Afrianty, 'Perkembangan Usaha Mikro Sebelum Dan Sesudah Memperoleh Pembiayaan Murabahah Dari BMT Kota Mandiri Bengkulu', *Jurnal Baabu Al-Ilmi* 3, no. 1 (2018): 125-36, <https://doi.org/10.29300/ba.v3i1.1477>.

<sup>28</sup> Taghizadeh-Hesary, Monzur Hossaina, and Naoyuki Yoshinob Farhad, 'Optimal Branching Strategy, Local Financial Development, and SMEs' Performance,' *Economic Modelling* 96, no. March 2021 (2021): 421-32.

<sup>29</sup> Kore and Septarini, "Analisis Kinerja Usaha Mikro Kecil Dan Menengah (UMKM) (Studi Kasus Pada

BMT lends its funds to MSME actors through musyarakah financing, which is used for working capital financing. As a financial intermediary institution, namely collecting funds from the public and channeling them back to the community, especially for entrepreneurs. Productive capital is expected to be able to help small entrepreneurs increase their income by providing capital loans.

#### 4.2. Differences in Sales Turnover After Obtaining Musyarakah Financing from BMT in Banyumas Regency

Table 2. Result of Sales Turnover

	After Sales Turnover – Before Sales Turnover
Z	-9.878 <sup>b</sup>
Asymp. Sig. (2-tailed)	.000

Source: Data Processing Results

The results of the statistical analysis carried out in the Wilcoxon sign rank test formula show that all respondents who are sampled have a sales turnover value after financing that is higher than the sales turnover value before financing. From the different tests carried out for the business sales turnover variable, it is known that the Z value obtained is -9.878 with a p-value (Asymp. Sig 2 tailed) of 0.000, which is less than the critical research limit of 0.05, which means **Ho is rejected**. Thus, it can be concluded that there is a significant difference in the sales turnover of MSMEs between before and after obtaining financing from BMT.

This research is in line with the research of Nurul ichsan<sup>30</sup> States that the provision of financing by BMT has a

significant effect on changes in the sales turnover value of MSME actors.

#### 4.3. Differences in Profits After Obtaining Financing from BMT in Banyumas

Table 3. Result of Profits

	Profit_after – Profit_before
Z	-7.738 <sup>b</sup>
Asymp. Sig. (2-tailed)	.000

Source: Data Processing Results

The results of the statistical analysis carried out in the Wilcoxon sign rank test formula show that all respondents who are sampled have a profit value after financing that is higher than the profit value before financing. From the different tests conducted for the profit variable, it is known that the Z value obtained is -7,738 with a p-value (Asymp. Sig 2 tailed) of 0.000, which is less than the critical research limit of 0.05, which means **Ho is rejected**. Thus, it can be concluded that there is a significant difference in MSME profits between before and after obtaining financing from BMT.

This research is in line with Musdiana's research.<sup>31</sup> States that the provision of financing by BMT can increase the profits of MSME actors. Every business activity aims to obtain maximum profit in order to maintain its business continuity. Profit is often used as a measure of the performance of a business. Therefore, high profit growth reflects that the company's performance is getting better. Profit growth is measured by the percentage

UMKM Sektor Industri Kecil Formal Di Kabupaten Merauke)."

<sup>30</sup> Nurul Ichsan and Husnu Sulukiah Shafriyani, 'Faktor-Faktor Yang Mempengaruhi Peningkatan Pendapatan Usaha Mikro (Studi Pada Nasabah BMT As-

Salam)', *Jurnal Ilmiah Ekonomi Islam* 5, no. 01 (2019): 73, <https://doi.org/10.29040/jiei.v5i01.464>.

<sup>31</sup> Musdiana And Herianingrum, "Efektivitas Pembiayaan Mudharabah Dalam Meningkatkan Kinerja Umkm (Studi Kasus Pada BMT Nurul Jannah Gresik)."

change in profit for the current period with the previous period.<sup>32</sup>

4.4. *Difference in Number of Customers After Obtaining Musyarakah Financing from BMT in Banyumas Regency.*

Table 4. Result of Number of Customers

	Number of Customers After - Number of Customers Before
Z	-7.750 <sup>b</sup>
Asymp. Sig. (2-tailed)	.000

Source: Data Processing Results

The results of the statistical analysis carried out in the Wilcoxon sign rank test formula show that all respondents who are sampled have fewer customers after financing than the number of customers before financing. From the different tests conducted for the variable number of customers, it is known that the Z value obtained is -7,750 with a *p-value* (Asymp. Sig 2 tailed) of 0.000, which is more than the critical research limit of 0.05, which means **Ho is rejected**. Thus, there is a significant difference in the number of MSME workers between before and after obtaining financing from BMT.

This research is in line with the Vienna research.<sup>33</sup> Which states that the provision of financing by BMT significantly affects changes in the number of customers of MSME actors. Sudaryono<sup>34</sup> States that customers are people who directly utilize, use, and submit requests for goods or services offered by organizations or companies. In this case, the number of customers in question are those who buy products from

these MSMEs. An increase in customers occurs when the goods offered by MSME actors are increasingly varied so that customers can buy their needs only in one shop/business of MSME actors, which can prevent customers from buying from other stores.

4.5. *Differences in the Number of Workers After Obtaining Musyarakah Financing from BMT in Banyumas Regency*

Table 5. The result of the Number of Workers

	TotalLabor_After - TotalLabor_Before
Z	-2.972 <sup>b</sup>
Asymp. Sig. (2-tailed)	.003

Source: Data Processing Results

The results of the statistical analysis carried out in the Wilcoxon sign rank test formula indicate that 75 respondents who were sampled had the same value or did not experience an increase in the number of workers before and after receiving financing. Meanwhile, the other 75 respondents were found to have an increased number of workers. From the different tests carried out for the variable number of workers, it is known that the Z value obtained is -2.972<sup>b</sup> with a *p-value* (Asymp. Sig 2 tailed) of 0.004, which is more than the critical research limit of 0.05, which means **Ha is rejected**. Thus, there is no significant difference in the number of MSME workers between before and after obtaining financing from BMT.

This result is in line with Siti Barokah's research.<sup>35</sup> This shows that the

<sup>32</sup> Kore and Septarini, "Analisis Kinerja Usaha Mikro Kecil Dan Menengah (UMKM) (Studi Kasus Pada UMKM Sektor Industri Kecil Formal Di Kabupaten Merauke)."

<sup>33</sup> Saparingga, Nurhasanah, and Nurhayati, "Analisis Perbandingan Tingkat Perkembangan Usaha Mikro Kecil Menengah Sebelum Dan Sesudah

Mendapatkan Fasilitas Pembiayaan Mikro (Studi Kasus Di BRI Syariah KCP Kopo Bandung)."

<sup>34</sup> Sudaryono, *Pengantar Bisnis Teori Dan Contoh Kasus*.

<sup>35</sup> Siti Barokah and Ayu Noviani Hanum, 'Analisis Persepsi Nasabah Dan Perkembangan Umkm Setelah Memperoleh Pembiayaan Mudharabah (Studi Kasus

provision of financing to MSME actors will provide a positive difference in the use of labor. However, the results of the study in terms of the number of workers show that half of the MSMEs do not increase the number of workers or tend to remain. This is because SMEs do not really need additional manpower. All work can still be done by themselves.

#### 4.6. Difference in Number of Workers Banyumas Regency

Table 6. The result of the Number of Items

	Number of items after – Number of items before
Z	-6.523 <sup>b</sup>
Asymp. Sig. (2-tailed)	.000

Source: Data Processing Results

Calculation shows the obtained Z value is -6.523 with a p-value (Asymp. Sig 2-tailed) of 0.000, which is less than the critical limit of the study at 0.05. The calculated Z value of  $-6.523 < -1.96$ . Thus, the decision for the hypothesis is to accept  $H_a$ , indicating that there is a significant difference between the number of different types of goods before and after obtaining financing from BMT.

The conclusion is that the effectiveness of providing financing from BMT can be shown from the negative and positive ranks. The first indicator, Negative Ranks, indicates the absence (0) of MSME actors who have smaller capital after receiving financing from BMT compared to capital before financing. Positive Rank shows that all (150) MSME actors have greater capital after receiving financing from BMT. This means that the provision of

financing from BMT can effectively increase the capital of the business.

The second indicator, Negative Ranks, indicates that 3 MSMEs have a smaller turnover after receiving financing from BMT. Positive Rank shows that a total of 147 businesses have experienced increased turnover after receiving financing from BMT. This means that the provision of financing from BMT can effectively increase the turnover of the business. Therefore, there is a need to increase financing provision to boost revenue. In this case, the Government can intervene by issuing policies aimed at facilitating access to funds for SMEs <sup>36</sup>.

The third indicator, Negative Ranks, indicates that there are two businesses that have smaller profits after getting financing from BMT. Positive Rank shows that there are 148 businesses that get greater profits after getting financing from BMT. This means that the provision of financing from BMT can effectively increase the profits of the business. Because of the increase in capital, it will increase turnover and profits. SMEs should be able to optimize the additional capital to enhance their business productivity.

The fourth indicator, Negative Ranks, indicates there is one business that has fewer customers after getting financing. Positive Rank shows that there are 148 businesses that have increased the number of customers after obtaining financing. Then, with a value of ties 1, it shows that there is one business whose number of customers remains after getting financing. This means that the provision of financing

BPRS Binama Kota Semarang),<sup>1</sup> *Maksimum* 3, no. 2 (2016): 34, <https://doi.org/10.26714/mki.3.2.2013.34-41>; Bing Xua et al., 'Support for Micro and Small Enterprises: Economic Benefit or Social Responsibility?', *Journal of Business Research Financial* 115, no. July 2020 (2020): 266-71, <https://doi.org/10.1016/j.jbusres.2020.01.071>.

<sup>36</sup> G.R. Rajalakshmi, G. Rajamani, and Mary, 'Rural Entrepreneurship: A Study on Internal Environmental Factors Influencing the Business Performance of Rural Micro, Small and Medium Enterprises (Msmes) in Coimbatore District.'

is quite effective in increasing the number of customers.

The last indicator, Negative Ranks, indicates that there are no businesses that have a smaller number of workers after receiving financing from BMT. Positive Rank shows that there are 75 businesses that have an increase in the number of workers after receiving financing from BMT. Meanwhile, Ties shows that there are 75 businesses that have the same number of workers before and after receiving financing from BMT. This means that the provision of financing is not effective enough in increasing the number of workers in a business.

According to the research by Wina Saparingga<sup>37</sup>, which suggests that the provision of financing by BMT has a significant impact on the changes in the number of types of goods owned by SME operators. Basuki Pujoalwanto states that goods are tangible products, observable, touchable, held, and subjected to physical interaction. In this case, the goods used as indicators in the study are consumer goods, items that can be directly used and consumed by individuals. The research results indicate that the majority of SMEs use additional capital from financing to increase their inventory of goods, while others use the capital from financing to improve the facilities and infrastructure of their SMEs. All of these efforts are undertaken as a means of developing their businesses.

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<sup>37</sup> Saparingga, Nurhasanah, and Nurhayati, "Analisis Perbandingan Tingkat Perkembangan Usaha Mikro Kecil Menengah Sebelum Dan Sesudah Mendapatkan Fasilitas Pembiayaan Mikro (Studi Kasus Di BRISyariah Kcp Kopo Bandung)."

## 5. CONCLUSIONS

The results of data analysis show that there is a significant difference between before and after the provision of financing on indicators of capital, sales turnover, income/profit, number of customers, and number of workers. The Wilcoxon Signed Rank Test shows that the provision of financing is considered effective on the indicators of capital, sales turnover, and profits because it has given positive results after the provision of financing. Meanwhile, the number of customers and the number of workers are considered less effective because the results of the analysis show that half of the sample shows no increase in the number of workers after being given financing.

The implication of this research is that financing from BMT to SMEs is effective, as evidenced by the positive differences in capital, sales turnover, and profit indicators. Therefore, increasing the amount of financing can enhance capital, sales turnover, and profit.

Therefore, increasing the provision of financing can enhance capital, sales turnover, and profit. However, it is not effective in increasing the number of employees. This aligns with the issues faced by SMEs related to fund access.<sup>38 39</sup>. Hence, there is a need for government support in terms of policies to broaden access to financing for SMEs.

This study has limitations in its analysis technique, as it only examines its effectiveness. Therefore, it is only capable

<sup>38</sup> Biswas, Srivastava, and Kumar, 'A Study of the Factors Influencing the Financing Gap for the MSME Sector.'

<sup>39</sup> K. Rajamani et al., 'Access to Finance: Challenges Faced by Micro, Small, and Medium Enterprises in India,' *Engineering Economics* 33, no. 1 (2022): 73-85, <https://doi.org/10.5755/j01.ee.33.1.27998>.

of observing positive or negative directions. Thus, it is unable to demonstrate the extent of the impact of providing financing for SMEs.

Therefore, for further research, the extent to which the influence of providing financing can be examined could be investigated, along with the addition of financial literacy indicators and financial inclusion.

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