

Synergy between BMT and Cooperatives: A Sharia Financial Assistance Model to Increase the Business Scale of Ibu-Ibu PKK in Gintung Village, Sukadiri District

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INDEXING	ABSTRACT
<p>Keywords: Keyword 1; BMT sharia economy Keyword 2; Sharia Cooperative Keyword 3; Women's Empowerment Keyword 4; Financial Literacy Keyword 5; Micro Enterprises</p>	<p>This research and community program emerged in response to limited access to Sharia-based capital and low financial literacy among PKK women, who are the backbone of the family economy and the main actors in micro-enterprises in the village. This program was conducted through a participatory seminar, which was systematically and interactively designed. Activities included presentations of Sharia economics and finance materials by experts, group discussions based on participants' focus problems, case studies of successful BMTs and Sharia Cooperatives, and a question-and-answer session. The results of the activity showed a 70–80% increase in participants' understanding of Islamic financial principles, particularly in business financial management, the separation of family and business finances, and an introduction to Islamic contracts such as murabahah and mudharabah. Group discussions generated concrete ideas that can be immediately implemented to strengthen micro-enterprises and increase the scale of family economies. In conclusion, this seminar demonstrated that a participatory approach through interactive education and case study discussions can effectively improve Islamic financial literacy. This activity also empowered the PKK women of Gintung Village, provided practical insights for business development, and served as a model of community service that can be replicated in other villages with similar characteristics.</p>

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INTRODUCTION

Sharia economics exists not only as an alternative to conventional economic systems, but also as a paradigm that offers justice, sustainability, and inclusive prosperity (Abdillah and Bhaidowi, 2025). Its fundamental principles, which prohibit riba (interest), gharar (excessive uncertainty), and maysir (gambling), and encourage fair and real-asset-based transactions, make it an ideal framework for building economic resilience, particularly at the grassroots level (Yunilhamri, 2015). In the context of Indonesia, where the majority of the population is Muslim, the sharia economy has enormous potential to contribute not only to national growth but also to equitable development and poverty alleviation (Amsari *et al*, 2024).

However, this enormous potential has not been fully realized, particularly in rural areas. Gintung Village in Sukadiri District, Tangerang Regency, is a miniature example of this reality. Although inhabited by a community that religiously adheres to Islamic values, their access to financial institutions and products aligned with their beliefs

remains very limited. The majority of micro-entrepreneurs, who in this case are predominantly women members of the Family Welfare Empowerment Program (PKK) and Integrated Service Posts (Posyandu), remain trapped in two disadvantageous choices: first, relying on their own limited capital, which hinders business growth; or second, borrowing from informal sources that often charge high and burdensome interest rates, a practice that clearly violates sharia principles, as well as explained by Evana *et al* (2024).

The PKK (Family Welfare Movement) and Posyandu (Integrated Service Post) women in Gintung Village are the backbone of their families' economies. They run various micro-enterprises, from culinary businesses and handicrafts to small-scale agricultural cultivation. Despite their entrepreneurial spirit, they face a number of complex structural obstacles. First, capital constraints. Formal financial institutions such as banks often view micro-enterprises as a high-risk sector with high transaction costs. Meanwhile, Islamic banks, while aligned in principle, have not yet fully reached this segment with easy and affordable products (Andespa *et al*, 2024). Second, financial literacy constraints. Understanding how to manage business finances, separate family and business finances, and familiarity with Islamic financial products remains very limited. Third, institutional constraints. They operate individually without a strong platform that can facilitate access to capital, marketing, and capacity building.

On the other hand, two Islamic financial institutions specifically designed to address this issue, namely Baitul Maal wat Tamwil (BMT) and the Sharia Cooperative, often operate independently and have not optimally empowered communities like those in Gintung Village. BMT, with its dual function, as a baitul maal (social fund house) that manages zakat, infaq, and shadaqah, and as a baitut tamwil (wealth development house) that conducts business and financing activities has flexibility and closeness to the community (Amalia, 2022). However, BMTs often face challenges in terms of professional management and scalability (Siraj *et al*, 2021).

Therefore, this community service program aims to address this gap. The program goes beyond theoretical training, but is committed to in-depth and participatory mentoring until a viable Islamic financial institution is established, managed by and for the Gintung Village community. The focus on empowering women from the Family Welfare Movement (PKK) and Integrated Health Service Posts (Posyandu) was chosen because they are the agents of change who best understand the dynamics of their families and communities. Empowering them means empowering the entire family and, ultimately, building the village's overall economic resilience.

Based on the background outlined above, this community service program is a concrete response to the challenges faced by the women's groups in the Family Welfare Movement (PKK) and the Integrated Health Post (Posyandu) in Gintung Village. The program's primary focus is to create sustainable solutions through the establishment of a sharia-compliant financial institution that integrates the concepts of Baitul Maal wat Tamwil (BMT) and Sharia Cooperatives. This hybrid approach was chosen to combine the operational flexibility of BMTs with the institutional strength of Sharia Cooperatives, thereby providing access to capital in accordance with Sharia principles while simultaneously building independent and professional economic institutions. The program is designed to be not only theoretical but also involves intensive and participatory mentoring until the institution is established and managed independently by the community.

The problem formulation in this program covers three main aspects: the level of community understanding of Islamic finance before the intervention, an effective mentoring model for establishing a hybrid BMT-Sharia Cooperative institution, and the impact of this institution on increasing the scale of micro-enterprises. These three aspects are interrelated and serve as the foundation for achieving the objectives of the service, which are not only limited to increasing Islamic financial literacy but also include establishing operational Islamic financial institutions and increasing the scale of micro-enterprises through productive financing. Furthermore, this program aims to create an empowerment model that can be replicated in other villages with similar characteristics.

The benefits of this program are expected to be felt by various parties, from PKK and Posyandu mothers as direct beneficiaries, to institutional managers, village governments, academics, and those involved in the development of the national sharia economy. For PKK and Posyandu mothers, this program provides access to halal capital, increased financial management capacity, and institutional strengthening. For institutional managers, this program provides technical assistance in professional sharia financial management. For village governments, the presence of this institution can be a strategic partner in poverty alleviation and economic empowerment programs. For academics, this program provides a practical contribution to the implementation of sharia economics at the grassroots level, while for the development of the national sharia economy, this program provides empirical evidence of the effectiveness of sharia principles in creating economic justice.

The program's targeted outcomes include increasing Islamic financial literacy by at least 70%, establishing a legitimate Islamic financial institution, training administrators, developing standard operating procedures (SOPs), disbursing financing to at least 10 micro-enterprises, publishing articles in accredited journals, and producing documentary videos. These outcomes are not only short-term but also designed to ensure the program's sustainability after the mentoring program ends. With these achievements, the program is expected to become a successful example of community-based economic empowerment that prioritizes Islamic principles.

LITERATURE REVIEW

Sharia cooperatives, with their clearly defined legal status and more formal structure, possess the strengths of a sustainable institution. However, they often lack the agility and personal approach of BMTs. Synergy between the two is believed to create a powerful hybrid institutional model: combining the flexibility, community values, and spiritual approach of BMTs with the structural strength, legality, and professionalism of Sharia cooperatives, as well as described by Devi (2020), and also Wartoyo (2024).

This synergistic model is expected to become a new engine of growth. Through BMT, social funds (zakat, infaq, shadaqah) can be collected from more affluent communities and then distributed as revolving capital or assistance to mustahik (zakat recipients) who are cooperative members (Adawiyah and Masse, 2024). Meanwhile, through the Sharia Cooperative function, savings from members can be collected and distributed as productive financing through sharia-compliant contracts such as mudharabah (profit sharing) and murabahah (margin-based buying and selling). This approach not only solves capital problems but also builds a mutually supportive and equitable economic ecosystem (Zahara *et al*, 2023).

RESEARCH METHOD

This research and community activity used a participatory seminar approach, designed to be systematic, interactive, and empowering, as well as explained by Röger-Offergeld *et al* (2023). This approach was chosen so that participants not only passively receive information but also actively participate in exploring, discussing, and formulating solutions to the problems they face in the context of Islamic economics.

The event began with a presentation session by Islamic economics experts and practitioners of Islamic financial institutions (BMTs) and Islamic cooperatives. The material covered the basic principles of Islamic finance, various types of contracts and financing mechanisms that comply with Islamic law, the role of BMTs and Islamic cooperatives in improving community welfare, and case studies of successful implementation in other communities. The presentations were not only theoretical but also included concrete examples, graphs, and field experiences so that participants could understand the relevance of the practices to their real-world situations.

Following the presentations, the workshop continued with group workshops, where participants were divided based on the challenges they faced, such as capital, institutional issues, and marketing. Each group was tasked with discussing their specific needs, analyzing the challenges they faced, and formulating a concrete action plan that could be implemented immediately. In these workshops, facilitators acted as mentors and discussion guides to ensure participants remained focused and that the outcomes of the discussions could be used as a basis for concrete action.

The entire activity process was supported by evaluation tools, including pre- and post-tests, to measure participants' understanding of Islamic economic principles and the management of Islamic BMTs/cooperatives. Additionally, observation sheets were used to record participant participation dynamics, including levels of activity, interactions between participants, and responses to case studies and group discussions. This data served as the basis for evaluating the effectiveness of the method and determining aspects that needed to be strengthened in subsequent activities.

To ensure the program's sustainability, a working group or community forum will be formed after the seminar, consisting of representatives from the most enthusiastic participants and those with the potential to lead the implementation of the action plan. This group will receive regular support from the community service team, including technical mentoring, management capacity building, and evaluation of implementation progress. This mechanism ensures the program doesn't stop at the seminar but becomes part of a long-term community empowerment effort, enabling the potential for local sharia economic development to be realized.

This participatory and sustainable approach is expected to not only increase participants' understanding of Islamic economics, but also build practical skills, collaborative networks, and community independence in managing Islamic-based finances, so that the benefits of the activity can be felt sustainably and have a broad impact on community welfare.

RESULT AND DISCUSSION

This research and community program is designed to address the problem of low Islamic financial literacy and limited access to Islamic-compliant financial institutions at the village level. The program utilizes the Participatory Action Research (PAR) method,

enabling participants not only to receive material but also to participate in planning, decision-making, and hands-on practice in managing Islamic financial institutions. This approach is effective because it fosters a sense of belonging while enhancing individual and collective capacity. The results demonstrate significant progress in knowledge, institutional development, and the implementation of productive financing. Furthermore, the program fosters the confidence of PKK women in managing businesses, strengthens social solidarity, and creates a sustainable Islamic-based community economic model.

The results of the implementation of these activities can be seen in the following important achievements: increased Islamic financial literacy, the establishment of a hybrid financial institution, "BMT-Koperasi Syariah Sejahtera," and the distribution of productive financing that has had a significant impact on improving members' businesses. This process involved stages of socialization, training, deliberation, and administrative assistance, ultimately resulting in an institution that can be managed independently. With a participatory approach, these activities yielded more comprehensive results because they encompassed the dimensions of knowledge, skills, and attitude.

Improving Islamic Financial Literacy and Understanding

The activity began with a pre-test to measure the 35 participants' initial understanding of the basic principles of Islamic economics, contracts, and the institutions of Islamic BMTs/Cooperatives. The pre-test results showed an average score of 42.5%, indicating relatively low levels of understanding. After participating in a series of outreach programs, intensive training, and mentoring, the post-test showed a significant improvement, with an average score of 86.4%, representing a 43.9% increase. This improvement reflects the effectiveness of the participatory learning method used in the program.

a. Understanding the Basic Principles of Islamic Economics

Participants were able to understand the concepts of usury, gharar, and what is permissible and what is forbidden. Previously, they were only familiar with the terms without being able to relate them to practice. Now, they can identify prohibited transactions (e.g., high-interest loans or hidden gambling practices) and distinguish them from permissible transactions. This understanding is a crucial foundation for maintaining the success of their business.

b. Introduction to Types of Shariah Contracts

Participants learned about various contracts, such as murabahah, mudharabah, musyarakah, ijarah, and qardhul hasan. They not only learned about them but also understood how each contract applies to the business world. For example, murabahah is used for purchasing raw materials, mudharabah for business partnerships, and musyarakah for joint capital.

c. Understanding Islamic Financial Institutions

Participants recognized that the institutional function of BMTs and Islamic cooperatives extends beyond simply lending money, but also as a means of building social solidarity, providing access to halal capital, and strengthening the local economy. Thus, participants viewed Islamic institutions as instruments of empowerment, not just financing.

d. Basic Financial Management

Participants will be able to manage simple finances by recording cash inflows and outflows, calculating capital, and even simple profit and loss reports. These skills

will help them separate business and household finances, resulting in a more organized, healthy, and transparent business. More details have been presented in the following table:

Table 1. Comparison of Pre-test and Post-test Results of Understanding Islamic Finance

Aspek penilaian	Pre-test(%)	Pos-test (%)	Peningkatan
Basic principles (riba, gharar, halal , haram)	38.2	88.7	50.5
Types of contracts	35.1	82.3	47.2
Institutions	40.1	83.5	43.4
Basic financial management	56.5	91.2	34.7
AVERAGE	42.5	86.4	43.9

Source : Author (2025)

The data in Table 1 shows consistent improvement across all assessment aspects. The highest improvement was in understanding the basic principles of Islamic economics (50.5%), indicating that participants grasped the basic material very effectively. The lowest improvement was in basic financial management (34.7%), but this was still significant, indicating that participants were beginning to develop practical skills. Overall, these results demonstrate that the Participatory Action Research (PAR)-based method is effective in strengthening Islamic financial literacy across the board.

Obstacles faced

In implementing this seminar-based community service activity, there were a number of obstacles that were quite significant and had an impact on achieving the objectives.

- a. **Limitations of Islamic Financial Literacy**
Most participants, including women from the Family Welfare Program (PKK) and Integrated Health Posts (Posyandu), had limited understanding of Islamic economic principles, business financial management, and Islamic contracts such as murabahah and mudharabah. This requires a simpler, more interactive, and example-based approach to explanations to facilitate understanding.
- b. **Limited Capital and Access to Financial Institutions**
Participants face challenges in obtaining Sharia-compliant business capital. Formal financial institutions often view micro-enterprises as high-risk, while Sharia-compliant institutions such as BMTs and cooperatives have not yet optimally reached this segment.
- c. **Institutional and Coordination Constraints**
Participating micro-businesses operate individually without a strong platform. Furthermore, the synergy between BMTs and Sharia Cooperatives, the primary model, is not yet fully understood, requiring additional support to facilitate communication and coordination.
- d. **Seminar Time Limitations**
Because the activity is a limited-duration seminar, the time for discussion, practice, and in-depth study of the material is relatively short. This impacts participants' ability to optimally absorb all the material.

e. Varying Levels of Participation and Motivation

Not all participants actively participate in group discussions or Q&A sessions; some simply listen. This requires facilitation strategies that can increase participant engagement to maximize the discussion's output.

The dialogue facilitated in this community service program has proven to be an effective strategy for instilling the value of religious moderation. This approach aligns with studies that suggest dialogue based on trust and a safe space can reduce the tendency toward exclusivism among adolescents. Furthermore, the students' success in constructing narratives about diversity demonstrates Gen Z's significant potential as drivers of value change in a pluralistic society.

Follow-up plan

To ensure the sustainability of the program, systematic and ongoing follow-up is required. Strengthening Islamic financial institutions at the village level is not limited to the initial stage; they require ongoing support to ensure they are able to address the social and economic dynamics of the community. Therefore, the follow-up plan focuses on improving the capacity of administrators, developing partnership networks, and innovating savings products tailored to members' needs. This approach is expected to not only strengthen the institutional structure but also foster a culture of savings, expand access to financing, and sustainably improve family welfare.

- a. Provide follow-up assistance for at least 6 months to strengthen the institution.
Continued mentoring is crucial to ensure that administrators and members are truly capable of running the institution's operations independently. Over a minimum period of six months, mentoring activities can cover aspects of administration, simple accounting, risk management, and problem-solving that arise in daily practice. With ongoing mentoring, the institution will not merely exist on paper but will be able to function in real, sustainable ways.
- b. Conduct simple digital literacy training for administrators and members.
In the digital era, the management of Islamic financial institutions needs to be directed towards the use of simple, technology-based applications. Digital literacy training will help administrators and members master basic skills such as digital record-keeping, the use of simple accounting applications, and online communication for coordination. This step will improve administrative efficiency, minimize manual errors, and strengthen the institution's transparency and accountability.
- c. Establish strategic partnerships with village governments, Islamic banks, and Islamic philanthropic institutions.
Partnerships are key to program sustainability. Village governments can support institutions through policies and facilitation, while Islamic banks act as strategic partners in providing greater access to capital. Furthermore, Islamic philanthropic institutions such as BAZNAS and LAZISNU can provide sources of zakat, infaq, and productive alms to strengthen institutional capital. With extensive networks, institutions will not operate in isolation but will instead become part of a larger Islamic economic ecosystem.
- d. Develop voluntary savings products and children's education savings programs to increase savings awareness.

Innovative savings products can encourage a culture of saving among members. Voluntary savings offer flexibility, while child education savings programs have high social value because they are oriented toward the family's future. With these savings products, members are not only encouraged to set aside a portion of their income but also begin to instill financial awareness in their families from an early age. This aligns with the long-term goal of Sharia-based economic empowerment, namely the creation of independence and sustainable prosperity.



Figure 1. Joint Commitment in the Form of Mentoring
Source : Author (2025)

CONCLUSION

The implementation of a community service program to improve Islamic financial literacy in the Gintung Village community has had a positive impact. Pre- and post-test results showed an increase in understanding across all measured aspects, from basic understanding of Islamic finance, awareness of the differences between conventional and Islamic systems, to the application of Islamic principles in daily life. This confirms that simple, targeted, and contextual education can improve the community's insight, particularly among PKK mothers and Posyandu cadres, in managing family finances more wisely in accordance with Islamic principles. This program is expected to be the first step in building sharia-based economic independence in the village environment, as well as being an example of good practice that can be continued sustainably by the local community with the support of the village government.

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