

DECONSTRUCTION OF SHARIA BANKING TO PROMOTE INNER BUSINESS EMPLOYMENT SECTOR

Muhlis

muhlismasin@gmail.com

Islamic Banking Departement
Islamic Economic and Business Faculty
Universitas Islam Negeri Alauddin Makassar

ABSTRACT

The purpose of this paper is to determine the deconstruction of the role Islamic banks in the SMEs sector in order to advance stretching the domino effect on employment. In order to facilitate the systematic writing of this journal using the literature review methodology. The results of this paper's study show that the effort to advance SMEs is very necessary, seeing the potential and role that is very urgent for our nation, especially related to the absorption of labor that is able to contribute the most to the Indonesian national economy. The more moldy effort, the more labor intensive, thus will reduce unemployment which is a major challenge for the country. SMEs must continue to be encouraged with full support from the government. In conducting and developing its business, it is crowded with entrepreneurs who need capital access support in order to maintain the sustainability of their business. The function of Islamic banks for SMEs is very much needed as an intermediary institution that collects public funds and channels them back in the form of financing products with various contracts that are in accordance with the provisions of Islamic law.

Keywords: Sharia Banking, SMEs, Labor

INTRODUCTION

Entering the current era of competition, Indonesia not only requires protection of domestic products but also on the world side of employment. Related to this, the Law regulates manpower, it is understood that manpower is related to labor before, during and after work. Working is a way for humans to gain their dignity and dignity as human beings, although it must always be faced with the reality of limited employment in this country. An important role played by micro, small and medium enterprises (SMEs) is not only to boost the economy of the Indonesian people but also closely related to employment. The state views the importance with the presence of SMEs.

Meanwhile, the economic sector in Indonesia is factually largely supported by the micro small and medium business sector (SMEs). High attention given to the SMEs is nothing but a form of government in supporting the economy of the small people. Moreover, SMEs are able to have a direct impact on people's lives. The role of SMEs is very important in the lives of small communities. As a means of alleviating small communities from poverty, including economic equality of the community, providing income for the country in the form of foreign exchange. At present, Indonesian SMEs are experiencing growth. Its market share is not only locally or nationally, but also even there has reached an international market share.

Able to achieve the stages of national objectives in the 1945 Constitution of the Republic of Indonesia, it can be understood that the state is responsible for seeking and improving welfare so that the right to work and a decent living is a guarantee as well as the constitutional rights of every citizen because working will improve one's welfare.

SMEs are the main market which reaches a 91 percent share, such as certain consumption products such as noodles and cosmetics. The description of the condition of SMEs in Indonesia there are also around 40 million business operators in Indonesia consisting of 39 million micro businesses, 640 thousand small business units, 70 thousand medium business actors and 11 thousand large business actors. Among these micro-enterprises, 39 percent of them are farming and other businesses related to agriculture, including smallholders, tenants and smallholders. Thus it is clear that micro-enterprises are the main dominant business actors in Indonesia and microagriculture is the largest portion. As stated above, SMEs open up job opportunities so that they help the region overcome unemployment. Indonesia's experience so far shows that SMEs and micro businesses provide 97 percent of employment opportunities.

The success of SMEs achieved is also experiencing weaknesses that must be resolved immediately to find the best solution. This can be seen from the weaknesses faced by SME entrepreneurs in enhancing business capacity very complex and includes various indicators which one of the others is interrelated, among others; lack of capital both in number and source, lack of

managerial capability and skills to operate in organizing and limited marketing. Besides things, there is also unfair competition and economic pressure, resulting in a narrow and limited business scope. This concern is based on that Indonesia will survive the Asean Economic Community (AEC) and the free market. When the demand is fulfilled, the SMEs must be able to compete.

THEORETICAL BACKGROUND

SMEs has such great potential, but in reality SMEs still experiences various obstacles. The development of sharia financial institutions in general and Islamic banking in particular has lately shown significant development. Quantitatively, especially bank syariah progressing very promising will prospeknya both national and international level.

In addition, so that SMES can progress and develop, this business group must be viewed and responded to as a pure business group. This means that SMEs can grow and develop must be entirely due to the creativity or innovation of the entrepreneur / owner, not because of being pushed or "forced" to live by various programs or credit schemes or special assistance from the government . This means that if a SMEs dies because of losing competition, the government does not need to force it to revive. In business, this is normal, some people die, they grow, and they even decline.

The function of Islamic banking as an intermediary institution from the community that surplus funds to the people who are deficit, collect and conduct financing. Seeing the function of Islamic banking is very vital in the midst of people who can provide financial solutions. It is special that the financial system is built on the basis of Islamic law which seeks to be liberated from the usury system.

In accordance with Law Number 21 of 2008 concerning Sharia Banking, it is explained that Islamic banks are banks that carry out their business activities based on sharia principles and by type consist of Sharia Commercial Banks and Sharia Financing Banks (Sharia Rural Banks). In carrying out its business activities, Islamic banks can provide financing based on the principle of sharing (*mudarabah*), financing is based on the principle of equity (*Musharaka*), the principle of buying and selling goods with profit (*murābahah*), or the financing of capital goods is based on the principle of rent pure without choice (*ijārah*), or with a choice of transfer of ownership of goods leased from the bank by another party (*ijārah wa iqtina*), *salam* contract, *istisnā* contract ', rent lease that ends with ownership (*ijārah al-muntahiya bi tamlīk*), and others that are not contrary to Islamic principles.

One of the needs that is a big challenge is almost all felt by Small and Medium Enterprises (SMEs) related to capital issues. Especially new businesses that were pioneered were no exception for businesses that had been running to maintain their business conditions. Islamic banking is a win-win solution as a

place for the community to make financing in carrying out their business activities to keep it running and sustainable.

It should be recalled that SMEs are the biggest contributors in providing employment, so that the number of moldy SMEs is increasingly absorbed by workers who become effective moves to reduce unemployment which is a frightening specter as well as a big challenge for a developing nation including Indonesia. Unemployment itself is in accordance with the grouping of several types, one of which is open unemployment, consisting of those who do not have work and find work, those who do not have work and prepare a business, those who do not have work and do not look for work, because they feel impossible get a job, those who already have a job, but haven't started working.

Even so, the development of SMEs still needs to be boosted in order to accelerate the pace of the economy. The government has understood from the beginning the role of SMEs in the economy. The challenge faced is the preparation of employment because the increase in the workforce is so rapid , it also includes the entry of foreign workers. This can be seen from the high unemployment rate in almost all regions. Similarly, Indonesia's unemployment rate among young people is still high compared to countries in the ASEAN region. Thus, the service of SMEs is felt to be very important because this sector is not only a source of livelihood, but also provides employment both directly and indirectly for people with low levels of knowledge and skills.

METHODOLOGY

Library research involves a step-by-step process used in gathering information for this study, for writing, revising, adding additional references, the results of the writing will depend on what is encountered by adjusting the writing plan. Associated with this paper is closely related to the deconstruction of Islamic banking by describing it which serves as a container in providing solutions to SME capital problems through library research. The use of print and reading media is added with data from the Central Statistics Agency (BPS).

RESULTS AND DISCUSSION

Topics that are always not inferior to other discussions Work or employment is an important issue in an Indonesian business and economic activity. It is understood that labor is the capital for the movement of development. The number and composition of the workforce will continue to change along with the ongoing demographic situation of the population.

Based on the Labor Force Participation Rate (TPAK), it indicates the size of the economically active working age population in a nation. LFPR is measured as a percentage of the total labor force against the total working age population. This indicator shows the relative size of the labor supply (labor supply) were available to produce goods and services in an economy.

Continued increase in population rate if not properly managed will result in a workforce that will not be balanced with the availability of employment, fewer jobs are fostered, competition is getting tougher, technology is increasingly sophisticated with a great deal of human role that will result in a lot of unemployment. The concept of unemployment explained above is that those who are looking for work, who prepare a business, who do not look for work because they feel it is impossible to get a job and who already have a job but have not started working and at the same time they are not working. The unemployed are usually referred to as open unemployment.

Small and medium micro enterprises play an important role in the supply and absorption of labor, so the government always strives to encourage the community to conduct business activities. Some people who experience problems or lack of funds can be facilitated through Islamic banking financial institutions. Maneuvers of financial institutions related to Islamic banking in maximizing small and medium micro enterprises (SMEs), to accommodate the needs of funding and fostering small businesses. Examined deeper will find a variety of circumstances in the community will need funds, especially for business actors in conducting business activities to start or increase capital, can apply for loan assistance as an injection of their capital by proposing to Islamic banking.

Sharia banking is needed by the community concerned through the provision of capital funds for business development needs that are being carried out. Funding as a source of Islamic bank funds comes from the community itself. Most of the people who have money prefer to do keep the proceeds in the bank, especially with security reasons.

Funds from the community by the bank are processed as savings products. It is the community savings that are then channeled as a form of funding to the community in need for both productive and consumptive needs. The provision of this funding must also be carried out so that there is a turnaround of funds which must be returned to the people who invest it.

CONCLUSION

Indonesian state including developing country category, the Government to pay more attention to the role of SMEs to reduce the unemployment rate. must continue to strive to grow the economy by still having to be supported by the availability of workers who have education and skills. Thus it is very important for us to increase the number of jobs to accommodate the increasing number of workers from year to year, the role of Micro, Small and Medium Enterprises (SMEs) is one solution.

The expertise possessed by SMEs with the ability to produce goods and services will significantly increase which can be developed for developing and

advanced businesses. The government must always also conduct a training forum for the people who want to work to suit the needs of a company so that they can absorb the workforce well. As explained above, SMEs often experience business congestion due to working capital, so Islamic banking is very much needed to be able to facilitate funding.

FURTHER STUDY

Through this article, it is expected to be able to provide input and reference material to discuss Small and Medium Enterprises (SMEs) that can make a major contribution in employment, seeing that SMEs still often face capital difficulties, thus Sharia Banks need a role to support the provision of financing through sharia contracts in accordance with Islamic advice. This paper with all its limitations and shortcomings, it is recommended for the next writer to do the mix method, through quantitative and qualitative assessment of the data in order to obtain maximum results.

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