

Mudarabah Application In Shariah Public Financing Bank Karya Mugi Sentosa Surabaya

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Abstract: *The purpose of this study is to analyze the operational of mudharabah contract in BPR Sharia in Surabaya, also to analyze the people understanding and experience on the operational of mudharabah contract. The method applied in this study is qualitative method with phenomenological approach that underlined on the essence of social reality and to know what is being existed in a society. The study result shows that the capital owner (shohibul mal) understanding and knowledge which is already explained first about mudharabah contract as they became the customer and their trust on the performance of BPRS KMS, while the understanding and the experience of the entrepreneur (mudharib) follows the rule of RI constitution number 21 year 2008, and also follow the Fatwa of National Sharia Council Number 02/DSN-MUI/IV/2000. As for the advantage of mudharabah saving are; the characteristics are on the Islamic pillars, the profit, the opportunity to invest for the bank and the risk of liquidation is controlled; while the disadvantage of mudharabah saving are the customer can't withdraw their money anytime and the loss is completely paid by the bank.*

Keywords: *Mudharabah contract, BPRS*

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I. Introduction

The religion doctrine about human behaviour is clearly described on the Holy Kitab. Islam through its law's source those are Qur'an and Hadits give the concrete doctrine about how human interact with God and how human interact with others. The rules through Allah's words and the Sunnah of Rasul are not only to be read and understood but also to become the obligation of the human being to apply the religion doctrine on their daily life.

Islam is a comprehensive religion that is concretely arranges things in the world and also in the hereafter. Human being is physically set to manage the world's things yet their mentally is set to manage the hereafter things. World and the hereafter life are the two things which can't be separated in human life, it means that all human activities should be based on the world and the hereafter paradigm. The awareness of these responsibilities create the wise human being.

The interaction between human being that is intended to worship to Allah reflected in muamalah field. As said by shihab (2007) the activities between human including the activities in economy field known by the ulama as the muamalah which means interaction. People manner and attitude in economics should be based on the islamic rules and avoid the activities that forbade by the religion, it is mentioned in surah Al-Baqarah verse 188 which means :

" and do not consume one another's wealth unjustly or send it (in bribery) to the rules in order that (they might aid) you (to) consume a portion of the wealth of the people in sin, while you know (it is unlawful)."

There are some syariah principles that underlies the economy activities based on islam, they are: *Mudharabah, Musyarakah, Murabahah, Kafalah, Wakalah, Wadi'ah, Ijarah, qard*, etc.

The fiqh muamalah study becomes the base study in practicing the economy activity, as mentioned in the research result (Arianto, 2012), (Falikhatun, 2014), (Herianingrum, 2013) like in a sharia banking, operationally the sharia banking usually applies mudarabah both to gather the capital from the society and to share the capital to the society (Haidar, 2011)

Along with the time, muamalah practice is developed in sharia monetary institution included Indonesia. The development of sharia banking in indonesia grows fast with the indicator of sharia commercial bank, sharia bussiness unit and sharia financing bank, it is showed by the data described by the statistic of sharia banking below:

Tabel 1: Sharia banking network

Indicator	2013	2014	2015
Sharia Commercial Bank			
- Number of Banks	11	12	12
- Number of Offices	1.998	2.163	1.990
Sharia Bussiness Unit			
- Number of conventional commercial banks having the SBU	23	22	22
- Number of Offices	590	320	311
Sharia Financing Bank			
- Number of Banks	163	163	163
- Number of Offices	402	439	446

The statistic of Sharia Banking ("Statistik Perbankan Syariah-Otoritas Jasa Keuangan," 2015)

The number of BPRS in East Java is increased during 2008 to 2014, in 2008 there are 23 BPRS, in 2009 there are 25 BPRS, in 2010 there are 29 BPRS, in 2011 there are 30 BPRS, and in 2012 to June 2014 there are 31 BPRS.

Based on the data, the development of sharia banking is increased year by year, this increasing is expected to give the motivation to Indonesian people who are predominantly Muslims to take the advantages of sharia banking service in all the economy activity, nevertheless there are still some people have the assumption that sharia banking is just a label to attract the Muslim people sympathy, while some others assume that there are no differences between sharia and conventional banking, the only difference is the arabic terms that is used in sharia banking. (Hulam, 2012) those assumptions flourish as the result of lack understanding of Indonesian Muslim people toward the meaning of contract that used in sharia banking.

The understanding on fiqh muamalah among the society is needed to be socialized optimally, such as the understanding of mudharabah theory if it is applied in banking. The lack understanding of Muslim people toward the fiqh terms on sharia banking is revealed by Philip Gerald on his research under the title Islamic Banking: a Study in Singapore with 29 samples of Muslim citizens. His research shows 20.7% know the meaning of *riba*, 31% understand sharia. In Islamic financial context shows no one understand about *murabaha* and only 1 respondent could describes *Ijarah*, *Mudharabah* and *Musharakah*. While among the non-Muslim citizens with 161,0.6% respondents know *riba* and 2% know *sharia*. Yet no one of the respondent knows the Islamic financial context. (Gerrard & Cunningham, 1997).

There are some contracts in fiqh muamalah that is used in sharia banking in Indonesia; they are *wadi'ah* contract and *mudharabah*.

It is also described in sharia banking statistic which is related with the financing composition that given by the Sharia Commercial Bank and Sharia Bussiness Unit in 2014, they are: *mudharabah* contract by 112.288, *salam* contract by 0, *istisna* contract by 588, *Ijarah* contract

by 10.319, *Qard* contract by 8.057, and other contract by 0. However the financing composition that given by sharia public financing bank in 2014 are : *Mudharabah* contract by 117.505, *Musyarakah* contract by 505.405, *Murabahah* contract by 3.857.695, *Salam* contract by 21, *Istisna* contract by 14.910, *Ijarah* contract by 5.156, *Qard* contract by 108.684, and multiservices by 235.956.

BPR Sharia (Sharia Public Financing Bank) is one of legal bank in Indonesia which is applying the sharia system. One of BPR sharia in Surabaya is located on Jl.Margorejo Indah No.70D is BPRS Karya Mugi Sentosa. Operationally, BPRS refers to Constitution Number 10 year 1998 and the regulation of Bank of Indonesia. BPR Sharia built to serve the small and micro scale business. There are some services of BPR sharia: gathering the public capital in form of saving that is based on *wadiah* and *mudharabah* principles. It also gathers

public capital in form of time deposit which is based on *mudarabah* principles. In BPRS Karya Mugi Sentosa known as *Mudarabah Al Mutlaqah* deposit, the deposit by sharing profit system is based on the attribution agreement between the bank and customer that based on the time deposit (1/3/6/12 months) (<http://karyamugisentosa.co.id>) another BPRS service is sharing the capital to the society in term of buying and selling, leasing, sharing profit and benefaction.

Operationally, sharia banking usually use *mudarabah* both in gathering the people's capital and sharing the capital to the people, as mentioned in research result (Asyhari, 2012) (Gianni, 2013), however based on the first data it is mentioned that the low financing in *mudharabah* contract in BPRS Karya Mugi Sentosa, it means that not all banking product in BPRS Karya Mugi Sentosa use *mudarabah* contract. Based on the data above, this article aimed to analyze the operational of *mudharabah* contract in Sharia Public Financing Bank in Surabaya, and also to analyze the people understanding and the experience toward the operational of *mudharabah* contract.

II. Review of Contract in Fiqh Science

The cooperation in a business already existed and practiced in Rasulallah era, Rasulallah trusted by Khadijah to run her bussiness by using the cooperation contract, the contract between the capital owner and the one who run the capital. Khadijah as the capital owner trusted Rasulallah to run her bussiness. This kind of contract, in Fiqh is known as *Mudharabah* contract. *Mudarabah* according to Iska (2012, p.184), etymologically it is derived from Arabic Language *الضرب في الأرض* which means "going for trading bussiness" as Allah says in Surah

Al Muzammil : 20 "others traveling throughout the land seeking [something] of the bounty of Allah"

While *mudarabah* based on cooperation contract term is the cooperation between two parties or more, one party owning the capital in fiqh's term called *Shahibul Mal* while other party as the bussiness doer called *Mudharib*. *Mudarabah* contract in detail described that the contract done between the first party (*Shahibul Mal*) by providing 100% of capital and the other as the bussiness doer (*Mudharib*). However, the sharing profit is based on the both side agreement. If there's a loss which is not because of the fault of the bussiness doer, the capital owner bears it.

The *mudarabah* contract becomes lawful based on the Islamic law, if it full fills some pillars and terms, *Mudarabah* Pillar (Karim, 2011, P.205) they are 1) the doer/capital owner or bussiness doer, *mudarabah* contract happened if there are minimum two doers, those are the *shahibul mal* and the *mudharib*. 2) the object of *mudarabah*/ capital or works, the presence of capital and bussiness is the consequence of a cooperation, *shahibul mal* provides the whole capital while the *mudharib* use the capital to run the bussiness. 3) the agreement from both sides / Ijab-Qabul, the *Shahibul mal* and *mudharib* agreeing the cooperation contract, and 4) the profit ratio, in form of procentage such as 70:30, 60:40 is not stated in a specific nominal value and the profit ratio depended on the *shahibul mal* and *mudharib* agreement.

There are some terms in *mudarabah* contract based on on Iska (2012, p. 187), they are 1) the capital that provided by the *shahibul mal* is in form of cash money, 2) the exact of initial capital and the profit result, 3) the clear contract in term of profit sharing, 4) the implemetation is absolute, the *shahibul mal* does not limit the time about when the *mudharib* will end the bussiness.

On the other hand, *mudarabah* devided into two, they are 1) *mudarabah muthlaqah*, it is the cooperation contract between the *shahibul mal* and the *mudharib* is absolute without a specific limitation on the type of bussiness. And 2) *mudarabah muqayyadah*, is the oppsite type of *mudarabah muthlaqah*, *shahibul mal* limits the type, time and place of bussiness.

The *mudarabah* agreement is invalid if there are some factors, they are: 1) can't fullfilling one of *mudarabah* pillars, 2) the bussiness doer deliberately abandoned the obligations or contradiction with the contract's purpose, as the capital manager they should be responsible if there is a loss because *mudharib* is as the cause of the loss, 3) if the doer or the capital owner died,

the contract is void. This kind of condition as the cause of *mudarabah* contract can't be continued even it is already agreed both the *shahibul mal* and the *mudharib*.

The legal basis of *Mudarabah* contract is Al-Quran and As-Sunnah, as said by National Sharia Council of Islamic Moslem Assembly (Mardani, 2012, P. 204) the legal basis based on Allah's word in Surah An-Nisa Ayah 29, "O believers! Consume not unjustly the property of one another among yourselves except it be a trade by your mutual consent"

The legal basis from al Hadits, as narrated by Ibnu Majah from Shuhaib:

"The Prophet said, there are three things that contain blessings: buying and selling not in cash, mudharaba, and mixing wheat with chaff for household purposes, not for sale"

Mudarabah transaction is being equaled to a *musaqoh* transaction or *muzaraah* that is the doer only responsible on the up keeping as a reward diverse of the harvest ratio. *Mudarabah* transaction is also allowed based on the fiqh's term:

أَتَحْرِيْمُهُ لِي غَ دَلِيْلٌ يَدُلُّ أَنْ إِلاَّ الْإِبَاحَةُ الْمَعَامَلَاتِ فِي الْأَصْلِ

“Basically, muamalah is allowed by the Islamic Shariah as long as there’s no prohibition against it.”

There are some basic rules which allowing the cooperation using mudharabah contract. That rules give the clear solution for the capital owners who don’t have the ability to run the business, they are allowed to cooperate with someone who doesn’t have the capital yet able to run a business.

Some kinds of mudharabah contract are: 1) bilateral or simple mudharabah, that is the contract between the capital owner (shahibul mal) with the business doer (mudharib), the capital owner gives all the capital to the business doer with a sharing profit agreement, such as 40:60, 40% of profit for the shahibul mal and 60% for the mudharib. 2) Multilateral mudharabah that is mudharabah contract between some capital owners with one business doer, the first and the second capital owner give the capital to the mudharib with the sharing profit between those three parties, the sharing profit percentage is like 70:3, 70% shared for the two capital owners. 3) Graded mudharabah (re-mudharabah), this kind of mudharabah happened between shahibul mal and two mudharib. The cooperation is established by the profit sharing agreement such as with the first mudharib for 70:30 and the second mudharib for 60:40. 4) the combination of Musharakah and Mudharabah, that is a contract between shahibul mal and mudharib, the mudharib is given the

opportunity to invest as long as the business process run and the mudharib has the right to get the sharing profit ratio from the invested capital. (Ascarya, 2011, pp. 68-74).

Terms of cooperation by using mudharabah contracts are established by prioritizing the elements of mutual trust, honesty, and willingness between the provider of capital and capital manager. The agreement between shahibul mal and mudharib occurs not because of the element of compulsion, kinship is preferred but it does not mean heeding the rules, terms and conditions already known and mutually agreed upon. For example if there is negligence from the mudharib then the manager must fully bear all forms of loss.

III. The Fiqh Banking

The development of banking shows the positive progress in economy market, the customer’s response upon the banking service is very good, there are two banking types in the society, they are conventional and sharia banking. The difference between these two banking is on the defined selling and buying value. In conventional banking the defined value is based on the interest while the sharia banking is based on the Islamic concept that is the sharing ratio, both sharing the profit and the loss (Kasmir, 2013, p. 166)

The first sharia banking practice was done around 1963 by Dr. Abdul Hamid an-Naggar. Then on 1975, held the Islamic Economy conference in Mecca which created the IDB, Islamic Development Bank that followed by the establishment of Islamic Financial Institution in some countries. In Indonesia, the development of sharia banking started on 1980 that brought the idea of sharia banking institution with the trial of BMT Salman in Bandung dan Ridho Gusti Cooperation. In 2008 on 16 July or on the constitution number 21 sharia banking is legitimated by giving the Industrial legal foundation of national Sharia Banking and it is hoped to support the development of Sharia Banking for over last 5 years the assets grows for more than 65% per year but the market share nationally under 5%. (Soemitra, 2009, p. 63)

There are some characteristics of Sharia Banking, they are: free from *Riba*, the service for public interest and realizing the target of Islamic socio-economy, it is universal, that is the collaboration of commercial and investment bank, doing the prudential evaluation toward the financial proposal that is oriented on the equity capital, the manifestation of profit sharing tends to create a good relationship between the sharia bank and the entrepreneur and also helps the bank to overcome the problem in the liquidity by using the instruments of monetary market between the sharia bank and the instrument of sharia base central bank. While the supervision on Islamic bank includes two things, they are the supervision on financing aspect, the obedience on the general banking, and the prudential principle of the bank, and the second is the supervision on the bank’s operational activities.(Soemitra, 2009, p.67)

According to Syukri Iska (2012, p.58) the implementation of sharia banking is divided into four models: 1) Using the Sharia banking system, 2) having two systems, like has been done in Malaysia that is operated with conventional banking, it is also implemented in Indonesia. 3) having the conventional plus, basically it is a conventional bank with some of its institution use sharia system, Indonesia is also included in conventional plus category, 4) only using the conventional system even though the major citizen is Moslem such as in Afghanistan, Iraq, Libya and Yemen.

Those models on sharia banking in this world becomes the reference to know more about the right model that fit on the regulation of sharia banking establishment. Operationally, applying the conventional banking is allowed but the main requirement of Shariah banking establishment is free from *Riba*.

During this time, sharia banking practice in Indonesia is consistent on increasing the investment in a financing that bases on the mudharabah and musyarakah contract. (Ismal, 2011, p.6)
The main purposes of sharia banking based on Arie Mooduto (2012, pp.66-69) are:

1. Eliminate the *Riba* practice in all banking activities and make sure that the banking transaction is based on Islamic Fiqh regulations.
2. Actualizing the distribution of income and creating the equity in economic activities, since all this time the economic development in this world can't be able to overcome the public economic problems yet, that is the wealth is not evenly distributed, moreover, the people do not feel the equity and safety in doing the economic activities, there are still many economics activity that tend to *gharar*, *maysir*, *riba*, and speculation.
3. Realizing the development of economic establishment. By applying the sharia economic will welfare the society economic and achieve the success of the life and the hereafter.

Profit sharing mechanism in Sharia banking is consist of two types, they are profit sharing, the calculation is based on the net profit from the whole income after reduced from all expenses to get the revenue. And the revenue sharing, the calculation is based on the whole accepted revenue before reduced by the expenses to get the revenue.

Based on the constitution of Indonesia Republic number 21 year 2008, Sharia public financing bank (BPRS) is a shariah banking that in its activities doesn't give its service in the payment traffic. BPRS is one of financial bank institution that is operationally using the sharia principles. The existence of BPRS really helps the people especially the middle-low society or for the small scale entrepreneur as the effort to develop the business and increase the social welfare (Rodony, 2008, p.38) as the research result of Harahap (2004) said that BPRS gives the positive and significant effect toward the increased income for the small scale entrepreneur and also give the effect toward the prosperity level of small scale business's labor.

The business activity on Sharia Public Financing Bank is based on the constitution of Republic Indonesia number 21 year 2008, chapter IV, subsection 21, are: a) gathering the public's capital in form saving and infestation based on the sharia principle's contract. b) sharing the capital to the society in form of ; financing of profit sharing based on the mudharabah and musyarakah contract, the financing is based on mudharabah contract, salam or istihna', the financing is based on the qard contract, the financing leases based on the ijarah muntahiyah biitamlik contract and debt payment based on hawalah contract. c) put the fund on the other sharia bank based on the wadiah contract or infestation based on mudharabah contract. d) Transferring the money, both for the private interest or for the customer interest through BPRS account.

Operationally, BPRS still need an improvement especially in term of applying the whole of shariah's terms and principles. Rodoni (2008, p. 55) said that in applying the receivables product of mudharabah, where the contract between the bank and the customer related to the contract of buy and sell product for the customer's need. The bank has already learnt carefully on the customer proposal, then, the bank gives the agreement upon the customer demand and buying some goods to support the customer's business then the bank sells to the customer within the basic price added by the profit margin that is asked by the bank. However, in reality the bank couldn't able to give the goods yet, the bank just able to give the loan in form of money.

IV. The Previous Study

The previous study done by Falikhatun (2014) with the title the qard implementation on sharia banking in Surakarta, concluded that the understanding of muqridh, qard: the loan that is given to the customer who has the specific criteria and the implementation is based on the BI, DSN, MUI regulations and the decisions set by the specific committee of shariah bank.

The study of Nur Gilang Gianni (2013) with the title the factors that influences the mudharabah financing on the sharia public bank in Indonesia, concludes that FDR, NPF, ROA, CAR and the grade of simultaneously profit sharing are effecting the mudharabah financing. For partially result, the FDR variable gives the negative effect toward the mudharabah financing, the NPF variable didn't give the effect toward the mudharabah financing, while the ROA, CAR and profit sharing variables give the positive effect toward the mudharabah financing.

The study of Sri harianingrum (2013) with the title the influence of financing of Sharia banking toward the business performance and the welfare of the small scale entrepreneur Tjajah Ziraah in East Java, concludes that the Financing of Syariah Bank gives the significant influence toward the business performance with the positive way.

The study done by T.A Saidi (2008) with the title Relationship between ethical and Islamic banking systems and its business management implications, the result shows that the sharia banking becomes the standard system on today's ethical banking.

The result study of Mastura Abdul Karim, dkk (2013), with the title Capital adequacy and lending and deposit behaviors of conventional and Islamic banks. It shows that, there is the positive relationship between the bank's capital, deposit, loan, on Islamic and conventional banks. The empiric fact shows that the capital demand gives the significant effect toward the deposits and loan upon 52 shariah banks and 186 conventional banks as the samples. There are a good and positive relationship between the capital's need and the deposits growth and loan for both banks.

V. The Research Method

This study applies the field research, as the practical source, this study done in sharia banking in Surabaya. This is done to get the data, the observational data, the data from interview result or the documentary data. This research is also qualitative research, because the data taken is analyzed by verbal-descriptive. (moleong, 2014)

While the paradigm used in this research is the naturalistic paradigm with the phenomenological approach that underlined the social reality and studying what is existed in the society. By applying this approach is expected to define and describe the meaning of each activity in sharia banking.

The data source of this study categorized into three, they are: (1) human resources, that is the information about the sharia banking. The key informants are the official or the staff and the sharia banking customers (2) phenomenon resources that is observing the sharia banking activities. (3) Document resources that are the policies and the activities of sharia banks.

The Research Subject and Object

The subject of this study is the official or the staff that consist of 5 informants, those are, the director, the operational director, the customers service, the accountant and teller. The subject of this study also involves 5 customers of Shariah public financing bank as the informants in this study. The place of research is limited on BPRS Karya Mugi Sentosa Surabaya. Surabaya.

The Data Gathering Method

The gathering method used; 1) Observation, to get the information about the things related with the mudrabah application in Sharia Public Financing Bank, 2) Interview, getting the information about Mudrabah application in Sharia Public Financing Bank, 3) Documentation, getting the information about the policies of Sharia Public Financing Bank.

Data Validity

To get the trust or the validity degree toward the research result, the researchers follow the work done by Lincoln and Guba. The work to reveal the data validity through 3 steps, they are:

a. Doing the triangulation, triangulation of the data source done by looking for the data from many informants, they are the official, staff and the customers of sharia bank. The investigator triangulation is done by the researchers themselves by finding the data from many informants. The triangulation of data gathering method done by some data gathering method (observation, interview and documentation). Theoretical triangulation done by studying some relevant theories, so in this case didn't use the single theory yet many theories.

b. Doing peer debriefing, that is observation done through peer discussion.

c. Doing the member check and audit trial. Member check means the researcher involves the participants or the subject to review the report of the research result that already prepared before. While the audit trial done by observing the accuracy of record with the expert then confirmed and ensure the validity.

Technique of Data Analyzing

After gathering the needed data, the next step is analyzing the data. Since this is a qualitative research, so the data is analyze open-ended and inductive that is an analyses based on the data taken, after that it is developed to the specific relationship or become the hypothesis. By inductive analyses, the data in this research is analyzed by descriptive qualitative. This process is done before going to the field, in this case the researcher applies the content analysis, that is the scientific analysis about the data content, a communication or phenomena.

The next step is doing the analysis on the field, in this case, the researcher follows the Miles and Huberman model in Sugiono (2008) that is the analysis done during gathering the data, and after gathering the data in a certain period. In the field, the researcher reduces the data that are; summarizing choosing the basic data that related to the object of study, focusing on the important data and throwing the unimportant data. The summarized data will help to give a clear overview and simplify the researcher to gather the next data.

After reducing the data, the researcher displays the data, in form of a brief description, chart, the relation between the categories, flowchart and etc. the final step is making a conclusion and verification.

VI. Analysis On Research Result

The informant data as the mudarib is related to the understanding of information toward the application of mudabah contract on the banking transaction of 5 informants. While the shahibul mal data are 5 informants.

The following tables describe the characteristics of mudarib informants by detailing the gender, age, position, the latest education and the working duration in BPRS, while the shahibul mal are detailed by the gender, age, profession, the latest education and the duration of being the BPRS customer.

Tabel 2: The Characteristics of Mudarib

Informant	Gender	Age	Position	Latest Education	Working Duration
1.	Male	52	Director	S1	15 years
2.	Male	53	Operational Direktor	S1	15 years
3.	Female	34	Customer	D1	4 years
			service	Computer Engineering	
4.	Female	30	Accountant	S1 Informatics Engineering	6 years
5.	Female	26	Teller	S1 Agriculture Industrial Engineering	5 Months

Source: Taken from interview result, 2015

Tabel 3:The Caharcteristics of Shahibul mal

Informant	Gender	Age	Profession	Latest Education	Duration of being the Customer
1.	Female	38	Hospital Employment	D3 Medical Analysis	4 years
2.	Female	40	Teacher of SMK 1	S2 ITS	2 years
3.	Male	34	Teacher of SMK Bhayangkari	S1 English Literature	2 years
4.	Male	46	Entrepreneur	STM	10 years
5.	Female	50	Teacher of SMA 8	S1 sociology	2 years

Sumber : Taken from the interview result, 2015

The understanding and the experience of Mudarib in Mudarabah Application on BPRS Karya Mugi Sentosa (KMS)

This study is limited on gathering the funds by using the mudarabah mutlaqoh contract, so the bank is not the capital owner/shahibul mal but becomes the manager/mudarib. From the observation and interview result, almost all BPRS didn't use mudarabah contract on the financing or distributing the funds. The following is the interview result on 20-01-2015:

“ almost all BPRS, during the financing didn't use mudarabah contract, not to avoid but, it was because of many reasons. Reviewing from the history from the Rasulullah era before the mudarabah contract, staring from the murabahah, then musyarakah, and finally to mudarabah contract need 2-3 months. If in Rasulullah era was easy, because they were already known each other and some others reasons, but here, today the Bank of Indonesia give the regulations, if the financing

use mudarabah contract there are some terms and the guarantee applied, because if the PPAP (Allowance of productive assets deletion) is delayed for one day about 50%, it reduces the risk of the health level, the financing risk is also big. If applying mudarabah should be detailed, another reason of not using the mudarabah contract is the BPRS funds is just fair.”

Second Interview : *“for financing, almost 60% of transactions use mudarabah contract, while the other use multi service trnsactions”*

The experience of using mudarabah contract in BPRS KMS for DPK (Third Party Fund) is suggested for mudarabah saving that is the saving with profit sharing model, which is the withdrawal, is corresponding to the early contract made:

1. For Walimah (thanks giving, wedding, or birthday feast)

2. Ibadiah (Hajj, Umrah, Ied celebration)

3. Tarbiyah (education)

The minimum early saving is Rp. 50.000,- and the next deposit is minimum Rp. 20.000,- (Doc. BPRS KMS) it is also explained through the interview below:

“if we want the DPK for saving, deposit, it is suggested to mudarabah saving. With about 5000 customers and almost close to 6000 customers calculated from all customers in 4 branch offices and main office.” (Taken from interview: 20-01-2015)

The customers in BPRS KMS are from various backgrounds, it means BPRS KMS didn't pick the customers, for example the certified (graduated) and the uncertified (notgraduated) people can be the customer of BPRS KMS. There are also the non-moslem customers, their reason of choosing BPRS KMS, according to the director information is “BPRS KMS more humanist”. The director also said that “almost of the non-Muslim customers are good, which means they are on time and disciplined when making a payment”

Observing through the documents data on BPRS KMS, beside mudarabah saving, there is also Sentosa Wadi'ah deposit saving, that is the deposit saving that can be withdrawn anytime, and based on the information from the customer service Wadi'ah Sentosa deposit saving is the most sought-after savings because the customer can withdraw anytime. It is different with the mudarabah saving, the withdrawal is limited for once a month.

Regarding on the customers' complain toward the service in BPRS KMS, here's the interview with the customer service:

“the customers usually complain about, that they are already pay the installment yet they still receiving the SMS Gateway from the bank about the reminder to pay the bill, another complain related to the funds disbursement that need a long time. (an interview: 23-01-2015)”

Besides, BPRS KMS also have some problems with the customers, such as the delays of payment from the customers, if so, the debt collector from marketing management section will charge them.

The regulation of mudarabah contract application in BPRS KMS is following the regulation of the constitution of Republic Indonesia Number 21 year 2008, about sharia banking chapter IV verse 21 describes:

“the activities of sharia banking are: a. gathering people's funds in form of: 1) the deposit in form of saving or the equivalent of it, which is based on wadi'ah contract or another contract which is not contradictory with sharia principles. 2) Infestation in form of deposits or saving or another version that is the equivalent of it, which is based on mudarabah contract or another contract which is not contradictory with sharia's principles. b. distributing the funds to the society in form of: 1) financing the profit sharing that based on mudarabah or musyarakah contract. 2) financing that based on the murabahah, salam and istishna' contract. 3) financing based on the qard contract. 4) Financing the rental of the active or passive assets to the customers based on the ijarah contract or renting-buying in form of ijarah muntahiyah bittamlik, and 5) the debt takeover is based on the hawalah contract.”

The implementation of mudarabah contract in BPRS KMS also following the the fatwa of the National Sharia Council number No:02/DSN-MUI/IV/2000, that is about the mudarabah saving:

“in the capacity of mudarib, the bank is allowed to do and develop many business as long as it is not contradictory with sharia's principles, including applying mudarabah with the other party”

Here is the quotation from an interview with the director:

“Mudarabah application should be meticulously, following the regulations of DSN, MUI, BI and DPS” (Interview result: 20-1-2015)

Because BPRS KMS doesn't use Mudarabah contract in it financing sector, so the bank doesn't apply the regulations in DSN Fatwa which is related to mudarabah financing, that is No.07/DSN-MUI/IV/2000. But, in reality BPRS KMS reporting the mudarabah financing on their balance sheet on the assets post, as reported on September 2013 to September 2014 are the same, that is 279.798. as the interview result with the executor director said that:

“it should be reported, the mudarabah financing by using mudarabah muqayyadah type”

Antonio (2011, p. 97) said that, mudarabah in term of financing is applied to the working capital financing and a specific infestation or known as mudarabah muqayaadah, that is a special funding source with the special channeling with the terms applied by the shahibul mal. But the fact found in BPRS KMS, those two types of financing are not applied, one of the reasons is because of the limited fund, thus the financing report is fictive.

The Understanding and The Experience of Shahibul Mal in Mudarabah Application on Sharia Banking

The understanding and the experience of customers of BPRS KMS about mudarabah contract is said that the BPRS KMS customers are already explained about mudarabah contract before and the customers are fully trust the BPRS KMS performance. Here are some quotes from the customers or shahibul mal related with mudarabah contract:

1st Customer : *“ever explained about mudarabah contract, but I'm not really ‘understand”* (interview result: 20-01-2015)

2nd Customer : “I once read in a glance about mudharabah contract” (interview result: 23-01-2015)

3rd Customer : “mudharabah saving is ... saving for profit sharing, the profit is big enough” (interview result: 27-01-2015)

4th Customer : “mudharabah is ... financing in Sharia Bank” (Interview result: 27-01-2015)

5th Customer : “I was explained by the officer” (interview result: 27-01-2015)

Some reasons of the customers or shahibul mal to trust BPRS KMS to save their money are : they assume that sharia banking is more secure, trusted, and no administration fee. The simple reason of becoming the customer of BPRS KMS is because it is close to the customer’s house or work place. BPRS KMS doesn’t provide ATM facility and evidently, this kind of service is liked by the customers, since their reason is to save their money for a special purpose as some savings types provided by BRPS KMS they are, saving for marriage, hajj and for educational purpose.

The customers of BPRS KMS are coming from various professional background, they are, teachers, employment and entrepreneur from various educational background, graduated from STM to S2 degree. Almost of them already become the customer for more than one year

and as long as they become the customer, they don’t find any problem related to their saved money yet.

Analysis of Mudharabah Application on BPRS that should be apt to Sharia Islam

As the opinion of (Karim, 2011) mudharabah saving is a saving that is organized by using mudharabah contract. The application of mudharabah contract on BPRS is realized in form of saving by applying mudharabah mutlaqoh contract. In this case, the bank is fully trusted by the customers to manage the fund, since the bank applies the mudharabah mutlaqah contract, so the bank as the mudharib has the full power to manage and expand the funds of shahibul mal or the customer as long as doesn’t contradict with the syariah islam principles. The type of this saving is categorized as a limitation saving that is a saving that can’t be withdrawn anytime. As in BPRS KMS, this kind of saving is used for *walimah* (celebration of a special occasion, marriage, birthday), *Ibadiah* (Hajj, Umrah and Ied celebration) and *Tarbiyah* (education) under the terms, the money is withdrawn for minimum once a month.

Based on the Fatwa of National Sharia Council Number 02/DSN-MUI/IV/2000, assign the fatwa about the general terms of saving based on mudharabah, they are:

1. In this transaction, the customer is as the shahibul mal or the capital owner and bank as the mudharib or capital manager.
2. In the capacity of mudharib, bank can do and expand into many businesses as long as not contradictory to the sharia principles, it is included doing mudharabah with other party.
3. The capital should be state in a number, in form of cash and not a credit.
4. The profit sharing should be state in *nisbah* (ratio) and noted in account opening contract.
5. Bank as the mudharib closes the operational cost of saving funds by using profit ratio that become the customer’s right.
6. Bank is not allowed to reduce the profit ratio of the customers without the customer’s agreement.

BPRS as the mudharabah funds manager will share the profit to the customers based on the agreed ratio and noted in account opening contract. In managing the mudharabah funds, BPRS closes the operational cost of saving with the profit ratio that already become the customer’s right. The BPRS is not allowed to reduce the customers’ profit ratio without the customers’ agreement first. Based on the regulation of PPH/ Income tax profit sharing of mudharabah saving is directly charged in the mudharabah saving account during the profit sharing calculation.

The calculation of profit sharing of mudharabah saving in BPRS KMS is done based on the daily average that is calculated in every end of months and noted in the saving book on the beginning of the next following month. On the other words, the profit sharing calculation is done based on the number of the average infestation fund during a period of profit sharing calculation, where the average funds is calculated by calculating the daily balance of every dates divided by the day of profit sharing period (Wirosa, 2009, p. 153)

The Strengths and Weaknesses in Mudharabah Application in BPRS

Based on the interview result with the operational director about the strengths and weaknesses in mudharabah saving in BPRS KMS can be described below

Tabel 4:The Strengths and Weaknesses of Mudarabah Saving

Number	Strength	Weakness
1	The Characteristics are on the principles	The customers can't withdraw the money anytime
2	There's the profit	The loss risk, the loss is paid by the bank, while the customers just get the profit
3	The bank get the infestation opportunity	
4	The liquidity risk is controlled	

Source : Interview result (6 March 2015)

In a transaction using mudarabah contract in BPRS KMS should fulfill and fit the mudarabah principles, they are: shahibul mal/customer, Mudarib / BPRS fund manager, Amal/Business, Ijab Qabul. The advantages of transaction using mudarabah contract in BPRS KMS should fulfill and fit the mudarabah principles, they are: shahibul mal/customer, Mudarib / BPRS fund manager, Amal/Business, Ijab Qabul. Another advantage is BPRS also enjoys the increase of profit sharing when the profit is increased. With the capital from the customer party, BPRS has the opportunity to use and expand the infestation. Mudarabah saving uses mudarabah muthlaqah type or from the shahibul mal to mudarib gives the full power, so the liquidity risk or the ability of BPRS in fulfilling its short term is controlled.

There are also the weakness in mudarabah saving, those are, since the type of saving is a special or deposit saving, so the customers can't withdraw their money anytime, the term from BPRS allow the customer to withdraw their money only once a month. If there's a loss, so BPRS KMS pay it all.

VII. Conclusion

1. The understanding and the experience of shahibul mal in mudarabah application is, the customers of BPRS KMS mostly said that they are already explained about mudarabah contract before by the time they become the customer and the customer fully trust the performance of BPRS KMS
2. The understanding and the experience of shahibul mal in mudarabah application is fully follows the regulation of Republic Indonesia Constitution Number 21 year 2008 also follow the fatwa of National Sharia Council Number 02/DSN-MUI/IV/2000, BPRS KMS uses the mudarabah muthlaqah contract that is limited on the fund gathering.
3. Mudarabah Application in BPRS should fit the Islamic Sharia, based on the fatwa of National Sharia Council Number 02/DSN-MUI/IV/2000, fatwa about the general terms of saving based on mudarabah.
4. The strenghts of mudarabah saving are : the characteristics are on the principles, a profit, the oppportunity of infestation for the bank, and the liquidity risk is controlled. While the weakness of mudarabah saving are the customers can't withdraw their money anytime and the loss is completely paid by the bank.

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