

THE ROLE OF BANK SYARIAH INDONESIA (BSI) IN IMPROVING THE QUALITY OF LIFE OF FARMERS IN TOLOWATA VILLAGE, AMBALAWI DISTRICT, BIMA REGENCY

Nuralfulailah¹, Rafiuddin², Syarif Hidayatullah³

^{1,2,3} Universitas Muhammadiyah Bima, Indonesia

Email : alfulailanur17@gmail.com¹, d_bulan22@yahoo.com², ink.syarif@gmail.com³

DOI : <https://doi.org/10.33650/profit.v9i1.11144>

Received: April 2025

Revised: April 2025

Accepted: May 2025

Abstract :

This study aims to examine the role of Bank Syariah Indonesia (BSI) in improving the quality of life of farmers in Tolowata Village, Ambalawi District, Bima Regency. The background of this study is based on the fact that the majority of the village community depends on the agricultural sector, but faces various obstacles such as limited access to capital, technology, and financial literacy. The presence of BSI as a sharia-based financial institution is a potential solution in empowering the economy of farmers through interest-free financing schemes, such as mudharabah, musyarakah, and qardhul hasan. This study uses a descriptive method with a qualitative approach. Data collection techniques are carried out through in-depth interviews, non-participatory observation, and documentation studies, with data validation through source and method triangulation techniques. The main informants consist of farmers receiving financing, BSI employees, and local community leaders. Data are analyzed through the stages of reduction, presentation, and drawing conclusions and verification. The results of the study show that BSI not only provides fair and sharia-compliant financing access, but also provides financial training, technical assistance, and encourages the formation of community-based farmer institutions. This contribution has a significant impact on increasing farmers' income, productivity, and spiritual awareness. However, there are a number of obstacles faced by BSI in implementing the program, such as low Islamic financial literacy, limited infrastructure, weak farmer institutions, and lack of synergy with related parties at the local level. Thus, optimizing BSI's role in improving the quality of life of farmers requires a collaborative approach, strengthening local institutional capacity, and a sustainable strategy in Islamic financial education.

Keywords : *sharia financing, farmers, quality of life, economic empowerment*

Abstrak :

Penelitian ini bertujuan untuk mengkaji peran Bank Syariah Indonesia (BSI) dalam meningkatkan kualitas hidup petani di Desa Tolowata, Kecamatan Ambalawi, Kabupaten Bima. Latar belakang studi ini dilandasi oleh kenyataan bahwa mayoritas masyarakat desa tersebut bergantung pada sektor pertanian, namun menghadapi berbagai kendala seperti keterbatasan akses terhadap modal, teknologi, dan literasi keuangan. Kehadiran BSI sebagai lembaga keuangan berbasis syariah menjadi solusi potensial dalam pemberdayaan ekonomi petani melalui skema pembiayaan tanpa riba, seperti mudharabah, musyarakah,

dan qardhul hasan. Penelitian ini menggunakan metode deskriptif dengan pendekatan kualitatif. Teknik pengumpulan data dilakukan melalui wawancara mendalam, observasi non-partisipatif, dan studi dokumentasi, dengan validasi data melalui teknik triangulasi sumber dan metode. Informan utama terdiri dari petani penerima pembiayaan, pegawai BSI, dan tokoh masyarakat setempat. Data dianalisis melalui tahapan reduksi, penyajian, serta penarikan kesimpulan dan verifikasi. Hasil penelitian menunjukkan bahwa BSI tidak hanya menyediakan akses pembiayaan yang adil dan sesuai syariah, tetapi juga memberikan pelatihan keuangan, pendampingan teknis, serta mendorong terbentuknya kelembagaan petani berbasis komunitas. Kontribusi ini berdampak signifikan terhadap peningkatan pendapatan, produktivitas, dan kesadaran spiritual petani. Namun, terdapat sejumlah kendala yang dihadapi BSI dalam pelaksanaan program, seperti rendahnya literasi keuangan syariah, keterbatasan infrastruktur, lemahnya kelembagaan tani, dan kurangnya sinergi dengan pihak-pihak terkait di tingkat lokal. Dengan demikian, optimalisasi peran BSI dalam meningkatkan kualitas hidup petani membutuhkan pendekatan yang kolaboratif, penguatan kapasitas kelembagaan lokal, serta strategi berkelanjutan dalam edukasi keuangan syariah.

Kata Kunci: *pembiayaan syariah, petani, kualitas hidup, pemberdayaan ekonomi*

INTRODUCTION

The role of Islamic banks in the economic progress of a country including Indonesia is very important, even the World Bank also stated that the Indonesian economy has successfully passed through global financial turmoil and is in a good position to overcome future challenges that usually have an impact on growth. In this case, Islamic banking has played an important role in helping to finance small and medium enterprises, which are important economic resources for Indonesia. Islamic banking is able to be an alternative solution for people who need financial services based on Islamic values. In addition, Islamic banking encourages national economic growth through sustainable productive financing. However, challenges such as low financial literacy and competition with conventional banking still need to be overcome to maximize the role of this sector. (Azis, et al, 2024)

One of the main roles of Islamic banks is to provide access to financing through schemes that suit farmers' needs. In a mudharabah contract, for example, the bank acts as a capital provider while the farmer acts as the business manager. The profits from the farming business are shared based on the initial agreement, so that farmers are not burdened by the obligation to pay interest which can increase their financial risk. The musyarakah contract, which is based on partnerships, also allows farmers and banks to share capital and risk, creating a more balanced relationship. According to research by (Anwar & Fatimah, 2021), the implementation of sharia-based financing can increase farmer productivity by up to 25% within one year, because this scheme encourages more responsible business management. (Ashari & Saptana., 2021)

On the other hand, the presence of Islamic banks also has an impact on increasing economic sustainability at the village level. Through sustainability-oriented financing, Islamic banks encourage farmers to adopt environmentally friendly agricultural practices, such as the use of organic fertilizers and agricultural waste management. This approach not only protects the environment but also improves the quality of agricultural products that are more competitive in the market. According to Rahmawati et al. (2020), sharia-based financing practices that integrate sustainability aspects can increase the competitiveness of local agricultural

products by up to 40%, thus providing opportunities for farmers to expand market access. (Rahmawati, et al, 2020)

Tolowata Village is one of the agricultural areas in Indonesia where the majority of the population works as farmers. However, limited access to financing and knowledge of financial management are major obstacles in increasing agricultural productivity and their quality of life. Farmers in Tolowata Village often rely on informal loans with high interest rates, which actually worsen their economic conditions. In this situation, Islamic banks have great potential to act as financial institutions that support the economic empowerment of farmers. With sharia principles such as *mudharabah*, *musyarakah*, and *qardhul hasan*, Islamic banks can provide financing without usury, provide financial management training, and help farmers increase their business productivity. (Hasanah, et al, 2020)

In addition to providing financing, Islamic banks also play a role in empowering farmers through training programs and technical assistance. This program includes training in financial management, the use of modern agricultural technology, and marketing strategies for harvested crops. Thus, farmers not only get business capital, but also the knowledge needed to improve the efficiency and productivity of their farming businesses. For example, Bank Syariah Indonesia (BSI) has developed the “Desa Berdaya” program which includes training for farmers in various regions, including rural areas such as Tolowata. Based on the BSI report (2022), this program has succeeded in increasing farmers' income by 30% in the first two years of its implementation. In addition, according to the Bank Indonesia report (2021), the Islamic financial sector in Indonesia has shown a significant contribution in supporting financial inclusion, especially in rural areas. However, low financial literacy and lack of understanding of Islamic banking products are obstacles that must be overcome. Therefore, it is important to further examine how Islamic banks can be optimized in improving the quality of life of farmers in Tolowata Village, both from an economic, social, and educational perspective. With a fair Islamic financial approach, it is hoped that farmers can be more economically independent and able to improve the welfare of their families. (Financial Services Authority (OJK), 2021)

However, despite the many benefits offered, the implementation of the role of Islamic banks in villages such as Tolowata also faces challenges. One of the main obstacles is the lack of Islamic financial literacy among farmers, which results in their minimal understanding of the products and services offered. Therefore, there needs to be a collaborative effort between Islamic banks, local governments, and educational institutions to improve Islamic financial literacy in the community. This step can be done through socialization, training, and providing information that is easily accessible to farmers. (Azizah, et al, 2019)

Overall, the role of Islamic banks in improving the quality of life of farmers in Tolowata Village, Ambalawi District is not only limited to providing access to financing, but also includes empowerment, technical assistance, and development of sustainable agricultural practices. With a holistic and inclusive approach, Islamic banks are able to make a real contribution to improving the welfare of farmers and supporting sustainable economic development. However, to achieve maximum

potential, synergy is needed between various parties, including Islamic banks, the government, and local communities. (Huda, et al, 2017).

RESEARCH METHOD

Research on the role of Bank Syariah Indonesia in improving the quality of life of farmers in Tolowata Village, Ambalawi District, Bima Regency can use a descriptive research method with a qualitative approach. This approach aims to describe in depth the phenomena that occur, especially related to the roles of Bank Syariah Indonesia in improving the quality of life of farmers in Tolowata Village, Ambalawi District, Bima Regency. The qualitative descriptive method allows researchers to understand the context, process, and interaction that occurs between the Bank Syariah and Customers. The type of research used in this study is qualitative research. Qualitative research is a type of research whose findings are not obtained through statistical procedures or other forms of calculations and seeks to understand and interpret the meaning of an event of human behavioral interaction in a particular situation according to the researcher's own perspective. Research that is descriptive and tends to use Process and meaning analysis (Subject Perspective) is more emphasized in qualitative research. (Syafnidawat, 2020) , the data used in this study are primary data and secondary data.

FINDINGS AND DISCUSSION

The role of Islamic banks in improving the quality of life of farmers in Tolowata Village, Ambalawi District

Islamic banks play an important role in providing affordable and Islamic financing access for farmers in Tolowata Village. Through financing schemes such as murabahah (buy and sell), mudharabah (profit sharing), and qardhul hasan (interest-free loans), farmers can obtain agricultural business capital without being entangled in usury practices. This provides a fairer and more sustainable financial solution, especially for small farmers. With the availability of business capital from Islamic banks, farmers can buy fertilizers, superior seeds, and more modern agricultural equipment. The impact is an increase in agricultural land productivity which leads to increased farmer income. This increase contributes directly to the quality of life of farmers and their families, including access to better education, health, and nutrition. In addition, the profit-sharing system encourages a sense of justice and partnership between farmers and financial institutions.

Islamic banks not only channel financing, but also play a role in providing financial education to farmers. This education includes financial management, sharia principles in transactions, and an understanding of the financing schemes they use. In Tolowata Village, activities such as farmer group training and socialization of sharia financing help improve farmers' financial literacy, so that they can manage funds more wisely and efficiently. Through cooperation with sharia cooperatives or BMT (Baitul Maal wat Tamwil) operating in rural areas, Islamic banks also encourage community-based economic empowerment. This model strengthens solidarity and collaboration between farmers, for example in the form of farmer business groups that receive collective financing. In Tolowata, this approach has encouraged the formation of more organized and productive farmer groups.

Before the presence of sharia financial services, many farmers in Tolowata Village were forced to borrow funds from loan sharks at high interest rates, especially during the planting season. This condition often traps farmers in a cycle of prolonged debt. With the availability of financing from transparent and usury-free sharia banks, farmers now have a more humane financial alternative that is in accordance with Islamic values. This not only lightens their economic burden, but also restores the dignity of farmers as independent economic actors. Sharia banks are not only economic institutions, but also agents of social change. In Tolowata, the application of sharia principles in financial transactions has fostered collective awareness in the community of the importance of honesty, responsibility, and mutual assistance. This indirectly strengthens social ties between residents, encourages mutual cooperation in agricultural activities, and strengthens the role of local institutions such as farmer groups and religious study groups. Thus, the economic transformation that occurs is also accompanied by positive social and spiritual changes.

Overall, the presence of Islamic banks in Tolowata Village not only functions as a capital provider, but also as a strategic partner in sustainable rural economic development. By prioritizing the principles of justice, blessings, and sustainability, Islamic banks help build a non-exploitative local economic ecosystem. The impact is an increase in the quality of life of farmers in the long term, both in terms of economy, social, and spirituality.

Obstacles and barriers to Islamic Bank in implementing its program in Tolowata Village, Ambalawi District

One of the main obstacles faced by Islamic banks in Tolowata Village is the low level of financial literacy in the community, especially regarding the Islamic banking system. Many farmers do not yet understand basic concepts such as contracts, profit sharing, and the prohibition of usury, which raises doubts or even rejection of Islamic bank products. This is a challenge in itself in the socialization and education process that requires time and a sustainable approach. Limited infrastructure and the long distance from Islamic bank service centers are also physical obstacles in implementing the program. Not all areas in Ambalawi District, including Tolowata Village, have Islamic bank branch offices or service units. As a result, the process of opening accounts, consulting on financing, and disbursing funds becomes difficult for farmers to reach, especially those who do not have vehicles or adequate transportation access.

Islamic banks also face challenges in terms of human resources. Not all bank employees deeply understand the social, economic, and cultural characteristics of rural communities, including the specific needs of local farmers. This often makes the approach used non-contextual, so that the programs designed are not on target or are difficult for the community to accept.

The high risk of agricultural businesses, such as dependence on weather, pest attacks, or market price fluctuations, is also an obstacle for Islamic banks in distributing financing. These risks increase the possibility of non-performing financing, so that banks become more selective in distributing funds to farmers. As a result, not all farmers can get access to financing even though they need it. Most farmers in Tolowata do not yet have land certificates or legal business documents, which are usually used as collateral requirements in financing. Although Islamic

banks have a financing scheme without collateral, in practice, collateral or convincing evidence is still needed to minimize risk. Incomplete documents hamper the process of submitting and disbursing funds for farmers.

Farmer institutions in Tolowata are still not fully strong and organized. Many farmer groups do not have a clear management structure or transparent financial records, making it difficult for banks to assess the feasibility of farmer groups for collective financing. This weak institution also affects the ability of farmers to account for funds and prepare realistic business plans.

Another obstacle is the lack of synergy between Islamic banks and village governments, non-governmental organizations, and other local institutions. In fact, the success of economic empowerment programs is highly dependent on multi-party cooperation. When Islamic banks act alone without support from local stakeholders, program implementation is not optimal due to the lack of regulatory support, farmer data, or facilitation from village officials.

CONCLUSION

Islamic banks have a strategic role in supporting inclusive and sustainable rural economic development, including in Tolowata Village, Ambalawi District. Through financing schemes based on Islamic principles such as mudharabah, musyarakah, murabahah, and qardhul hasan, Islamic banks are able to provide fair access to capital, free from usury, and in accordance with the values of justice and blessings. This scheme not only increases farmers' productivity and their income, but also encourages community-based economic empowerment, financial education, and social and spiritual transformation of rural communities. However, the implementation of the role of Islamic banks still faces several challenges, such as low Islamic financial literacy, limited infrastructure, lack of contextual human resources, high farming risks, and weak farmer institutions. In addition, the lack of synergy between Islamic banks and village governments and local institutions also hampers the effectiveness of empowerment programs. Therefore, in order for the role of Islamic banks to be optimized in improving the quality of life of farmers, a holistic and collaborative approach is needed, involving all related parties. Efforts to improve financial literacy, strengthen farmer institutions, provide adequate infrastructure, and integrate programs with village government policies are important steps that must be pursued sustainably. Thus, Islamic banks can truly become agents of socio-economic change that are able to improve the welfare of farmers as a whole.

REFERENCES

- Azizah, N., & Wahyudi, T. (2019). T. Azizah, N., & Wahyudi, "Azizah, N., & Wahyudi, T. (2019). Strategy for Increasing Sharia Financial Literacy for Village Farmers. Jurnal Ke," Strategy for Increasing Sharia Financial Literacy for Village Farmers, 2019. Strategy for Increasing Sharia Financial Literacy for Village Farmers .
- (OJK), OJK (2021). Financial Services Authority (OJK). (2021). "The Role of Islamic Banks in Financial Inclusion". "The Role of Islamic Banks in Financial Inclusion".
- A. Rahmawati, D., Sudaryanto, T., & Hermanto, ati, D., Sudaryanto, T., &

- Hermanto, A. (2020). A. Rahmawati, D., Sudaryanto, T., & Hermanto, A. (2020). Sustainability of Agriculture Through Sharia Financing in Rural Areas. Journal, "Sustainability of Agriculture Through" Rahmaw Sharia Financing in Rural Areas, 2020. Sustainability of Agriculture Through" Rahmaw Sharia Financing in Rural Areas .
- Ashari & Saptana., A. & S. (2021). Ashari & Saptana., Ashari & Saptana. "Analysis of the Role of Islamic Financial Institution Financing in the Agricultural Sector." Speed Volume 1 Number 2 of 2021, 2021. "Analysis of the Role of Islamic Financial Institution Financing in the Agricultural Sector. , 1 (2).
- Azis, H. & Nurlina, N. (2024). The Role of Islamic Banking in Economic Development in Indonesia Author: Azis, H. & Nurlina, N. Publication: Jurnal Qazi, 2024. The Role of Islamic Banking in Economic Development in Indonesia .
- Djam'an Satori and Karamah, DSDK (2013). Djam'an Satori and Karamah, Djam'an Satori and Karamah, "Qualitative Research Methodology", (Bandung: Alfabeta, 2013, p. 170., 2013.
- Hasanah, U. & Farida, N. (2020). (2020). Hasanah, U. & Farida, N. "The Effect of Sharia Financing on Farmer Welfare in Rural Areas". Journal of Islamic Finance, 10(1), 30-45. The Effect of Sharia Financing on Farmer Welfare in Rural Areas , 10 (1), 30-45.
- N. Huda, N., & Rini, "Huda, N., & Rini, N. (2017). N. Huda, N., & Rini, "Huda, N., & Rini, N. (2017).** "The Role of Islamic Banking in Agricultural Financing: A Case Study in Indonesia," "The Role of Islamic Banking in Agricultural Financing, 2017. The Role of Islamic Banking in Agricultural Financing: A Case Study in Indonesia .
- Pratiwi Nuning Indah, PNI (nd). Pratiwi Nuning Indah, Pratiwi Nuning Indah, "The Use of Media". Pg. 211., nd
- Rahmawati, (Misbah & Fadli. (nd). (Misbah & Rahmawati, 2021; Fadli, 2023).
- Syafnidawat. (2020). Syafnidawati, "Qualitative Research" (Thesis, Raharja University, 2020). In "Qualitative Research" (Thesis, Raharja University .
- Syarvina, A. &. (2024). (Andini & Syarvina, 2024).