

## OPTIMIZING THE ROLE OF BAITUL MAAL WAT TAMWIL TO EMPOWER ENTREPRENEUR STUDENTS: INSIGHTS FROM INDONESIA

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### ABSTRACT

*The results of observations and identification of problems found that the problems faced by Baitul Maal Wat Tamwil (BMT) at Raden Rahmat Islamic University (UNIRA) Malang still did not have business financing products with mudharabah contracts to facilitate beginner entrepreneurs from among students. Business financing BMT products with mudharabah contracts can be implemented by contract (cooperation contract) between shahibul maal (BMT UNIRA) as the owner of the funds and mudharib (student entrepreneur) as the fund manager. The present study employed Participatory Action Research (PAR). Data were obtained through observation, interviews, and documentation. The data analysis was conducted through some steps, such as, data reduction, data display, and conclusion drawing/verification. Findings suggest that the role of BMT UNIRA plays an active role in empowering entrepreneurial students through new business financing products with mudharabah contracts.*

Keywords: BMT, entrepreneurial students

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### INTRODUCTION

Many educational institutions such as universities in Indonesia currently have Baitul Maal wa Tamwil (BMT) laboratories and Sharia Cooperatives. In its operations, it is carried out by students, lecturers and education staff who are in universities, both public and private. The goal is that it can be used as a medium for learning Islamic economics as well as entrepreneurship for its members.

The existence of BMT has two main functions, namely as a medium for collecting, distributing and utilizing worship assets (bayt al-māl) such as zakāh, infaq, sadaqah and wakāf, and can also function as bayt at-tamwīl, namely institutions engaged in investment and savings. borrowing which is a cooperative legal entity. Therefore, BMT is obliged to implement the bayt al-māl function through its management process in helping to improve and improve people's living standards. (Saefullah & Handayani, 2016).

Universitas Islam Raden Rahmat (UNIRA) Malang consists of several faculties, one of which is the Faculty of Economics and Business. The Faculty of Economics and Business has several laboratories, namely the Sharia Investment Gallery, Baitul Maal wa Tamwil (BMT), an integrated laboratory and a halal center. Baitul Maal wat Tamwil (BMT) at UNIRA was initiated in 2009 by raising funds from members' savings and savings and distributing funds through murabahah contracts to lecturers and staff as members of the campus environment. The BMT laboratory is also used for internships for UNIRA students and students from SMK Cendekia Bangsa which is a foundation with the UNIRA Islamic Higher Education Foundation.

The results of interviews with the head of the BMT, laboratory management at UNIRA obtained information that from the time of its establishment to the present (2009-2021), for 12 years there has been no program for distributing funds through mudharabah contracts. BMT UNIRA as a distribution and utilization of worship assets (bayt al-māl) should contribute to the distribution of funds for business financing with mudharabah contracts, both for students and the community in the campus environment, in order to improve and improve the standard of living of the community. Business financing BMT products with mudharabah contracts can be implemented by contract (cooperation contract) between shahibul maal (BMT UNIRA) as the owner of the funds and mudharib (student entrepreneur) as the fund manager. Business financing products with mudharabah contracts, especially for entrepreneurial students, the goal is to be used as a medium for learning sharia business practices for students. In addition, through business financing products with mudharabah contracts between BMT and entrepreneurial students, it is hoped that it can help the institution, in this case UNIRA, to create new entrepreneurs from the campus environment.

Based on the background described above, this study aims to examine more deeply how to optimize the role of BMT for empowering entrepreneurial students at UNIRA with the presence of new business financing products with mudharabah contracts.

### LITERATURE REVIEW

#### Baitul Mal wat Tamwil as the New Paradigm of Indonesian Cooperatives

Baitul Mal wat Tanwil (BMT) is a community economic institution that aims to support the economic activities of the low and small people, which are run based on Islamic law. According to Muhammad Ridwan (2014) BMT has two core business activities which include Baitul Mal and Baitul Tanwil. BMT as an institution that becomes a model for sharia cooperatives, is the basis for the strategy of the cooperative movement in Indonesia. This is because, First, BMT was established with the spirit of cooperatives, namely the spirit of kinship to improve the economic welfare of the community around the location of the community itself. Second, the minimum number of founders of BMT is 20 people as in ordinary cooperatives. Third, BMT is managed by professional managers who are trained to manage BMT. Fourth, the BMT operating system has been prepared previously in the form of manuals or work guidelines that are standard and similar between BMTs throughout Indonesia, Fifth, BMT has a supervision institution that technically fosters bookkeeping and BMT management, namely PINBUK (Small Business Incubation Center).

In the savings and loan unit, BMT offers sharia products, such as mudharabah, musyarakah, murabahah, ba'i bitsamil ajil, wadhiah, qardhul hasan and so on. The BMT savings and loan system is based on sharia principles, so the accounting also uses

sharia concepts. This sharia accounting has been standardly formulated and agreed upon by Bank Muamalat Indonesia and the PK & M Cooperative Department. The computerization has been completely provided and practiced by both BMT and sharia cooperatives. Guide books on sharia accounting have been distributed and BMT management personnel have been very much trained.

### **Business Financing with Mudharabah Contract**

#### **a. Definition of Financing with Mudharabah Contract**

Statement of Financial Accounting Standards (PSAK) No. 105, explains that the mudharabah contract is a business carried out by two people or two parties, where one party is the owner of the funds (the first party) and the other is the party who will manage the business (the second party), where profits are divided based on the agreement of both parties. and for losses borne by the owner of the funds (the first party) except for losses caused by negligence of the capital manager (Nurhasanah, 2015)

Thus, according to the definition of the mudharabah contract above, it can be concluded that the mudharabah contract is a sharia financing activity which in its implementation includes two parties, namely the first party as a provider of capital as well as a supervisor in business activities and the second party as a business manager. The profits obtained will be divided according to the agreement at the beginning and regarding the losses if it is not due to the fault of the manager then it is the responsibility of the fund provider. Islam requires financing contracts that are cooperative in nature to make it easier for humans, for example some of those who have property but are unable to manage it and there are also people who do not have property but have the ability to manage and develop it. So the Shari'ah allows cooperation so that they can benefit from each other between capital owners and business managers.

#### **b. Mudharabah Financing Process Stages**

Like other financing, business financing with mudharabah contracts is carried out by credit management in the process, which in its implementation is the same as conventional banks. According to Neneng Nurhasanah (2015) the stages carried out include: (1) the financing analysis stage and the decision to provide financing. This stage is the most important and decisive stage to gain confidence that the prospective customer has the will and ability to become a partner; (2) the stage of making the mudharabah financing contract. The agreement in this mudharabah financing is subject to the laws of the Republic of Indonesia, which do not conflict with the concept of economics and sharia banking, the law, and does not violate Islamic law; (3) supervision stage. Supervision and guidance on the implementation of financing by the bank or financial institution aims to prevent congestion in the return of the financing, either the principal or the profit. This supervision is carried out by requiring customers to submit financial reports and report on the development of their company or business; (4) the stage of rescue and completion of financing. To overcome the problem of stuck financing, the financial institution or bank can collect.

### **Empowerment**

#### **a. Empowerment of Islamic Perspective**

Islam is a universal religion, which is the solution to all forms of development of the times. In Islam, the empowerment process is aimed at the concept of community formation that starts from the character and soul of the human being. The teachings contained in Islam, the values that become personal character are contained in three aspects, namely worship, morality and aqidah so that in cultivating this point of view there will be a feeling of faith that exists and grows in humans. Through faith, compassion and empowerment will emerge. Then the sequence of empowerment in the community can run properly and a person's position in social groups will increase (Totok Mardikanto, 2016).

#### **b. Empowerment Goals**

The main purpose of empowerment is to distribute authority to weak groups who are in a state of powerlessness, both internal conditions (eg their own perceptions) and external conditions. The purpose of community empowerment is to make people and individuals independent. Independence is the ability to think and take actions that are considered appropriate in solving problems using the abilities they have.

The purpose of empowerment as stated above is to renew people's lives so as to make people more independent, because the goal is to facilitate the community, especially students, to be able to have skills by utilizing entrepreneurship. Living conditions in the form of skills in entrepreneurial activities will economically be able to meet the needs of life, seen from the socio-cultural perspective, namely social relations in the environment (Adi Fahrudin, 2017).

#### **c. Empowerment stages**

The efforts in community empowerment consist of two stages, namely: (1) strengthening the power or capabilities of the community so that real and positive steps are needed, as well as opening access as an opportunity that will make the community take advantage of opportunities to be more empowered; (2) creating a situation which allows the potential for community development. The reference is the introduction of every community and human being has the potential to be empowered and develop. There are several ways to empower humans, namely: 1) Providing information about the experiences of groups that have been prosperous and successful. 2) Growing people to become entrepreneurs, moving by arranging discussions about problems that exist in the community 3) Connecting the community with sources that can be utilized 4) Helping the community in understanding business situations in a structured manner about the causes and consequences of business problems (Rudi Haryanto, 2017).

## Mentoring

### a. Definition of Mentoring

Mentoring is an activity in community empowerment by placing assistants who act as facilitators, communicators, and dynamists. Mentoring is generally an effort to develop the community in various potentials possessed by each community to show a better and decent life (Reni Astuti, 2017).

### b. Assistance Based on Communication, Development, Controlling (CDC)

According to Reni Astuti (2017), assistance based on Communication, Development, Controlling (CDC) is as follows.

#### 1) Communication

In this case, Communication (communication) is very necessary in providing assistance for the first time to Beginner Entrepreneurs. Communication in this assistance is an initial step to attract the interest of Beginner Entrepreneurs to BMT in order to carry out business financing in the hope that the Funded Beginner Entrepreneurs can advance their business.

#### 2) Development

Development (development), is something that needs to be done by BMT, as a form of responsibility to promote Beginner Entrepreneurs. Business assistance is needed to be able to develop micro-enterprises to be more professional and productive. Beginner Entrepreneurs really need an active role from BMT to be able to develop their business, or at least just to maintain the continuity of their business.

#### 3) Controlling

To increase the empowerment of Beginner Entrepreneurs, BMT needs to make efforts to control (supervision), to ensure that Beginner Entrepreneurs do their business properly, do not violate the agreement, and are in accordance with Islamic law. BMT can't just give up on the business developments carried out by Beginner Entrepreneurs. However, what needs to be underlined is that the supervision efforts carried out by BMT should not seem to make it difficult for Beginner Entrepreneurs to run their business, because the ultimate goal of supervision is to make Beginner Entrepreneurs more developed and advanced, without violating the agreement and Islamic law.

## METHOD

Based on the purpose of this study, we want to examine more deeply how to optimize the role of BMT for empowering entrepreneurial students at UNIRA with the presence of a new business financing product with a mudharabah contract. To achieve the goal, the research design used is Participatory Action Research (PAR). PAR is done to get the changes. Howard & Bruce (2017) explain the spiral stages in PAR research can be seen in Figure 1 as follows.

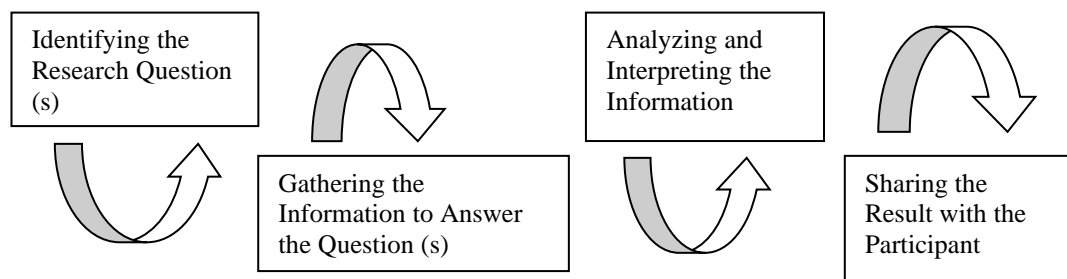


Figure 1. Stages of Spiral PAR (Howard & Bruce, 2017)

The type of data used in this study is primary and secondary data. Primary data is in the form of opinions and behavior of research subjects involved in implementing business financing with a mudharabah contract between shahibul maal (BMT UNIRA) as the owner of the funds and mudharib (student entrepreneur) as the fund manager. Collecting data by observation, interviews, documentation, and questionnaires. Activities in data analysis, namely data reduction, data display, and conclusion drawing/verification. (Miles & Hubberman in Sugiyono, 2013).

## RESULTS AND DISCUSSION

The following will present the results of the research data in a narrative manner accompanied by the appropriate table with the research design used is Participatory Action Research (PAR).

### 1. Identifying the Research Question

The first stage of problem identification is the activity of researchers with research subjects in this case the Head of Management and Manager of BMT UNIRA doing joint observations to examine and explore problems related to the empowerment of Entrepreneurial Students at UNIRA. Based on observations and problem identification, it was found that the problem faced by BMT was the absence of business financing with a mudharabah contract for the empowerment of novice entrepreneurs from students at UNIRA. Departing from the existing problems, the BMT manager agreed with the researchers to trial launch a new BMT product for business financing with a mudharabah contract. business financing with a mudharabah contract can be carried out by means of a contract (cooperation contract) between shahibul maal (BMT UNIRA) as the owner of the funds and mudharib (student entrepreneur) as the fund manager. Launching of a new business financing product with a mudharabah contract

accompanied by mentoring activities from BMT UNIRA for mudharib (student entrepreneurs). Mentoring activities carried out by BMT UNIRA using a model of assistance based on Communication, Development, Controlling (CDC). Given the limited funds owned by BMT UNIRA, it was agreed that 5 (five) mudharib (entrepreneurial students) from the Faculty of Economics and Business, Raden Rahmat Islamic University, Malang, were agreed to be entitled to take business financing with a mudharabah contract.

Based on the selection results (the results of interviews and observations to business locations) of each mudharib (student entrepreneur) from Raden Rahmat Islamic University Malang and the limited funds available at BMT UNIRA. It is agreed that the mudharib who are entitled to take business financing under a mudharabah contract and receive business assistance are 5 (five) mudharibs and their respective business identities are presented in Table 1 as follows

**Table 1. List of Mudharib Recipients of Business Financing from BMT UNIRA Malang**

No.	Mudharib Identity (Name, origin of PT, Address and Start of business)	Business Name and Product Type	Startup Capital	Product marketing
1.	Nur Cholilah (female) Sharia Economics/FEB/UNIRA Dusun Durmo, Malang Regency Year 2021	Bouquet and Food	Owner's equity (from own savings)	Online : Instagram@BI.Florist andgift//@BI.food_drink
2.	Afrisal A. Maulana (male) Sharia Economics/FEB/UNIRA Jl. Raya Diponegoro, Malang Regency Year 2022	Goods (BI. Florist and gift)	Loan Capital (from family)	Online : Instagram
3.	Diana Istiqomah A (female) Sharia Economics/FEB/UNIRA Dusun Kasikon, Malang Regency Year 2022	Services (BI.food_drink)	Loan Capital (from family)	Online : Instagram
4	Resza D. Putri (female) Management/FEB/UNIRA Jl. Raya Panggungrejo, Malang Regency Year 2022	Cineva Studio	Loan Capital (from family)	Online : Whatsapp, Facebook
5	Andika Sanjaya (male) Islamic Banking/FEB/UNIRA Dusun Gelanggang, Malang Regency Year 2021	Photo and Video Services	Owner's equity (from own savings)	Online: Instagram

Source: Data processed (2022)

Based on the mudharib business identity data in Table 1 above, it can be seen that the business capital of 2 (two) mudharib entrepreneurs with their own capital comes from their own savings. Meanwhile, 3 (three) other mudharib are entrepreneurs with loan capital from their families. Based on the results of interviews during the selection of prospective recipients of business financing with mudharabah contracts from BMT UNIRA, information was obtained that 5 (five) need funds for business capital and assistance to develop their business.

## 2. Gathering the Information to Answer the Question

In this second stage, the researcher together with BMT UNIRA formulated an action plan. The plan formulated at this stage consists of two things, namely: 1) socialization of new BMT UNIRA products in the form of business financing with mudharabah contracts to facilitate budding entrepreneurs and the provision of sharia business plan materials and digital marketing; 2) Communication, Development, Controlling (CDC) based assistance. Two kinds of activities are carried out by BMT UNIRA from August to October 2022.

## 3. Analyzing and Interpreting the Information

The third stage is data analysis and interpretation. At this stage, researchers and research subjects together understand the information that has been collected. Researchers began to take action with research subjects in accordance with the planning in the previous stage.

The socialization of BMT UNIRA's new product in the form of business financing with a mudharabah contract and the provision of sharia business plan materials and digital marketing, was held on Monday, August 22, 2022 from 08.00 to 14.00 in the UNIRA Syariah Investment Gallery room. The output of the socialization activity in the form of a business plan from each mudharib (entrepreneurial student) and business documents will be used to complete the requirements for taking business financing with a mudharabah contract to BMT UNIRA.

The mentoring takes place at BMT UNIRA every Monday to Thursday from 10:00 to 15:00 from September to October 2022. The facilitators come from the BMT UNIRA management in collaboration with researchers. The data on the results of assistance based on Communication, Development, Controlling (CDC) are presented as follows.

### 1) Communication

Communication in this assistance is an initial step to attract mudharib (entrepreneurial students) to BMT UNIRA in order to carry out business financing in the hope that the funded mudharib can advance their business. Direct and indirect

communication through wa (whats app) is carried out by mudharib to the facilitator who has been personally determined and the consultation schedule is scheduled.

2) *Development*

Development is something that BMT UNIRA needs to do, as a form of responsibility to advance mudharib. Business assistance is needed to be able to develop a business to be more professional and productive. Mudharib really needs an active role from BMT UNIRA to be able to develop his business, or at least just to maintain the continuity of his business. Additional training in the form of material on how to calculate product cost and profit sharing ratio which is given directly when they consult the business plan of each mudharib.

3) *Controlling*

To increase the empowerment of the mudharib, BMT UNIRA also needs to make monitoring efforts, to ensure that the mudharib do their business properly, do not violate the agreement, and are in accordance with Islamic law. BMT UNIRA can't just give up on the business developments carried out by BMT UNIRA. However, what needs to be underlined is that the supervisory efforts carried out by BMT UNIRA should not seem to make it difficult for mudharib in running their business, because the ultimate goal of supervision is to make mudharib more developed and advanced, without violating agreements and Islamic law. The following are two efforts that can be made by BMT UNIRA in supervising the performance of mudharib in running their business as follows.

a. *On-the-spot inspection*

On the spot inspection (sudden), is needed to ensure the honesty of the mudharib in running his business. This sudden inspection is a control carried out by BMT UNIRA so that mudharib carry out well what is given during training activities. So, with these conditions, it will be known the actual condition of the business of the mudharib being carried out. This sudden inspection also ensures that no syar'i elements are violated in the implementation of the business. Based on the results of interviews we conducted with the manager of BMT UNIRA, there were mudharibs who sometimes did not want to be fully open to BMT UNIRA. For this reason, it is important to carry out inspection activities. Implementation of on-the-spot (sudden) inspections to the business locations of each mudharib during business financing activities carried out at the end of September and mid-October 2022.

b. *Preparation of Business Financial Statements*

In running their business, sometimes the mudharib does not record the profits or losses obtained, sometimes even the mudharib keeps his business profits for granted. Profits that should be used to develop their business are not consciously used for other interests which are sometimes less useful. In addition, there are mudharib who are dishonest in conveying their financial condition. Completion of financial reports is intended to familiarize mudharib so that they are accustomed to recording properly and regularly, for profits or losses obtained from their business. In the end, the financial report will help BMT UNIRA in monitoring the development of the mudharib, and can be a reference in providing guidance and direction to the mudharib. Before the mudharib is given a financial report form to fill out, BMT UNIRA first provides guidance and direction related to financial management. This is important to do so that the mudharib does not feel heavy and burdened in filling out the financial statements provided by BMT UNIRA.

BMT UNIRA's request to each mudharib for financial reports is made at the end of each month, as long as the mudharib's business financing activities have submitted 2 (two) times at the end of September and October. At the time of submitting financial reports, mudharibs take the opportunity to consult about their respective business finances to the facilitator.

4. *Sharing the Result with the Participant*

The fourth stage is sharing research findings between researchers and research subjects. At this stage the researchers together with BMT UNIRA reflected on the results of the action in the form of business financing practices with mudharabah contracts accompanied by CDC-based business assistance for mudharib (student entrepreneurs). The findings can be used to improve and take further action.

In order to complement the findings in the field from interviews and direct observation of the results of the action in the form of a research focus on optimizing the role of BMT UNIRA through business financing practices with mudharabah contracts accompanied by CDC-based business assistance to empower mudharib (student entrepreneurs). On the occasion of Sharing the Result with the Participant, the researcher collected data on mudharib (entrepreneurial students) opinions on the role of BMT in UNIRA in the form of new business financing products with mudharabah contracts and assistance provided by BMT UNIRA with questionnaires.

a. *Analysis of the Role of BMT UNIRA*

The results of mudharib (entrepreneurial students) opinions on the role of BMT UNIRA are presented in Table 2 as follows.

**Table 2. Data Tabulation of the Role of BMT UNIRA**

Variable	Statement Items	Yes	No
	Financial transactions carried out by BMT UNIRA in accordance with Sharia principles	4	1
	Conduct business financing for students in entrepreneurship	5	
	There is an explanation by BMT UNIRA to students about business financing with a mudharabah contract	5	
	Business financing with a mudharabah contract made by BMT UNIRA in accordance with Sharia principles	4	1



The role of BMT	Profit Sharing Ratio according to the provisions of BMT UNIRA in accordance with Sharia principles	4	1
	Provide assistance for mudharib in running a business	5	
	Business financing with a mudharabah contract provided by BMT UNIRA is useful for developing a business	4	1
	The business assistance provided by BMT UNIRA is useful for running a business	4	1
	The financial administration system at BMT UNIRA is good	3	2
	There needs to be financing provided by BMT UNIRA for students who are constrained in terms of education funds	5	
	There needs to be an academic financing program for SPP, KKN, Thesis given by BMT UNIRA which can help the needs of students	5	
<b>Mean</b>		<b>4.36</b>	<b>0.64</b>
<b>Percentage</b>		<b>87.27</b>	<b>12.73</b>

Source: Processed data (2022)

Based on the results of respondents' opinions (responses) from the data in Table 2 above, it can be seen that the responses of respondents regarding the role of the UNIRA BMT variable received a very good response by students who received business financing with mudharabah contracts. The answer "Yes" is the most dominant in the statement of the role of BMT UNIRA in the financing provided by 87.27%. While the respondents who answered "No" were only 12.73%.

Like other financing, business financing with mudharabah contracts is carried out by credit management in the process, which in its implementation is the same as conventional banks. The steps carried out include:

1) The financing analysis stage and the decision to provide financing.

In this first stage, prospective mudharib (student entrepreneurs) include a business plan to convince Shahibul Maal (BMT UNIRA) as the owner of the funds regarding the need for funds and plans for business development. Taking into account the contents of the business plan that was made and the results of visits to business locations from 13 prospective mudharib, it was decided that only 5 people could be given business financing under a mudharabah contract. This decision is also influenced by the financial condition of Shahibul Maal (BMT UNIRA) which has not been able to support it.

2) The stage of making a business financing contract with a mudharabah contract.

This agreement in mudharabah financing is subject to Indonesian law, which does not conflict with the concept of sharia economy and banking. law, and does not violate Islamic law. The contract document needs to be studied and consulted with the facilitator (UNIRA BMT officer) before it is agreed and signed by the mudharib. In August 2022, only 2 (two) Bouquet and Food mudharib and Bikininaja mudharib are ready to receive business financing under a mudharabah contract. While the other 3 (three) mudharibs are ready to receive business financing with a mudharabah contract in September 2022, the results of interviews with 5 (five) indicate that mudharibs who have a longer business time will respond more quickly to capture additional business capital opportunities.

3) Supervision stage.

This supervision is carried out by requiring the mudharib to submit financial reports and report the progress of his company or business at the end of each month to BMT UNIRA.

4) The stage of rescue and completion of financing.

To overcome the problem of non-performing financing, BMT UNIRA can collect mudharibs who are not on time to carry out their obligations (paying installments and profit sharing) from their business.

b. Analysis of Funding Needs for Students

The existence of BMT UNIRA Malang other than as a means of student learning practices in the field of Islamic finance is also required to participate in moving the economy of the ummah. Through BMT UNIRA should provide assistance for students who need educational funding assistance. The education funds needed include tuition, credit, UTS, UAS, PKL, KKN and thesis. From the data, Table 2 shows the respondents' responses to the financing needs provided by BMT UNIRA for students who are constrained in terms of education funds. Considering that from the time of its establishment to the present day (2009-2021), for 12 years there has been no program for distributing funds through financing for students who are constrained in terms of education funds. So these findings can be used as suggestions to BMT UNIRA for alternative new products in addition to business financing products for entrepreneurial students with mudharabah contracts.

### A. Discussion

Based on the results of research with the aim of wanting to examine more deeply the optimization of the role of BMT for empowering entrepreneurial students at UNIRA with the presence of new business financing products with mudharabah contracts. The results of this study indicate that the existence of BMT in UNIRA plays an active role in empowering entrepreneurial students through its new product of business financing with a mudharabah contract.

This research is in line with previous research from Putri Nuraini (2020) showing the results, that the existence of BMT Darussalam plays an active role in meeting the needs of students who need education funds in the form of financing programs, with a percentage of 87.69%. From this program, BMT becomes a mediator between students who need funds and the University. Furthermore, all student needs in the form of academic financing needs, academic financing needs and financing needs for entrepreneurship can be well met by BMT Darussalam by 88.18%.

In addition, there are other research findings that BMT UNIRA according to student responses needs to provide financing for students who need educational funding assistance. The education funds needed by UNIRA students include SPP, SKS, UTS, UAS, PKL, KKN and thesis.

Constraints faced in optimizing action research on the role of BMT for empowering entrepreneurial students at UNIRA: (1) limited capital (capital/funds) used for financing practices, (2) more intensive promotional activities are still needed so that UNIRA BMT products are better known by students and the community in the Raden Rahmat Islamic University campus, Malang, East Java.

## CONCLUSION

Based on the results of the research and discussion as described above, it can be concluded that the role of BMT in UNIRA plays an active role in empowering entrepreneurial students through new business financing products with mudharabah contracts. In addition, there are other research findings that BMT UNIRA according to student responses needs to provide financing for students who need educational funding assistance. The education funds needed by UNIRA students include SPP, SKS, UTS, UAS, PKL, KKN and thesis.

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