



# THE SYNERGY OF BWM AND BUMDES AS AN ALTERNATIVE FOR IMPROVING THE WELFARE OF SME

Fauzul Hanif Noor Athief<sup>1</sup>, Linda Isma Cahyaningrum<sup>2</sup>, Darlin Rizki<sup>3</sup>, Afief El Ashfahany<sup>4</sup>

<sup>1,2,4</sup> Faculty of Islamic Religious, Universitas Muhammadiyah Surakarta, Indonesia

<sup>3</sup> Faculty of Sharia and Islamic Economics, STAIN Teungku Dirundeng Meulaboh, Indonesia

[fauzul.hanif@ums.ac.id](mailto:fauzul.hanif@ums.ac.id)<sup>1</sup>, [linda.ismacahyani2000@gmail.com](mailto:linda.ismacahyani2000@gmail.com)<sup>2</sup>,  
[1997darlin@gmail.com](mailto:1997darlin@gmail.com)<sup>3</sup>, [aea930@ums.ac.id](mailto:aea930@ums.ac.id)<sup>4</sup>

## Abstract

This research paper investigates the symbiotic relationship between two institutions, BWM Imam Syuhodo and BUMDes Wonorejo, both committed to advancing the welfare of small and medium-sized enterprises (SMEs). The primary objective of this study is to provide a comprehensive exploration of the collaborative process between these entities and to offer a thorough analysis of the resultant impact on SMEs. Employing a qualitative research approach, this study incorporates field research methodology involving meticulous observations of the participating institutions, in-depth interviews with relevant stakeholders, and systematic documentation of physical and textual data. The findings of this research reveal a significant synergy between BWM Imam Syuhodo and BUMDes Wonorejo, facilitated under the auspices of the Financial Services Authority. This synergy was realized during the inauguration of BUMDes through a well-executed bazaar event, characterized by seamless operations and positive repercussions for local SMEs. The collaborative efforts have served as a vital conduit for entrepreneurs, offering expanded market access and exerting a transformative influence on the financial stability of SMEs. As a result, the surrounding community has witnessed tangible advancements in their business landscape, further underscoring the potential of such synergistic endeavors for SME welfare enhancement.

Keywords: Synergy, Micro Waqf Bank, BWM, BUMDes, SMEs, Welfare.

## INTRODUCTION

Small and Medium Enterprises (SMEs) constitute a pivotal sector within the economy, notable for its resilience and vitality. This resilience was notably observed during the economic crisis of 1998, where SMEs not only survived but thrived in the face of a plummeting rupiah value and ballooning foreign debt. SMEs have emerged as economic powerhouses, contributing significantly to job creation, local economic dynamics, innovation, and the national balance of payments (Kadeni & Srijani, 2020).

Recognizing the substantial influence of SMEs, it becomes evident that a structured and systematic development approach is essential to provide clear guidance for this micro-enterprise sector. SMEs frequently grapple with challenges related to capital limitations, marketing, access to raw materials, employment, distribution logistics, and various other obstacles. To advance the SME community's welfare, focused efforts are required. In addition to government initiatives, various economic institutions have devised strategies to foster SME development. One such institution is the Micro Waqf Bank (BWM), a Sharia-compliant microfinance entity that extends financial access to SMEs lacking access to formal financial institutions (Balqis & Sartono, 2019). Waqf institutions, including BWM, play integral roles in crafting diverse business models (Aisyah et al., 2021) and possess the adaptability to evolve into various Islamic financial products (Iman et al., 2021). Moreover, BWM functions as an enabler for small and medium-sized enterprises in communities, concurrently elevating the well-being of underserved segments of society (Athief et al., 2022).

Generally, BWM's strategy for stimulating business development within the Islamic boarding school community primarily centers on specialized training models and regular meetings. However, under specific circumstances, BWM collaborates with Business Entities Owned by the Village (BUMDes) to jointly harness the potential of SMEs in the region. The cooperative endeavors of two institutions sharing common goals can significantly enhance the prospects of broader economic prosperity (UU No. 32/2004, article 213 paragraph 1). BUMDes represents a commercial institution that provides local financing resources and functions as a social entity making a constructive contribution to the village economy (Agunggunanto, 2016).

A tangible manifestation of such collaboration is the Synergy program between the Micro Waqf Bank (BWM) Imam Syuhodo and BUMDes Wonorejo, designed to empower SMEs in the village environment. This collaboration is noteworthy for its uniqueness, as it is a rare occurrence within the community but holds substantial potential for elevating the economic status of the Wonorejo community. The relative scarcity of such synergy programs can be attributed to the limited prevalence of BUMDes in the region. According to BPS data, Central Java Province comprised a total of 8,562 villages and sub-districts in 2020 (Statistics Supervisory Agency, 2022), with only 5,539 recorded BUMDes in the same year (Central Java Provincial Government, 2021).

Economic empowerment is a concerted effort to bolster the financial robustness and competitiveness of the populace. Notably, SMEs grapple with challenges such as capital access, technology proficiency, market reach, skills development, and other multifaceted barriers. Although P2P digital lending models have surged post-pandemic (Bella, 2020), some individuals continue to favor lending models involving physical interactions. Addressing these diverse impediments is imperative to drive SME growth and nurture a populace that can contribute significantly to its own well-being (Ishari & Sakinah, 2016).

Given this backdrop, the synergy program between BWM Imam Syuhodo and BUMDes Wonorejo warrants in-depth examination, as it represents a strategic development model aimed at expanding community engagement in the micro-economic sector. This study seeks to answer critical questions concerning the cooperative strategy between BWM and BUMDes, examining its impact on the SME sector community. Specifically, this research investigates how the collaboration between BWM and BUMDes influences the SME sector and its implications for community welfare.

## LITERATURE REVIEW

Synergy, defined as the process whereby the interaction of two or more agents or forces yields a combined effect exceeding the sum of their individual impacts, has been a topic of substantial interest (Husaini Usman, 2006). Demonstrably, synergy among multiple parties has proven effective in improving the well-being of communities (Alam et al., 2022). In the context of this study, the primary agents involved are BWM Imam Syuhodo, an institution grounded in Islamic boarding schools and licensed by the OJK, deriving its financial resources from cash waqf assets, and BUMDes Wonorejo, a village government-managed entity dedicated to unleashing local potential for the betterment of the community's economic prospects through job creation and business opportunities (Wiratna Sujarweni, 2020).

Research pertaining to the empowerment of Micro, Small, and Medium Enterprises (MSMEs) has garnered substantial attention in recent years. However, one aspect that has garnered relatively less exploration is the synergy between institutions such as Baitul Maal Watamwil (BWM) and Village-Owned Enterprises (BUMDes) in facilitating the economic growth of micro-level communities in rural areas. Previous investigations, such as that conducted by Pramono and Wahyuni, have illuminated the positive impact of collaboration between Baitul Maal Watamwil (BWM) and Shariah-compliant fintech platforms on the growth of both entities. Their findings suggest that BWM can experience accelerated growth while Shariah-compliant fintech platforms can attain enhanced stability through their collaboration (Pramono & Wahyuni, 2021).

Additionally, Wijaya's research has underscored the affirmative impact of synergy between Baitul Maal Watamwil (BMT) and Village-Owned Enterprises (BUMDes) on the economic well-being of communities. This emphasizes the potential of the cooperation between financial institutions like BWM and rural economic development initiatives, such as BUMDes, to generate a robust synergy (Dzikrulloh & Permata, 2016). Maulani's work has highlighted BWM's pivotal role as a financing institution at the regional or village level, underscoring the importance of such institutions in bolstering economic growth at the micro-level (Wijaya & Gumelar, 2021). Furthermore, a distinctive feature of this research is the weekly mentoring provided by BWM to business groups, an effective strategy that enhances the financial literacy of customers, ultimately aiding them in more proficiently managing their enterprises (Cahyani et al., 2021; Chikmiyah, 2021).

This study also emphasizes the mutual benefit inherent in the collaboration between BWM and BUMDes. It elucidates that when financial institutions like BWM collaborate with rural economic development initiatives such as BUMDes, both entities complement each other, working in tandem to achieve the shared objective of community economic development at the micro-level (Putri, 2019).

Importantly, this research departs from previous studies by delving into the intricate workings of the synergy between BWM and BUMDes, aiming to provide deeper insights into how this collaboration can serve as a potent instrument in empowering MSMEs and fostering economic growth at the local level. This unique approach positions the study as a valuable contribution to the existing body of knowledge on the subject.

## METHOD

This research takes the form of a field research endeavor, conducted on-site at the Imam Syuhodo Micro Waqf Agency and the Wonorejo Village-Owned Enterprise.



The chosen approach is qualitative, which facilitates structured analysis and interpretative procedures for comprehending diverse data sources encompassing interviews, documentation, and observations (Strauss & Corbin, 2015).

In this context, the researcher physically visited the research sites to engage with key informants associated with the required data objects. Complementing this fieldwork, the study also incorporates data extracted from relevant literature sources, serving as analytical tools for understanding the phenomena derived from the collected field data. The data sources in this study are taken from primary data which are acquired through interviews and observations at BWM Imam Syuhodo, BUMDes Wonorejo, and the business community, members of and supported by these economic institutions.

All data collected will be subjected to descriptive analysis, with the presentation of factual data ascertained during the research (Albi & Johan, 2018). The analytical model adopted is inductive, characterized by the development of novel, general conclusions grounded in the amassed data (Gumilang, 2016). The selection of an inductive research approach is warranted for several reasons:

- a. The inductive process is adept at discerning the manifold facets inherent in the data.
- b. It fosters explicit, recognizable, and accountable researcher-respondent relationships.
- c. It comprehensively delineates the contextual background and facilitates decisions regarding the transferability of findings to other settings.
- d. Inductive analysis excels at identifying commonalities that sharpen interrelationships.
- e. It explicitly incorporates values as an integral part of the analytical framework. In this instance, the study aims to address the issue of time allocation conflicts in agricultural land rental practices within Kalikotes Village, Kalikotes District, Klaten Regency.

This analytical process unfolds in several stages. Firstly, the researcher scrutinizes and evaluates the data obtained from observations, interviews, and documentation relating to the collaboration between BWM Imam Syuhodo and BUMDes Wonorejo. Secondly, the research involves interpreting the purpose and objectives of the cooperation between these two economic institutions concerning the enhancement of the local SME community's economic well-being, while also assessing the impact and transformative effects of such collaboration. Lastly, the researcher concludes the findings by offering an in-depth exploration of the central and ancillary strategies behind the synergy between BWM Imam Syuhodo and BUMDes Wonorejo, along with an examination of the implications of this collaborative effort on the SME community.

## RESULTS AND DISCUSSIONS



**Imam Syuhodo Micro Waqf Bank**

The Imam Syuhodo Micro Waqf Bank (BWM) operates as a Sharia-compliant microfinance institution, extending unsecured capital financing to individuals engaged in the micro-business sector. BWM Syuhodo is institutionally affiliated with the Imam Syuhodo Islamic Boarding School, an entity rooted in micro-level endeavors. Situated within the premises of the Imam Syuhodo Islamic Boarding School, precisely at Jalan. KH. Ahmad Dahlan No. 154, Wonorejo Village, Polokarto District, Sukoharjo Regency, Central Java, this institution gained official operational clearance in 2018, bearing the operational permit number KEP-57/KO.0301/2018. The formal nomenclature of Imam Syuhodo's BWM is the "Islamic Microfinance Institution Cooperative, Imam Syuhodo's Micro Waqf Bank".

BWM Imam Syuhodo offers financial services within a restricted geographical scope, limited to a 5 km radius from its office. The areas served by BWM Imam Syuhodo include Sangiran Village, Jatisobo Village, Dugas Village, Pandak Village, Wonorejo Village, Geneng Village, Lemahbang Village, Packaging Village, Gagan Village, Jatisari Village, Godog Village, and Tulakan Village, as per an interview with Abdul Somat Nur (2022).

In accordance with Sharia principles, every Islamic financial institution necessitates supervision by a Sharia Supervisory Board to ensure conformity with these principles. Notably, the Imam Syuhodo Micro Waqf Bank operates under the auspices of the National Amil Zakat Institute for Bangun Sejahtera Mitra Ummah, also known as LAZNAS BSM Ummah. LAZNAS BSM Ummah is a private foundation that has held an operational license since 2001 and received approval from the Ministry of Religion of the Republic of Indonesia as a national amil zakat institution. However, it is essential to note that LAZNAS BSM Ummah does not transfer its entire allocated funds to each BWM. In the case of the Imam Syuhodo Micro Waqf Bank, the total funds disbursed amount to Rp. 4 billion rupiah. This sum is divided into two forms: Rp. 3 billion allocated as reserve funds/savings, which cannot be utilized for BWM operations, and Rp. 1 billion designated as capital funds, available for BWM operations. The disbursement of the latter is conducted periodically and requires prior approval from LAZNAS BSM Ummah. Therefore, permission to disburse these funds must be formally requested from LAZNAS BSM Ummah. Once clearance is granted, BWM Imam Syuhodo is authorized to initiate fund disbursement (Interviews with Agus Susilo as BWM Managers, 2021).

The primary and sole operational program undertaken by the Imam Syuhodo Micro Waqf Bank is the provision of financing and loans to its members, with installment payments structured through Weekly Halaqoh (HALMI) group sessions. HALMI sessions are conducted on a weekly basis and are mandatory for all members of BWM Imam Syuhodo. These sessions serve multiple objectives:

1. Enhancing the HALMI group's understanding of Islamic economic business behavior.
2. Elevating the knowledge and skill set of HALMI group members in business management.
3. Expanding the network of relationships between BWM and HALMI members to collectively address challenges, both in the context of religious and business-oriented enhancements.

### **Wonorejo Village Owned Enterprise**

The Wonorejo Village Owned Enterprise, known as BUMDes, is an entrepreneurial entity established by the village government to bolster the economic well-being of Wonorejo residents. Situated in the sub-district of Wonorejo Village,





Wonorejo BUMDes operates under the full name "Village-Owned Enterprises Center Maju Sejahtera Wonorejo Village." This establishment was inaugurated on November 17, 2018, with the honor of being officially opened by the Chairman of the Financial Services Authority of the Republic of Indonesia.

BUMDes Wonorejo serves as an exemplar of an economic hub that seamlessly integrates real sector business units with financial sector entities. The development trajectory of BUMDes Wonorejo hinges on three foundational pillars, namely the institutional and business components, financial accessibility, and digitization. Within this framework, several distinct programs have been devised and implemented by BUMDes Wonorejo:

1. BUMDes Online Application: Facilitating digital access for residents.
2. Deep Well: Enhancing water resources and management.
3. Field Management: Fostering agricultural practices.
4. Garbage Car: Streamlining waste management.

During the establishment process, the Financial Services Authority (OJK) assumed a pivotal role by providing guidance, direction, material support, and human resources to support the formation of BUMDes. This assistance included furnishing the services of consultants from PT. BDI (PT. BUMDes Indonesia) and formalizing the notarial deed for BUMDes. Following the inauguration, the OJK continued to offer guidance, direction, and invitations to Wonorejo BUMDes to participate in pertinent national initiatives and activities, as revealed during interviews. (Interview with Susilo Handoko as Secretary of Wonorejo Village, November 24, 2021, at 09.30 WIB).

### **The Synergy Process of BWM Imam Syuhodo and BUMDes Wonorejo**

In contemporary times, monetary-based waqf is emerging as a notable form of endowment. These institutions serve as custodians for a spectrum of social contributions encompassing infaq, shadaqah, and various types of waqf. Two significant bodies overseeing the management of such funds in Indonesia are the National Amil Zakat Agency (BAZNAS) and the National Amil Zakat Institution (LAZ), the latter being a community-driven initiative for the collection and distribution of zakat contributions. The Imam Syuhodo Micro Waqf Bank, as a waqf asset management institution, derives its operational resources from zakat funds channeled through the National Amil Zakat Institution (LAZNAS) in Wonorejo.

BWM Imam Syuhodo champions community empowerment through financing support for the business sector. Amil institutions collect two categories of zakat: consumptive zakat and productive zakat (Athief & Thamrin, 2020). Notably, the financing funds employed by BWM Imam Syuhodo originate from BAZNAS BSM Ummah, a productively managed zakat fund. The mission of zakat institutions is, in part, poverty alleviation, recognizing that poverty can significantly imperil faith, ethics, cognitive processes, families, and society. Islam perceives poverty as a profound threat to various aspects of life (Masruroh & Farid, 2019).

While BWM Imam Syuhodo functions as a lender, it also upholds its commitment to encouraging the sustainability of SME actors through a collaborative partnership with BUMDes Wonorejo. This collaborative initiative aims to foster the emergence of new business entrepreneurs, enhance the well-being of members, and introduce BWM financing products within the purview of the village government.

The synergy between BWM Imam Syuhodo and BUMDes Wonorejo was established in 2018, and its realization was closely intertwined with the role of the Financial Services Authority (OJK), particularly in the authorization of BUMDes Wonorejo. Wonorejo was initially selected as one of the Central Java villages

designated by the OJK to serve as a pilot project for inaugurating Village-Owned Enterprises. Pilot projects serve as experimental ventures intended to promote the establishment of similar institutions in other regions, ultimately fostering regional development and prosperity.

The formal establishment of BUMDes Wonorejo was a meticulously monitored and assisted process under the direct oversight of the Financial Services Authority (OJK). This rigorous oversight was crucial in ensuring that the pilot project could successfully align with its intended objectives and target completion.

The formation of BWM Imam Syuhodo closely coincided with the inauguration of BUMDes Wonorejo, thus presenting a compelling rationale for synergistic collaboration between institutions with shared objectives. Both BUMDes Wonorejo and BWM Imam Syuhodo share a common overarching goal – to advance the welfare of the surrounding community, with a special emphasis on supporting SME residents. This synergy was tactically promoted through mutual engagement. BWM Imam Syuhodo dispatched two representatives as delegates to present and promote their products, while the fledgling Wonorejo BUMDes directed the Women's Family Welfare Development (PKK) groups in the village to actively participate in these cooperative initiatives.

### **The Synergy Form of BWM Imam Syuhodo and BUMDes Wonorejo**

The pivotal moment for the synergy between BWM Imam Syuhodo and BUMDes Wonorejo was realized during the ceremonial inauguration of the Wonorejo BUMDes institution. The Financial Services Authority provided strategic direction for the two institutions to harmonize their efforts, marking the initial stride toward the shared goals and aspirations of these entities. This collaborative synergy found its expression in the village bazaar activities. The bazaar served as a conduit, offering market access from BUMDes Wonorejo to the members of BWM Imam Syuhodo, thereby facilitating the introduction and marketing of their products. To disseminate information about the bazaar, local RT Chairs were entrusted with copies of details to convey to their respective residents.

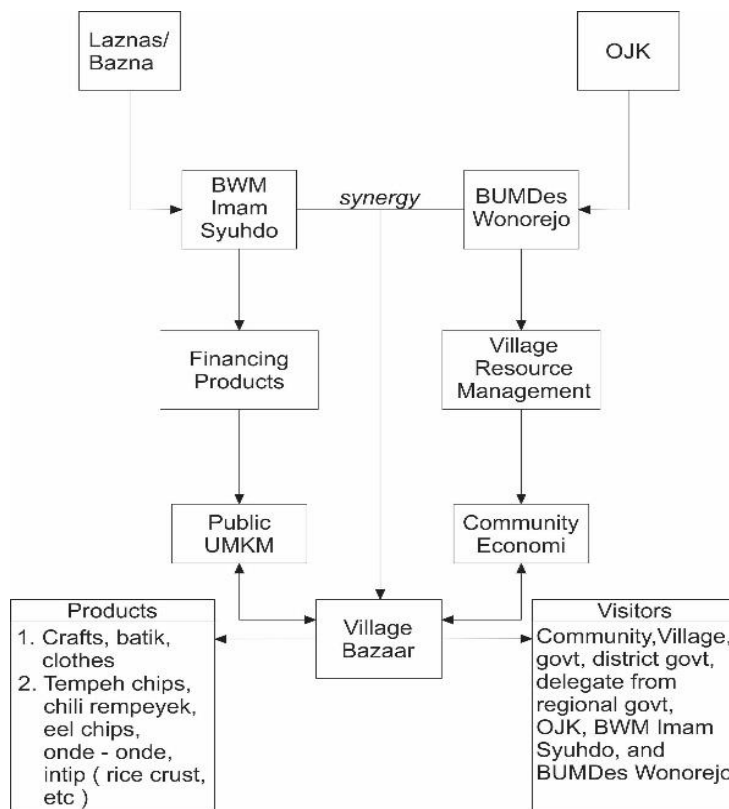
In response to OJK's directives, BWM Imam Syuhodo thoughtfully selected members representing diverse business backgrounds to participate. Considerations included the allure of product packaging in attracting customers and consumers, which influenced the composition of the delegate members. Two individuals, skilled in the production of attractively packaged snacks (value-added products), were chosen to represent BWM Imam Syuhodo in this synergy activity. These delegates received dedicated support and assistance from the BWM Imam Syuhodo team to ensure their active involvement and successful participation.

The products showcased by the BWM Imam Syuhodo delegation and the PKK Wonorejo women encompassed a range of offerings, from delectable snacks like eel chips, onde-onde ketawa, intip, and more, to handicrafts, batik, and clothing. The bazaar attracted a diverse audience, including local community members, village government representatives, officials from the Sukoharjo district government, and even central government personnel from OJK. This extensive exposure allowed for a deeper understanding of the products on display and resulted in substantial sales, as illustrated in Figure 1.

The bazaar event elicited enthusiastic participation and warm reception from the community. This was evident in the active involvement of community members who attended the bazaar. The event unfolded within the Wonorejo Village Hall courtyard, spanning an entire day, commencing in the morning and concluding late in the

afternoon. The proceedings commenced with a mesmerizing Jumengglung lesung art performance presented by Wonorejo residents. Subsequently, the visitors and government officials in attendance perused the product stands set up by BWM Imam Syuhodo and the PKK Wonorejo women. Notably, government officials not only interacted with the product displays but also made various purchases.

The event continued with the official launch of the Wonorejo BUMDes institution. Prominent figures, including the village head, sub-district head, the new director of OJK, and Wimboh Santoso, Chairman of the Board of Commissioners of the Financial Services Authority of the Republic of Indonesia, delivered speeches and inaugurated the Wonorejo BUMDes. This significant ceremony was also graced by the presence of other esteemed government officials such as H. Purwadi, SE., MM., Deputy Regent of Sukoharjo; Budiman Sudjatmiko, Member of the Indonesian Parliament; and Laksono Dwiwonggo, Chairman of OJK Solo. The event culminated in a ceremonial ribbon-cutting ceremony directly in front of the BUMDes office in Wonorejo, orchestrated by the Chairman of OJK RI.



**Figure 1.** Synergy Scheme by BWM and BUMDes  
*Source: Primary data processed, 2023*

### The Influence of the Synergy of BWM Imam Syuhodo and BUMDes Wonorejo on SME Community

This bazaar activity yielded a notably positive impact and garnered appreciation from the surrounding community. Several residents of Wonorejo who engage in sales

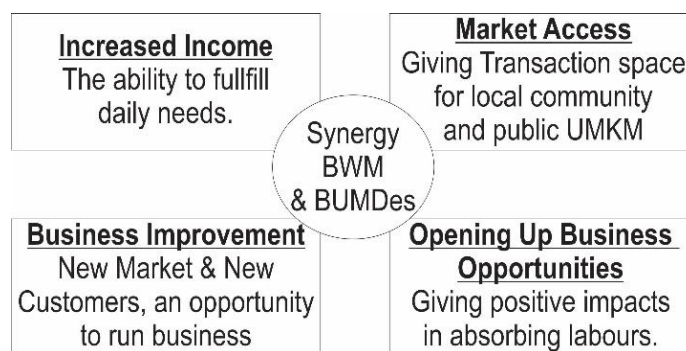




businesses actively participated in this event. The bazaar drew residents from Wonorejo and customers of BWM Imam Syuhodo, both of whom showcased and sold their respective products. This initiative marked a constructive initial step in establishing local institutions aimed at enhancing the residents' welfare. The researchers will elucidate some of the effects observed for SME residents who engaged in these activities, as depicted in Figure 2.

### *Income Increase*

The collaborative bazaar activity resulted in a noticeable increase in income for local residents selling their products. These financial gains ranged from Rp. 200,000 to Rp. 300,000, significantly improving their ability to meet daily expenses. The impact of this financial boost varied among community members, depending on their specific economic circumstances. While it's challenging to quantify these income improvements directly, they have undoubtedly contributed to enhancing the overall well-being of households. These financial enhancements align with government programs aimed at improving community welfare. Ultimately, the increased income helps households meet their basic needs and secure their financial well-being.



**Figure 2.** The Effect of the Synergy Program for SMEs  
*Source: Primary data processed, 2023*

### *Market Access*

The synergy extended market access to the SME community, encompassing members of both BWM Imam Syuhodo and the PKK in Wonorejo Village. Market access denotes opportunities for businesses to introduce, promote, and secure spaces for SME entrepreneurs to market their products, ultimately facilitating enhanced marketing and business development. This collaboration enriched SME entrepreneurs' enthusiasm in promoting their products, effectively providing a channel for introducing products pioneered by BWM Imam Syuhodo members. The vast number of visitors to the event allowed for comprehensive comparisons between institutions and related products within the wider community.

### *Business Improvement*

Through these activities, SME sellers established connections for selling their products to the broader community. Increased acquaintanceships during the event opened substantial opportunities for promoting and introducing their products to the general public. According to an interview with a BWM member from Imam Syuhodo who represented the exhibition of their products, participation in this synergy activity

notably bolstered product orders and attracted additional reseller shops to join in marketing their products.

#### *Opening Business Opportunities*

The synergy between BWM Imam Syuhodo and BUMDes Wonorejo positively impacted employment and business opportunities in the local village community. Evidenced by the participation of SME community members and BWM affiliates in the Village Bazaar event, they not only introduced their products but also disseminated information on advantageous financing options within the micro sector. The enthusiasm of the group, especially the mothers, was palpable in selling and promoting their products, thereby paving the way for new business prospects.

#### **Follow-up to the Synergy of BWM Imam Syuhodo and BUMDes Wonorejo**

In general, institutional synergy often takes the form of joint financing, the channeling of funds, or collaborative business ventures. However, the synergy between BWM Imam Syuhodo and BUMDes Wonorejo primarily revolves around providing market access. Following the culmination of their last collaborative effort in the form of a bazaar activity, these two institutions have not embarked on further joint initiatives. This is in compliance with guidance from the Financial Services Authority, which oversees the synergy.

While there are no additional directives from the OJK regarding future collaborative efforts, BWM Imam Syuhodo has initiated a plan independently. This plan involves creating a product cooperative where members can collectively market their products, encompassing both food and goods. The aim is to expand the reach of products from BWM Imam Syuhodo members. Initially, this plan involved showcasing products during a routine review activity on Sunday mornings at the Imam Syuhodo Islamic Boarding School.

However, this initiative was put on hold due to the global COVID-19 pandemic. Safety concerns prompted a temporary suspension of activities, including the Sunday Morning Routine Study at the Imam Syuhodo Islamic Boarding School. While the specific timeline for future collaboration remains uncertain, there is an inherent motivation to continue exploring opportunities for synergy.

#### **Discussion**

The results of the observations and interviews conducted reveal crucial insights into the synergy between the Imam Syuhodo Micro Waqf Bank and BUMDes Wonorejo. Firstly, this synergy, although limited to a single-day event, demonstrated the potential for fostering substantial changes in the quality of services and economic opportunities. The improvements, however, are influenced by various factors beyond the synergy itself, which necessitates a broader perspective (Febriandika et al., 2022).

Secondly, the 2018 synergy activities had a notable and positive impact, particularly on community members of the Imam Syuhodo Micro Waqf Bank who participated. However, a lack of follow-up actions or continued synergy initiatives by both parties means that these impactful outcomes remain underutilized. Given the potential benefits for the community, a structured approach to expanding and sustaining these efforts is warranted.

Thirdly, a review of the literature highlights prior studies that explore synergies between BWM and BUMDes. One such study by Rahma Jaziyatul Chikmiyah illustrates that BWM can support its members by facilitating the marketing of their products. These digitalized marketplaces, supported by OJK, significantly contribute to

improving the welfare of communities by creating an online platform ([www.bwmbumdes.com](http://www.bwmbumdes.com)) for promoting and selling products. Enhanced access to digital wallets, such as GoPay, LinkAja, Dana, OVO, or QRIS, simplifies the purchasing process. The official website of BWM Al-Fithrah Wava Mandiri further promotes its members' products online. This experience demonstrates the untapped potential for growth in BWM Imam Syuhodo's efforts, potentially adopting strategies employed by other BWMs, and expanding the scope of its collaboration with BUMDes Wonorejo.

Fourth, recognizing the broader deployment of BUMDes, beyond village management services, presents an opportunity for BUMDes Wonorejo to consider offering financing services. By diversifying into financial services, they could play a vital role in advancing the economic well-being of rural communities. Synergizing with BWM Imam Syuhodo in the form of joint financing could facilitate business expansion and deliver more significant, lucrative results.

Fifth, it is noteworthy to appreciate the role of the Financial Services Authority (OJK) in facilitating these synergistic activities, particularly in their initial phases. However, it is essential to acknowledge that the potential for expanding and sustaining these synergies should not be solely reliant on OJK's directives and interventions. While OJK primarily functions in terms of regulating and supervising the financial services sector, there exists an opportunity to broaden the scope of collaborative initiatives to enhance their long-term impact on community welfare. To elaborate further, OJK's core responsibilities revolve around creating an integrated regulatory and supervisory framework for all financial activities. These responsibilities are crucial for maintaining the stability and integrity of the financial sector. However, they may not be tailored to fostering comprehensive economic development at the grassroots level, such as empowering micro-level communities and small businesses. Therefore, it is imperative to evolve the approach to synergies beyond a mere regulatory context and actively nurture initiatives that extend into broader aspects of community well-being. By doing so, these collaborative efforts can be better aligned with the overarching goals of improving the livelihoods of local residents. This might involve exploring alternative forms of synergy that are more sustainable and have a more significant, lasting impact on the community.

## CONCLUSIONS

The synergy between BWM Imam Syuhodo and BUMDes Wonorejo represents a promising initiative aimed at bolstering the micro-business sector within Wonorejo village. The OJK Pilot Project serves as an innovative platform, providing opportunities for low-income individuals to augment their earnings. This collaborative endeavor primarily takes the form of bazaar activities, which are an integral part of the Wonorejo BUMDes inauguration agenda. During these activities, BWM Imam Syuhodo actively participates in marketing food products through member representatives while introducing the newly established Sharia-compliant institution to a broader audience, including government bodies such as the OJK and local authorities.

The positive influence of this synergy on the community, especially the representatives from the Imam Syuhodo Micro Waqf Bank, manifests in several ways: an increase in income, enhanced market access for SMEs, stimulation of increased business volume, and the creation of new business opportunities for local residents. This synergy has not only led to greater order numbers but has also attracted product sales resellers, indicating its effectiveness in driving business development.



This research carries significant implications for associations of SME activists participating in village empowerment programs. It introduces an innovative approach for governments to motivate community-based entrepreneurs through social events like village bazaars. Moreover, for the broader community, this study offers an alternative for geographically located rural businesses. Finally, for SME actors, the collaboration between BWM and BUMDes presents an alternative financing avenue suitable for the micro-level sector.

In short, the synergy between BWM Imam Syuhodo and BUMDes Wonorejo has demonstrated the potential for fostering economic growth and community empowerment. It showcases the power of cooperative initiatives and paves the way for future developments in the micro-level business landscape.

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