THE ROLE OF PLACEMENT OF FUNDS TO DETERMINE MUQABALAH IN BAITUL TAMWIL MUHAMMADIYAH (BTM)

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ABSTRACT

THE PURPOSE OF THIS STUDY WAS TO ANALYZE THE PLACEMENT OF FUNDS TO DETERMINE MUQABALAH IN BAITUL TAMWIL MUHAMMADIYAH (BTM). BTM PLACEMENTS INCLUDE: PLACEMENT OF FUND IN CENTRAL BTM, BTM PLACEMENTS WITH OTHER BANKS, SHARIAH FINANCING. THIS STUDY USED A SAMPLE 27 BTM. DATA TAKEN FROM THE FINANCIAL STATEMENTS OF BTM WHICH HAS BEEN PUBLISHED BY BTM FROM 2012- 2014. THE ANALYSIS TOOLS ARE PARTIAL HYPOTHESIS TEST (T TEST) AND MULTIPLE REGRESSION. THE RESULTS SHOWED THAT THE PLACEMENT OF FUND IN CENTRAL BTM AND PLACEMENTS OF FUND WITH OTHER BANKS MUQABALAH INFLUENCE ON BTM. SHARIAH FINANCING INFLUENCE HELD SIGNIFICANT NEGATIVE INFLUENCE ON MUQABALAH IN BAITUL TAMWIL MUHAMMADIYAH.

KEYWORDS: Muqabalah, Placement of fund, Baitul tamwil muhammadiyah and shariah financing.

1. INTRODUCTION

BMTs are Islamic microfinance institution in Indonesia, which some of them are registered with the Ministry of Cooperatives, Small and Medium Enterprises. They are regulated under Cooperatives Law, which is Cooperative Act No.25/1992. The objective of the paper is to discuss about the microfinance of BMT, including the development, prospects and challenges.

Islamic Microfinance finance have much in common. Islam emphasizes ethical, moral, social, and religious factors to promote equality and fairness for the good of society as a whole. Principles encouraging risk sharing, individual rights and duties, property rights, and the sanctity of contracts are all part of the Islamic code underlying the financial system. In this light, many elements of microfinance are consistent with the broader goals of Islamic finance

Non bank MFIs in Indonesia conducting business finance who helped the poor and low income has improved a lot. One example of a non bank MFIs is a form Baitul Maal wat Tamwil (BMT) (Hasanah & Joseph, 2013). Mohieldin et al. (2011) defines that BMT is a non - bank financial institutions are unique in Indonesia, which has multiple functions, social functions and business functions. Suharto (2009) wrote that in mid - February 2009, the Center for Islamic Studies in Finance, Economics, and Development (CISFED) as a research institute based in Jakarta, reported that significantly BMT has been able to encourage people to have a culture of saving, evident from the level of mobilization of members significant savings it is also evident in the growth of deposits and deposits to assets ratio at BMT.

One kind of Islamic Microfinance Cooperative is BTM. It was established by Muhammadiyah, the biggest modern Muslim organizations. However, in contrast with BMT that already exist, they use the name of Baitul Tamwil Muhammadiyah (BTM). The organization chooses it, because Muhammadiyah already has Lembaga Amil Zakat Muhammadiyah (Lazismu) which serves as Baitul Mal.

BTM Wiradesa is one of the most successful of the Muhammadiyah Islamic Microfinance. this institution was established with initial capital of IDR 25 million coming from grants (*hibah*). Based on the grantor's message, all of the funds channeled to the empowerment the poor through loan facilities Virtue (*Qorḍ al-Hasan*). Loan recipient is only obligated to return the loan principal, and if able they are advised to give *infaq*. To make more independently develop, BMT's management argues that it conduct business development. In addition to managing the grant funds, BTM Wiradesa was then directed to institute a mediator that facilitates the interests of the community who have excess funds (*agniyā* /the rich people) to those who lack or need of funds (*masakīn*/the poor people). By becoming a mediator institution, the existence of BTM Wiradesa expected to provide benefits to society because it may play a role in community empowerment activities (http://pusatbtm.wordpress.com).

Rosiyati Marfuah (2006) studies in BMT Sakinah. The aims of this study are to determine improving of BMT Sakinah's business. To analyze level of liquidity, rentability, profitability and activity. The results of this study show that level of rentability at 2004 is efficient and 2005 is inefficient. Level of activity at 2004 and 2005 are efficient. Level of liquidity at 2004 is liquid and 2005 is illiquid. Level of solvability at 2004 and 2005 are solvable.

There is conflict between empowering equity to reach Muqobalah, non performance finance risck and Maslahah lil ummat. Placement of fund is strategic problem in order to reach profit performance BTM, Minimize risck and commitment upholding true Islamic principles.

The placement of Fund in Central BTM and placements of fund with other banks muqabalah influence on BTM and Shariah financing.

The financing activities done by BMT generate positive economic effects including income growth and reducing poverty, self employment, asset ownership, food security, and the capability to make their children educated .(Nur Kholis, 2009)

The purpose of this study was to analyze the placement of funds to determine muqabalah in Baitul Tamwil Muhammadiyah (BTM).

2. LITERATURE REVIEW

This literature review article discused the theory of the potential and prospects of Microfinance Institutions (MFIs) as a provider of non - bank financial capital for micro - scale community efforts . This micro - scale enterprises, according to Alam (2012) occupies the highest percentage Of the overall number of other large.

Scale enterprises located in Indonesia, amounting to 98.9 %. This suggests That micro businesses-play an important role in the Indonesian economy, to reduce unemployment and improve the distribution of the regional economy.

Discussion only restrictions on non-bank MFIs concept because of the potential application of the concept of Islamic sharia in Indonesia.

3. THEORITICAL FRAMEWORK

Asset and Liability Management (management of assets and liabilities) is an effort that done by institutions or Islamic banks manage funds received from funding for distribution to financial activities, with the hope that the relevant bank is still able to meet the criteria - the criteria of liquidity, profitability and solvency (Muhammad, 2002).

Muqabalah is a mirror that reflects a causal relationship between the two sides, on the one hand, and reflects also the results or of the relationship in terms of the other. Therefore, every thing that happens, surely due to an act that preceded it, which is based on a specific purpose. And hence forth, the two events must be mutually linked to determine effects. Muqabalah or is meant here is anotherterm earnings growth rate that is used in Islamic banking for comparison between revenues with assets or capital expressed as a percentage.

Based on the purpose of its use, financing tebagi into four principles, namely the principle of trading (al-bai '), leasing (Ijarah), profit sharing (shirkah) and completed. The purpose of the financing based on Islamic principles is to increase employment and economic welfare in accordance with Islamic values.

4. ANALISIS OF DATA

1. Descriptive Statistics

The variables in this study are: *Return on Asset* (ROA) (Y), the placement in the bank (X1), the placement in cooperatives company (X2), and the given placement (X3). The following explanation shows us the result of the variables descriptive statistic in the study:

Table 4.5
The Descriptive Statistics of the Research Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Y	61	.0	4.5E9	1.695E9	1.2360E9
x1	61	1.E8	2.E9	6.33E8	4.564E8
x2	61	1.E8	1.E10	6.13E9	3.076E9
x3	61	5.E8	2.E10	6.38E9	4.297E9
Valid N (listwise)	61				

The Source: processed data

Note:

y : *Return on Asset* (ROA)
x1 : the placement in the Bank (X1)
x2 : the placement in the cooperative company (X2)
x3 : the given fundings

From the table above, we can see variable y has a minimum value 0 with a maximum value4,5E9, while the avarage value is 1,695E9with the deviation standard1,2360E9.

The variable x1has a minimum value 1,E8 with a maximum value 2,E9, while the avarage value is 6,33E8 and the deviation standard is4,54E8.

Meanwhile,theVariablex2has a minimum value 1,E8and the maximum value1,E10while the avarage value is 6,13E9 and the deviation standard is3,076E9.

The last, variable x3has a minimum value 5,E8with the maximum value2,E10while the avarage value is6,38E9and the deviation standard is4,297E9.

2. The Test of Classical Asumption

a. The Test of Normality

The test of normality has a purpose to analyze whether the regression model, the dependent variable, and the independent one have a normal distribution or not. The good regression model has a normal distribution or at least close to the normal one. (AgusNugrohoJatmiko, 2006). The result of normality test with a *Kolmogorov-Smirnov*method could be seen as follow.

Table 4.6
The Test of Normality

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		61
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	1.34636365E3
Most Extreme Differences	Absolute	.080
	Positive	.049
	Negative	-.080
Kolmogorov-Smirnov Z		.625
Asymp. Sig. (2-tailed)		.829

a. Test distribution is Normal.

Source :Primary data, proceessed

From the table above we could see a normal distribution data (> Sig 0,005). Therefore,it can be concluded the data has been distributed nomally.

b. The Test of Heteroskedastity

The test of heteroskedastisitityis applied to find out the dissimalirity of varian from the residual regressionmodel. If the correlation significance is less than 0,05,it will be a heteroskedastity problem in the model. To be known, this test is applied with the *Spearman's rho*one.

Table 4.7
The Test of *Spearman's rho*
Heteroskedastity

Correlations

			SQRTY	SQRTY	SQRTY	SQRTY	Unstandardized Residual
Spearman's rho	SQRTY	Correlation Coefficient	1.000	.930**	1.000**	.043	.090
		Sig. (2-tailed)	.	.000	.	.742	.490
		N	61	61	61	61	61
	SQRTY	Correlation Coefficient	.930**	1.000	.930**	.000	.090
		Sig. (2-tailed)	.000	.	.000	.994	.491
		N	61	61	61	61	61
	SQRTY	Correlation Coefficient	1.000**	.930**	1.000	.043	.090
		Sig. (2-tailed)	.	.000	.	.742	.490
		N	61	61	61	61	61
	SQRTY	Correlation Coefficient	.043	.000	.043	1.000	-.004
		Sig. (2-tailed)	.742	.994	.742	.	.977
		N	61	61	61	61	61
	Unstandardized Residual	Correlation Coefficient	.090	.090	.090	-.004	1.000
		Sig. (2-tailed)	.490	.491	.490	.977	.
		N	61	61	61	61	61

Source :the processed data

From this test , it could be seen all variables used have a significance of each variable less than 0,05 (5%). So, it can be concluded there is no heteroskedastistityin a regression similarity.

c. The Test of Multicolinearity

This test is applied to find out the linear relationships among the independent variables in the regression model. The kind of the test used in this study is *Variance Inflation Factor* (VIF). If the tolerance value is < 0,10 and VIF > 10, it shows there is multicolinearity (Imam Ghozali, 2006).

Table 4.8
The Result of Multicolinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-15403.552	850.421		-18.113	.000		
	SQRTY	.278	.037	.158	7.519	.000	.315	3.170

	SQRTY	.651	.016	.864	41.111	.000	.315	3.178
	SQRTY	-.027	.007	-.046	-3.931	.000	.995	1.005

a. Dependent Variable: SQRTY

Source :the processed data

From the table above, we see the tolerance value > 0,10 and VIF to all variables< 10, and it could be concluded that there is no multicolinearity problem in this model.

d. The Autocorrelative Test

This test is applied to examine the correlation among the disturbers' mistakes in the linear reagression model on the period t-1.If it happens, it commonly known as autocorrelative problem. The autocorrelation appears because of continously observation connect to one each other.Meanwhile, the problems appear because of tight residual from one observation to another. (Gozali, 2006).The result of this test could be seen on the table below:

Table 4.9
The Result of Autocorrelation Test

Runs Test

	Unstandardized Residual
Test Value[a]	222.64452
Cases < Test Value	30
Cases >= Test Value	31
Total Cases	61
Number of Runs	18
Z	-3.485
Asymp. Sig. (2-tailed)	.000

a. Median

Source: The processed data

The result of SPSS output shows the test value is 222,64452 with the probability 0,000 it is significance on 0,05, it means the zero hypothesis is rejected. Finally, it could be concluded there is no residual or autocorrelation among resiadual values.

3. The Result of Multiple Regression Analysis

Aftertesting the classical assumption, it could be concluded that the data has been normally distributed, there is no multicolinearity and heteroskedastity so that the data has been qualified in this analysis. The result of this test could be seen in the table below:

Tabel 4.10
The Result of the Multiple Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-15403.552	850.421		-18.113	.000
	SQRTY	.278	.037	.158	7.519	.000
	SQRTY	.651	.016	.864	41.111	.000
	SQRTY	-.027	.007	-.046	-3.931	.000

a. Dependent Variable: SQRTY

Source : a processed data

From the table above, the similarity of the linear reression can be arranged as follow:

KP = -15403,552+ 0,278x1 + 0,651x2 – 0,27x3 + e

a. The constants-15.403,552 stated if the independent variable is considered as constants, the avarage variable of *Return on Asset* is-15.403,552.
b. The regression coefficient for x10,278 stated the placement on the bank hass effected on *Return on Asset* (Y). So, it could be concluded that each increase of one unit on *Return on Asset* variable, it will be followed by the increase of the placement variable in the bank.
c. The regression coefficient of the placement in the cooperative 0,651stated that there is effect on the *Return on Asset* (Y). So, it could be concluded that each increase of one unit on Return on Asset variable, it will be followed directly by the increase of the placement variable in the cooperative.
d. The regression coefficient for the level of tax knowledge 0,243 stated that the given financing has a negative effect on *Return on Asset*(Y). So, it could be concluded that each increase of one unit on Return on Asset variable, it will be followed directly by the decrease of the given financing variable.

4. **The Hypothesis Testing**

According to the principle of applying the multiple regression analysis, a regression similarity must have normally distributed data, free from the heteroskedastity and multicolinearity, and no autocorrelation so it will be obtained the good and unbias regression. From the test of data normality, it is found that the data used in the regression similarity has been distributed normally, free from heteroskedastity, no multicolinearity and autocorrelation, so it is qualified to apply the multiple regression analysis well (AgusNugroho, 2006).

a. The partial Test (T-Test)

In order to answer the problem, to achieve the objective, to prove the hypothesis, and to find out whether the free variable has partially effected on the bound variable or not, the T-test should be applied. The result could be seen below:

Table 4.11
The Test of Partial Significance (T-Test)

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-15403.552	850.421		-18.113	.000
SQRTY	.278	.037	.158	7.519	.000
SQRTY	.651	.016	.864	41.111	.000
SQRTY	-.027	.007	-.046	-3.931	.000

a. Dependent Variable: SQRTY

Source: the processed data

1. The First Hypothesis
   H0= the placement in the bank has no effect significantly on *Return on Asset*.
   H1= the placement in the bank significantly affected on *Return on Asset*.

   Based on the T-Test by SPSS program, it shown that the the variable of the placement in the bank on *Return on Asset*obtained T measured value 7,519 with p value 0,000. Because of measured T value> t table7,519 > 1,9996 and p value 0,000> 0,05, so it could be concluded that the placement in the bank is significantly effect on *Return on Asset*so that the hypothesis 0 is rejected.
2. The Second Hypothesis
   H0= the placement on the cooperative has significantly no effect on *Return on Asset*.
   H1= the placement on the cooperative has significantly effect on *Return on Asset*.

   Based on T Test by SPSS Program, it shown that the placement variable in the cooperative on *Return on Asset*obtained T value measured 3,327 with p value 0,001. Because T value measured > T table is41,111>1,9996 and p value 0,000< 0,05, so it could be concluded that the placement in the cooperative has significantly effect on *Return on Asset*so that the hypothesis 0 is rejected.
3. The Third Hypothesis
   H0= the given financing has no significantly effet on *Return on Asset*.
   H1= the given financing pembiayaanhas significantly effect on *Return on Asset*.

   Based on T-Test by SPSS program, it shown that the given financing variable on *Return on Asset*it obtained T value measured -1,995 with p value 0,049. Because of T value measured < t table -3,931<1,9996 and p value 0,000< 0,05, it could be concluded that the given financing has significantly no effect on *Return on Asset*so that the first hypothesis is rejected with the result in the opposite direction.

b. The SimultaneousTest (uji f)

The Simultaneous Test with T-test is applied to examine the effect of the independent variable on the dependent one. The result of F-test could be seen on SPSS output on the ANOVA table.

Table 4.12
The Result of Simultaneous Test (F-Test)

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.363E10	3	4.542E9	2.380E3	.000[a]
	Residual	1.088E8	57	1908100.087		
	Total	1.373E10	60			

a. Predictors: (Constant), SQRTY, SQRTY, SQRTY

b. Dependent Variable: SQRTY

Source: Primary data, processed

H0= the placement in the bank, the placement in the cooperative, and the given financing simultaneously are no effectsignificantly on *Return on Asset*.

H1= the placement in the bank, the placement in the cooperative, and the given financing simultaneously has the effect significantly on *Return on Asset*.

Based on the table above, the result of measuring obtained the value of F Test is 2,380E3and the significant value 0,000. Because of the significant value < 0,05 (Sig 0,05), it can be concluded that H1 is accepted. It means there is no significantly effect on the placement variable in the bank (X1), the placement of cooperative(X2),and the given financing (X3) simulatenously on*Return on Asset* variable.

5. Determination Coefficient

The determination coefficient used to examine how the model can explain the various dependent variable. The value of determination coefficient of*adjusted r square*which close to 1 means the independent variables get all needed information to predict the variety of dependent variables(Ghozali, 2006). The result could be seen as follow:

Table 4.13
The Result of coefficient Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996[a]	.992	.992	1381.33996

a. Predictors: (Constant), SQRTY, SQRTY, SQRTY

b. Dependent Variable: SQRTY

Sumber : primary data, processed

Based on the table above, the result of measuring obtained the determination of *adjusted r square* on the dependent variable created*Return on Asset*0,992. It showed the effect of independent variable; the placement in thebank, the placement in the coopeartive, and the given financing on the dependent variable of *Return on Asset*which can be explained by the model in the similarity 99,2% and the remaino,8% has effected by the other out of the research variable. Meanwhile, the*standard error of estimate* (SEE) 1381,33996. The less of SEE, the more suitable of the regression model in predicting the dependent variable.

R-Value = 0,996showed the correlation coefficient in 99,6%. It means that the variable of the placement in the bank, the placement in the cooperative, the given financing with *Return on Asset* which are measured by the multiple regression analysis has a strong position.

5. Conclusion

The results showed that the placement of Fund in Central BTM and placements of fund with other banks muqabalah influence on BTM. Shariah financing influence held significant negative influence on muqabalah in Baitul Tamwil Muhammadiyah.

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