

The role of Islamic financial institutions in facing socio-economic problems during the covid-19 pandemic

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ISSN Print: 2809-6738

ISSN Online: 2809-5855



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Receive on: June 14, 2022
Accepted on: June 30, 2022
Published on: July 1, 2022
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Declaration of conflicting interests:
The authors declare that there is no conflict
of interest

How to Cite:
Indra, Y. A., & Yustati, H. (2022). The role
of Islamic financial institutions in facing
socio-economic problems during the covid-
19 pandemic. *NUsantara Islamic Economic
Journal*, 1(2), 194-208.
<https://doi.org/10.34001/nuiej.v1i2.252>

Abstract

This research was established of knowing the action in which the Sharia Financial Organizations could take facing economic social problems in the Covid-19 era in Indonesia. This research used qualitative-descriptive approach method with the technique of data collections. The data collections which was analyzing written sources such as scientific journal, literature review, books, mass media articles which talked about this issue and the documents which were related to the object of this research. The data were analyzed with data reduction technique by collecting the data based on the regulation, displaying the data by analyzing them based on research methods and then concluding the data to simplify the discussion. The result of this research is explaining the responsibility of Shariafinances institute facing economic social problems in the Covid-19 era. Which is as the action of the role of sharia banking which is as the distributor of government social activity, facilitating the distribution of financing such as KUR and providing installment relief, serving customers through digital bank services, the role of Islamic pawnshops with restructuring and relaxation of credit, pawn care with 0% interest and distribution of interest subsidies to MSMEs. Provide funds with a special system in accordance with the conditions of community, especially in small towns and villages. and the role of BMT as a social intermediary institution by collecting ZISWAF and conducting financial stimulation such as distributing qardhul Hasan financing, facilitating the cooperation agreement (Mudharabah) they can help the MSMEs to continue our business in the condition in Covid-19.

Keywords: Covid-19, Role of Islamic Financial Institutions, Socio-Economic Problems

JEL Classification: A11

INTRODUCTION

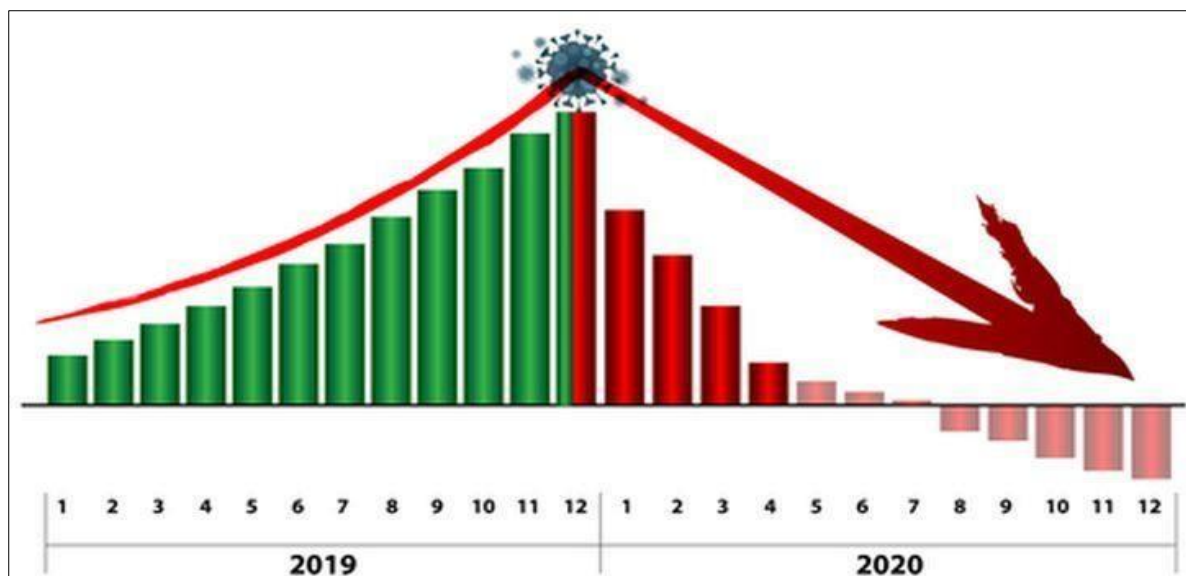
Islamic financial institutions in Indonesia consist of bank and non- bank financial institutions. Institutions finance sharia is an institution financial whose activities

raise funds and distribute funds by offering various schemes aimed at helping achieve the goal of social economic community of Islam (Soemitra, 2018). The Institute of Financial sharia is a financial institution that is adhered to Islamic principles and have the fortune mainly in the form of financial assets (financial assets) and non-financial assets based on the concept of sharia (Mensari & Dzikra, 2017).

Currently, Indonesia is facing a COVID-19 pandemic that originated in the city of Wuhan, China. In addition to the outbreak of this viral disease, it has also caused the economy in Indonesia from various sectors as well as Islamic and non- Islamic financial institutions to be shaken by the Covid-19 virus, therefore Islamic financial institutions also play a role in restructuring customer financing affected by the Covid-19 pandemic, distribution of social assistance. , maximizing Corporate Social Responsibility (CSR) programs , maintaining health protocols and shifting bank activities to digital- based ones. The role of Islamic financial institutions is to meet the needs of the community, one of which is funds as a means to carry out economic activities in accordance with sharia principles , including Islamic banks, sharia pawnshops, and cooperatives. Financial institution non bank in Indonesia also contribute to channel financing through the provision of lending money to the public or business sector that requires based on the principle of a pledge or collateral (Fuad & Trianna, 2019).

According to the World Bank, the Islamic financial institution's revenue growth is now experiencing a decline in the year 2020 into a minus 2.2%. The outbreak of the Covid-19 virus to Indonesia in 2020 resulted in socio- economic problems . Several credible research institutions in the world have predicted the adverse impact of the spread of this epidemic , namely on the global economy. Finance Minister Sri Mulyani Indrawati predicts that Indonesia's economic growth in the worst case scenario could reach minus 0.4%(Fitriani, 2021).

Data from the World Bank (2020) shows that Indonesia's economic growth has experienced a very drastic decline . Graph 1.1 shows the movement of economic growth in Indonesia.



Graph 1
Indonesia's economic growth (2020)

Graph 1 shows that the beginning of the decline in economic growth in the 12th month of 2020. And quoted from the Indonesia economic prospects (2020) report that, Economic growth in the second quarter of 2020 has reached minus 53.2%, this economic growth problem is caused by virus Covid-19 are derived from wuhan, china. The entry of the virus into Indonesia experienced a decline in economic growth from the beginning of the year to the 6th month of 2020 (Fauzia et al., 2020).

From the above economic growth, the community has experienced social problems, especially in the economic sector . Social and economic problems that occurred to the pandemic Covid 19th year in 2020, namely, One of the SMEs were temporarily closed due to lack of turnover of sales during the period of the pandemic Covid-19 , because of the lack of activities carried out outside the home, the difficulty of getting materials raw performance production and enthusiasts are lacking (Hardilawati, 2020). layoffs in every company resulted emerging problems of the economy. Namely, the loss of people's livelihoods that are used to meet the needs of life, besides the impact of termination of work also affects employees and the company, employees are not focused and find it difficult to concentrate on doing work and think more creatively to help companies in making new innovations for the recovery of the company (Muslim, 2020).

The impact of socio-economic problems is that there are many bad loans in Islamic financial institutions, banks and non-banks. How to resolve socio-economic problems the government has been giving policy towards institutions finance that is, the government gives the program to the FSA to provide policy towards banking sharia , namely, giving kemudahan process of Restructuring and Rescheduling of the customers affected by Covid-19 , this policy is devoted to customers, Micro, small and Medium (MSME).

According to Dina, (Mirayanti ,2020) Islamic banking policies to other customers are the provision of convenience to financing facilities in the form of delays in the payment period and the provision of profit sharing (profit sharing) whose time limits and conditions are adjusted to the economic sector, criteria, and customer conditions in accordance with on the provisions of the OJK (Albanjari & Kurniawan, 2020).

According to the Managing Director of the Pawnshop , Kuswiyoto (2020) the sharia pawnshop policy for customers is an interest- free pawn program for loans under Rp. 1,000,000 which is valid for one month starting from the date of 1 May to 31 July 2020 in a delay of the auction for 30 days, mortgage provides relaxation in the form of extension of the period of loan installments micro SMEs daliberation of fines in installments (Maizal Walfajri, 2020).

According to the Minister of Cooperatives and Small and Medium Enterprises, Teten Masduki (2020) Cooperative policies overcome socio-economic problems during the pandemic, namely the relaxation policy in the form of loans/financing for cooperatives during the Covid-19 pandemic . This is expected to be an opportunity for convenience for cooperative members in Indonesia. Loan restructuring is very important to reduce the economic burden on the community, especially cooperative members that have an impact on Covid-19 in 2020 (Fabiola Febrinastari, 2020).

Based on the background behind in top researchers wanted to know :

What is the role of banks in dealing with socio- economic problems during Covid 19 ?,

What is the role of pawnshops in dealing with socio-economic problems during Covid 19 ?

What is the role of the Baitul Maal Wa Tamwil (BMT) cooperative in dealing with socio-economic problems during Covid 19 ?

The purpose of this study is to look at the role of Islamic financial institutions during the Covid- 19 pandemic in facing social problems that have not been thoroughly researched, to be able to describe how Islamic financial institutions and the public face this difficult time and to find out how the role of Islamic financial institutions in helping overcome social problems . economy in the community such as the time of this, the efforts of islamic financial institutions towards empathy to the people who need financing to businesses to survive and provide a solution with no detriment institutions finance it themselves, and see how the solution survive institution finances in Indonesia is currently facing Covid- 19 .

LITERATURE REVIEW

Islamic Financial Institutions (Banking)

Research on the "role of the economy and Islamic financial institutions in dealing with COVID-19 " has been conducted by several researchers (Jefik Zulfikar Hafizd, 2020. Azwar Iskandar , 2020. Gia dara Hafiza, 2020. Suwinto Johan, 2020), they said that the role of economy in the face of covid-19 that uses the distribution of money in cash from the body amil zakat. The study other say that the role is expected to cope with economic shocks that occurred and the whole community,especially the people of the Muslim, can participate and contribute in restoring shocks them (Gia Dara Hafizah, 2020).The research on the role of bank financial institutions , namely Bank Indonesia, can play a role in terms of monetary policy, such as exchange rate policy and the authority to manage foreign exchange (S Johan, 2020). Likewise, the role of banks sharia by way of promoting the achievement of maqashid sharia.

Another study on "Challenges of Islamic Banking, Economics and Business in the face of the Covid-19 pandemic" researched by (Hani Thaliani, 2020. Yenti Sumarni, 2020.) They say that the challenges of the Islamic banking industry, first, are physical distancing, The Islamic banking industry is required to serve customers from home, Islamic banks must adjust business patterns due to the Covid-19 pandemic, Islamic banking is required to serve customers through digitizing bank services, both in fundraising and financing services. The second challenge, namely liquidity and the ratio of non-performing financing (NPF), to suppress NPF requires banks to restructure (Tahliani, 2020).

According to research in the journal "The Impact of Covid-19 on Islamic Financial Institutions (Sharia Banking) by M.Ja'far Shiddiq and Putri Raudhatul Itsnaini", the role of Islamic banks is first, to purify Islamic banking operations so that they can further increase public trust, second, to increase awareness Islamic law of Muslims so as to expand the segment

and market of Islamic banking, third, establish cooperation with the ulama because after all the role of the ulama, especially in Indonesia, is very dominant for Islamic life (Shiddiq Sunariya, 2020).

Other research on economic and business challenges. First, the decline in demand for sharia business products. In the midst of the outbreak of Covid-19, the level of visits by foreign tourists and domestic tourists has fallen drastically. Second, the increase in production costs, both caused by supply chain disruptions and caused by changes in employment. Third, the delay in the realization of investment (Sumarni, 2020).

According to the book "Banking Management" by Drs. Ismail, MBA, Ak (2011) the role of banks for the economy of urban communities, sees that the role of banks is very large in encouraging the economic growth of a country, almost all business sectors need banks as partners in conducting financial transactions, banks have a role in collecting public funds because they are an institution that is trusted by people from various circles in placing their funds safely (Ismail, 2011).

According to the book "Islamic Banks and Financial Institutions" By Andri Soemitra, M.A., in general, financial institutions act as financial intermediary institutions. Financial intermediation is the process of absorbing funds from the Economic Surplus unit, both the business sector, government agencies and individuals (households), to provide funds for other economic units (Soemitra, 2009).

According to the article "The Role and Strategy of Islamic Banking During the Covid Pandemic" by Panji Mario Sianturi, Islamic banks must survive a situation that does not know it will end, Islamic banks also carry out various ways / strategies so that their banks can survive and stay away from liquidity. The role and strategy of Islamic banking to improve the Indonesian economy, such as risk mitigation, spurring growth, digitizing banking services, providing assistance to MSMEs, innovating (Sianturi, 2021).

Non-Bank Financial Institutions (Pawn)

Research on "the role of sharia pawnshops as a solution in the midst of the Covid-19 pandemic in Indonesian society" has been conducted by several researchers (Hidayanti, 2020 Tulasmi, Mukti, 2020) saying that sharia pawnshops are very useful, compared to other non-bank financial institutions which is a solution for the community in the midst of the Covid-19 pandemic because it can help and make it easier to meet the needs of the consumptive community, and is also beneficial for the community. Besides that, the community does not feel disadvantaged because it is based on consensual and does not feel oppressed when mortgaging goods (Qur, 2020). And other research says financial institutions have an important role to channel financial literacy for each of their customers. With sufficient knowledge, people will avoid financial shocks (Tulasmi, 2020).

According to the book "Pegadaian" is an activity to guarantee certain valuables, in order to obtain a certain amount of money and goods that have been guaranteed to be redeemed according to the agreement between the customer and the pawning institution (Muchtart, Rahmidani, 2016).

Non-Bank Financial Institutions (BMT Cooperative)

Research regarding "The Role of Islamic Financial Institutions on MSMEs during the Covid-19 pandemic" has been carried out by several researchers (Kusjuniati, 2020. Darsih Ahmadan, 2020. They said that with the results of research Baitul Maal Wattamwil (BMT) is a sharia microfinance institution that BMT, which is a financial intermediary institution that functions as a social intermediary by collecting ziswaf for the welfare of mustahik, elements of da'wah accompanies BMT's health duties (Lim Belembele Muhibbuddin, 2021). The role of BMT in distributing benevolent loans or qardhul hasan, in a cooperation agreement (mudharabah) that can assist the community in re-running micro-enterprises (Kusjuniati, 2020).

According to research in the journal "The Role of Islamic Microfinance Institutions in the Economy in Indonesia by Lailatul Qadariyah and Arif Rachman Eka Permata" the role of BMT can increase MSMEs. And BMT has social activities such as zakat funds, infaq, sodaqoh to help the economy in the community and distribute them with the principle of community empowerment according to regulations (Qadariyah & Permata, 2017).

Also according to the book "Cooperatives and MSMEs as the foundation of the Indonesian economy" MSMEs are sectors that play an important role in the real economy in national development, for new workers. With reality, MSMEs can advance and make it the basis of the people's economy which has a direct impact on the creation of economic stability and independence (Tanjung, 2016). MSMEs play an important role in various aspects of national economic development as well as cooperatives. Cooperatives cannot be considered small in the national economy.

Cooperatives play a major role in various aspects of community life, these roles include:

1. Strengthening the building of the people's economic system as Indonesia's economic system
2. Building national economic solidarity
3. Minimize market distortion

METHODS

The object of research is Islamic banking and non-bank financial institutions, such as Islamic banking, sharia pawnshops, and Baitul Maal Wa Tamwil (BMT) cooperatives in Indonesia.

Types of research and types of data

a) Primary data

Using descriptive qualitative approach with the type of qualitative research. by reviewing written sources such as scientific journals, literature reviews, literature reviews, articles related to the discussion and documents.

b) Secondary data

Obtained data and then compiled based on rules and analysis in accordance with the rules of writing so as to facilitate the discussion of existing problems. With this method, the

author wants to examine how the role of Islamic financial institutions in dealing with socio-economic problems during the COVID-19 pandemic.

c) Data collection technique

That is through literature study by studying the literature related to previous research. Through the website of financial institutions such as documents in the Islamic financial institution.

d) Data analysis technique

1) Data reduction

Is a technique for simplification, classification, and discard unnecessary data in such a way that the data can produce meaningful information and facilitate the drawing of conclusions.

2) Data display

It is a data presentation whose activities are collecting data that is arranged systematically and easily understood, making it easier to generate conclusions.

3) Conclusion

And the data analysis method is descriptive qualitative data analysis technique, the data obtained from literature reviews and related websites are compiled into actual facts for later discussion of solutions.

RESULT

The role of Islamic financial institutions in Indonesia for the people affected by the COVID-19 pandemic is to provide various solutions, such as: (1) distributing direct cash assistance from zakat, infaq and alms; (2) strengthening waqf in the form of cash waqf, productive waqf, sukuk linked waqf and waqf for infrastructure; (3) providing business capital assistance for MSMEs affected by the Covid-19 pandemic; (4) qardhul hasan scheme; (5) improvement of Islamic economic and financial literacy; (6) through the development of Islamic financial technology (Tahliani, 2020).

With the issuance of OJK Regulation No. 11/POJK.03/2020 which discusses the national economic stimulus as a Countercyclical policy due to the impact of the Corona virus, the Financial Services Authority has helped boost the economy in Indonesia. Credit relief/relaxation policy for micro and small businesses with a value of less than Rp. 10 billion, good for loans/financing (Otoritas Jasa Keuangan, 2020).

In accordance with the OJK regulation, banking debtors get relief in the form of delays and payments of up to 1 (one) year, as well as reduced interest. The delay in question is a delay in payment of loan installments. Any debt or financing that is restructured by a bank or finance

company can be declared current if it is offered to debtors who are recognized as being affected by the spread of Covid-19 as a method (Otoritas Jasa Keuangan, 2020).

In this regulation, the following is the OJK regulation Number 11/POJK.03/2020 concerning the Stimulus of the national economy as a countercyclical policy due to the impact of the spread of the Coronavirus. as :

Debtors who receive special treatment in the POJK include debtors (including MSME debtors) who have difficulty fulfilling their commitments to banking due to the Covid-19 virus outbreak which has an impact on the debtor or debtor's business. Article 6 of POJK Regulation Number 11. POJK/03/2020 refers to this case. The spread of Coronavirus Disease 2019 applies to credit or financing that meets the following requirements:

1. Debtors affected by the spread of coronavirus disease 2019 (COVID-19), including micro, small and medium enterprises;
2. Debtor restructuring after being affected by the spread of coronavirus disease 2019 (COVID-19), including micro, small and medium enterprises.

The role of Islamic banking in dealing with socio-economic problems during the Covid-19 pandemic is the role of independent Islamic banks (BSM), namely, prioritizing the achievement of Islamic maqhasid. the result of the research is that BSM provides assistance to the community by distributing various Covid-19 assistance, including: 1) Restructuring in financing worth IDR 7.1 trillion to more than 29,000 customers; 2) Distribution of 2,500 personal protective equipment (PPE) and 100,000 masks to 105 Covid-19 referral hospitals; 3) Distribution of 3 tons of rice for each orphanage; 4) Distribution of 26,600 food packages; and 5) Distribution of 18,000 masks for Islamic boarding schools. Another role is digital services, seen from the increase in the number of MSM (mandiri sharia mobile) users who help reduce activities outside the home, making it easier for people to make transactions. This digital service activity has increased by 45 percent from 860 thousand customers in June 2019 to 1.25 million customers in June 2020. Perekonomian et al., "Peran Bank Syariah Mandiri (BSM)."

Another research regarding "The Role of Islamic Banking in encouraging MSMEs during the Covid-19 Pandemic". Islamic banking plays an important role in maintaining MSMEs during the Covid-19 pandemic by channeling government programs, namely by financing KUR (People's Business Credit). during the Covid-19 pandemic in accordance with the regulations of the Financial Services Authority or POJK article 7 paragraph 1 of 2020 and provide restructuring or relaxation of waivers to entrepreneurs affected by Covid-19, simplifying the financing process for entrepreneurs affected by Covid-19 as long as their businesses are not seriously affected. significant, as determined by the government through the POJK regulation article 5 paragraph 2 of 2020 .

The results of the study above state that. First, the role of Islamic banking is to implement the distribution of social activities, such as distribution of funds and assistance with health protocol tools to prevent the transmission of the Covid-19 virus. Second, other roles are channeling government programs in facilitating financing distribution and providing installment relief to customers affected by Covid-19, and MSME actors. Third, the role of digital services to make transactions easier during this pandemic, this role provides fresh air for

customers and the community, this policy encourages the community and MSME actors to survive and maintain their business.

Islamic banking, on the other hand, is needed in its function of serving consumers through digitizing bank services, both in terms of raising funds and financing. The role of digital services is still very weak, there are still many people who have not used this digital service, with the Covid-19 virus the problem of spreading the virus must also be seen as a challenge that must be turned into an opportunity to improve quality, especially in the field of digital services, according to the Chairman of the Non-Professional Committee. -Regulator of the Indonesian Sharia Bank Association (Asbisindo) Herwin Bustaman said "since this pandemic there has been a drastic change from the behavior of customers who prefer to do digital transactions so that it becomes a new opportunity but there are still challenges faced by Islamic banks, especially related to investment and human resources".

Another challenge is the lack of human resources that are still limited in understanding digital banking, because Islamic banking is slightly different from conventional banking which requires several special competencies in addition to a general understanding of banking, faith, and muamalah, especially when it comes to the application of digitalization.

The author's observation, the role of digitizing this service is very much needed, especially in remote areas who still have difficulty accessing digital services due to limitations and lack of understanding, signal coverage and system errors that require customers to still have to carry out activities outside the home, the role of digital services should be explained and clarified to the public. people who initially found it difficult to use technology. The role of banks in providing aspects of digital or technological services that are needed is to minimize the possibility of the transmission of this virus, because according to the WHO (World Health Organization) the transmission of the Covid-19 virus can also be through paper money and other banking activities.

The role of Islamic financial institutions (Islamic pawnshops) in dealing with socio-economic problems during the Covid-19 pandemic, one of the results of the research is the role of sharia pawnshops, namely: sharia pawnshops provide assistance to the community through the distribution of Covid-19 assistance, such as: 1) restructuring and relaxation credit, Pawn Care with 0% interest. 2) distribution of MSME interest subsidies. 3) handing over cash assistance to the community. 4) providing basic food assistance, medical equipment, personal protective equipment for health workers, ambulances, and other assistance in the context of preventing and handling the Covid-19 pandemic (Kuswiyoto., 2020).

According to the book "Banks and other Financial Institutions" the role of pawnshops is very important because they can offer cash through a special system that is tailored to the needs of the community, especially in small towns and rural areas. Pegadaian can also provide support to small villages, pawnshops traditionally meet the needs of the smallest community, it can be said that the government helps those who are less fortunate, for example by reducing the interest burden on loans (Soemitra, 2018).

Other research says that the role of sharia pawnshops is very useful during the Covid-19 pandemic because it can help and facilitate the community in meeting their consumption needs

and is also very beneficial for people who do not feel disadvantaged because they are consensual and do not feel oppressed when buying goods .

The results of the research above regarding the role of pawnshops, that the role of pawnshops is to pawn their property to a third party in exchange for a certain amount of money or goods that are guaranteed to be redeemed according to the terms of the agreement between the pawnshop and the customer. In addition, Pegadaian contributes to providing flexibility by easing the waiver of late payment fees, providing 0% interest and restructuring loans so that business can continue during the COVID-19 pandemic.

However, the role of pawnshops currently plays an important role in realizing community economic empowerment, especially people with lower middle incomes or Micro, Small and Medium Enterprises (MSMEs) in an area. Helping economic development is a very important role for mortgages because they provide loans in consumptive and productive forms. The existence of this Covid-19 Virus requires pawnshops to provide solutions so that pawnshops continue to run well and make it easier for customers to transact, one solution is to create programs such as presenting an inclusive digital ecosystem. According to LinkAja's Marketing Director, Edward Kilian Suwignyo, "as a national electronic money that aims to support the government that can be enjoyed by all Indonesian people. As a national electronic money that aims to support the government and can be accessed by all Indonesian people. The pawnshop's collaboration with LinkAja is a manifestation of one of the pawnshop's missions to improve service convenience and provide service excellence aimed at easier and digital business processes. As a national electronic money, the importance of LinkAja's role is also as an encouragement for pawnshops, to open new channels for consumers who pawn goods or look for pawned goods.

The role of Islamic financial institutions (Baitul Maal Wa Tamwil Cooperative (BMT)) also has a role in dealing with socio-economic problems during the Covid-19 pandemic, namely by carrying out government regulations that have been made through the OJK, namely, as stated in POJK No.11 POJK.03/ 2020 to provide concessions to customers who are experiencing the impact of the Covid-19 pandemic, another sharia financial institution (cooperative), namely Baitul Maal Tamwil (BMT), has an important role as a social intermediary institution by collecting Zakat, Infaq, alms and Waqf funds and encouraging such as the distribution of qardhul hasan financing, ease of cooperation contracts (mudharabah) so that they can help MSMEs to resume their business despite the Covid-19 pandemic (Bakhri, 2018). In addition, BMT also provides financing for MSMEs of approximately 10 million to 30 million per customer.

Other research on "The role of Baitul Maal Wa Tamwil (BMT) in the effort to empower the community's economy" is one of the participations in the success of development to move and empower the people's economy, can help MSME actors in socio-economic problems during the COVID-19 pandemic and minimize the number of poor people living in poverty. exist in Indonesia. Technological-economic knowledge can be a fairly good consideration in efforts to develop micro-enterprises, especially those played by BMT (Mashuri, 2016).

With the problems faced by MSME actors, Baitul Maal Wat Tamwil also uses the sharia system in order to overcome the lack of capital experienced by MSME actors. Because BMT

is a strength for the community in the economic field by helping the financial and capital needs of Micro, Small and Medium Enterprises (MSMEs) (Nifti Hidayati, n.d.).

DISCUSSION

As for efforts to protect MSMEs in Indonesia, Mr. Teten Masduki as Minister of Cooperatives and SMEs proposed several solutions to protect MSMEs during the Covid-19 Pandemic, including (Muslim, 2020):

1. During the pandemic, the Indonesian people must love domestic products in meeting their needs, so that the production of MSME goods will still be known.
2. Always carry out social distancing during operation by carrying out health protocols according to existing provisions.
3. Banks must subsidize low loan interest rates for MSME actors so that they have no difficulty in obtaining funds during the pandemic. 4. Making loans specifically for cooperatives and MSMEs in terms of requirements will be easier but still pay attention not to default.
4. The community, especially MSME actors, must always use masks when selling, even though their main business stops but they are still productive by looking for new business opportunities during the pandemic.
5. Provide pre-employment cards to business actors who are vulnerable to being hit by COVID-19.
6. Provide direct cash assistance (BLT), especially to business actors who have been affected by the COVID-19 pandemic.

The results of the research above explain that the role of the Islamic financial institution Baitul Maal Wattamil (BMT) in carrying out financial incentive programs such as distributing charitable loans or distributing qardhul hasan, flexibility in cooperation contracts (mudharabah) can help people re-manage micro businesses. Other roles are needed in helping MSME actors, assistance through financing, capital, either directly or indirectly. this role is very helpful in overcoming socio-economic problems in a state of the covid-19 pandemic, the community can improve living standards through greater efforts.

However, the presence of BMT's role in strengthening MSME capital through financing provided to MSMEs during a pandemic. When viewed from the number of beneficiaries, the number of BMT services is already very large. In addition to financing, the importance of BMT for MSMEs lies in technical assistance. As the name implies, BMT has two main functions, one of which is as Baitul Maal or a social treasury house. Baitul Maal aims to provide a large number of authorizations for small community groups. Therefore, BMT has social activities to help the community's economy, which can be in the form of: fundraising, distributing funds, and providing services. The role of Baitul Maal also aims to keep people away from non-syari'ah and to plan and advise small businesses to avoid loan sharks. So BMT came to help

and provide capital assistance so that MSME actors could start their business again (Aziz, 2016).

Prior to the COVID-19 pandemic, the role of financial institutions in general was as implementers of social activities, for economic prosperity and justice, halal promotion in order to generate more transparent profits. During the COVID-19 pandemic, Islamic financial institutions have a slightly different role, namely to meet the needs of the community in the form of funds as a means to carry out economic activities in accordance with the principles of sharia law. During this Covid-19 period, Islamic financial institutions also have an important role, namely distributing program assistance that has been made by the government for the community and MSME actors affected by Covid-19, a role that has been felt by many people, namely Restructuring financing for customers and affected communities. Covid-19. These roles and policies were responded positively by the general public and certainly provided a bit of fresh air, because not only to help people affected by the Covid-19 pandemic, but also to bring fresh air to Islamic financial institutions.

From the explanation of the research results above, it can be understood that the role of Islamic financial institutions during the Covid-19 pandemic is very important and has the potential for all sectors to assist the government in carrying out various policies to overcome social problems during this pandemic. Various financial industries such as sharia banking, sharia pawnshops, and BMT also welcomed the policy, this policy greatly helped reduce the burden on people affected by the Covid-19 pandemic to continue operating and pay off company debts and the community could prioritize meeting basic needs to survive.

CONCLUSION

The role of Islamic Banking is, First, as the executor of the distribution of social activities such as distribution of funds and assistance for health protocol tools to prevent the spread of the Covid-19 virus. Second, channeling government programs to facilitate the distribution of financing such as KUR (People's Business Credit) and providing installment relief for customers affected by Covid-19, and MSME actors. Third, its role is to serve customers through digital bank services, both in fundraising and financing services as well as a role in providing understanding to customers in implementing digital services to facilitate transactions to prevent the spread of the Covid-19 Virus.

The role of sharia pawnshops also has a role in dealing with socio-economic problems during the Covid-19 pandemic, restructuring and relaxation of credit, 0% interest mortgages, distribution of discounts for MSMEs, handing over cash assistance to the public. The role of pawnshops is also very useful during this covid-19 pandemic because it makes it easier for people to meet consumptive needs, and is also beneficial for the community and does not feel disadvantaged because it is based on consensual and not oppressed when pawning goods.

The role of BMT in dealing with socio-economic problems, namely, the role as a social intermediary institution by collecting Ziswaf and implementing financial stimulus measures

such as distributing qardhul hasan financing, facilitating cooperation contracts (mudharabah) to help MSMEs run their business again in the conditions of the COVID-19 pandemic.

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