

DEVELOPING PROGRAMS BASED ON *MAQASID SHARIA* BY ISLAMIC MICROFINANCE INSTITUTION TO SUPPORT FINANCIAL INCLUSION

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Abstract

Islamic Microfinance has been put in greater attention nowadays. Not only developing countries have developed this institution but developed countries also have developed Islamic Microfinance institution. Many studies shows the important role of Islamic microfinance in alleviating poverty. There are many financing programs by Islamic microfinance institution has successfully change the life of poor people. In fact, the Islamic financing program is more inclusive than conventional microfinance. Even the world Islamic microfinance institution growth is untrammled. However the existing financing program created mainly focus on the economic aspect and less on other aspect such as education, health and others. This program doesn't have sustainability for long term growth. Indeed, the Islamic microfinance has to provide world welfare and hereafter welfare. Hence, this paper aims to propose a financing program which is based on maqasid sharia. The five elements in maqasid sharia such as safeguarding of faith, human self, intellect, posterity, and wealth are transformed into programs by Islamic microfinance institution. The program put attention on the halaqah concept to implement those five elements. The halaqah is intensive small group discussion which can optimize five elements in maqashid sharia. Besides, halaqah is more intensive program than community banking. It shows that halaqah program is more inclusive than other Islamic microfinance program. For the example of proposed programs are discussing the administration process during the halaqah is fulfilling the elements of wealth in the maqasid sharia. It is expected that with this proposed program the prosperity in this world and hereafter can be obtained

Keywords: Islamic Microfinance Institution, Maqasid Sharia, and Financing Program.