

THE GREEN ECONOMY ROLE ON MICRO WAQF BANK CUSTOMERS AS FARMERS IN BANTEN PROVINCE

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Abstract: *Micro waqf banks are formed by utilizing sharia social funds for poor productive communities around Islamic boarding schools. Traditional farmers, small, medium, and micro-enterprises do not understand the green economy principles as Maqashid Syariah approaches harmonizing human welfare and preserving nature in their business as valuable and productive. The problem is the lack of understanding of the green economy of micro waqf bank customers in their business. This study aims to analyze the green economy's role on micro waqf bank customers as farmers in Banten Province. This study uses a qualitative method with a grounded theory approach, while a purposive sampling technique for managers and customers of micro waqf banks. Data collection uses interviews, literature studies, and documentation, while data analysis uses design thinking. The results show optimizing the green economy role, including welfare, justice, environment, efficiency, and governance for micro waqf bank customer farmers. They can be implemented with social evolution models, including empathy, exploration, elaboration, exposure, execution, and expansion on micro waqf bank through financing, coaching, and empowerment on business sustainability. The implication is an optimization of the green economy role to understand the concept and practice of micro waqf bank customers with a design thinking approach.*

الملخص: تتشكل بنوك الوقف الصغيرة من خلال استخدام الصناديق الاجتماعية الشرعية للمجتمعات الإنتاجية الفقيرة حول المدارس الداخلية الإسلامية. لا يفهم المزارعون التقليديون، والمؤسسات الصغيرة والمتوسطة، والمتناهية الصغر مبادئ الاقتصاد الأخضر حيث تقترب مقاصد الشريعة من مواءمة رفاهية الإنسان والحفاظ على الطبيعة في أعمالهم باعتبارها منتجة ذات قيمة. تكمن المشكلة في عدم فهم الاقتصاد الأخضر لعملاء بنوك الوقف الصغيرة في أعمالهم. تهدف هذه الدراسة إلى تحليل دور الاقتصاد الأخضر على عملاء بنك الوقف الصغير كمزارعين في مقاطعة بانتين. تستخدم هذه الدراسة طريقة نوعية ذات منهج نظري قائم على أسس، بينما تستخدم أسلوب أخذ العينات هادفة لمديري وعملاء بنوك الوقف الصغيرة. يستخدم جمع البيانات المقابلات والدراسات الأدبية والتوثيق، بينما يستخدم تحليل البيانات التفكير التصميمي. تظهر النتائج تحسين دور الاقتصاد الأخضر، بما في ذلك الرفاهية والعدالة والبيئة والكفاءة والحوكمة للمزارعين من عملاء بنك الوقف الصغير. يمكن تنفيذها باستخدام نماذج التطور الاجتماعي، بما في ذلك التعاطف والاستكشاف والتوضيح والتعرض والتنفيذ والتوسع في بنك الوقف الصغير من خلال التمويل والتدريب والتمكين لاستدامة الأعمال. والمضمون هو تحسين دور الاقتصاد الأخضر لفهم مفهوم وممارسة عملاء بنك الوقف الصغير من خلال نهج التفكير التصميمي.

Abstrak: Bank wakaf mikro dibentuk dengan memanfaatkan dana sosial syariah bagi masyarakat produktif miskin di sekitar pondok pesantren. Petani tradisional merupakan usaha mikro, kecil dan menengah belum memahami prinsip-prinsip ekonomi hijau sebagai pendekatan Maqashid Syariah menyelaraskan kesejahteraan manusia dan melestarikan alam dalam bisnis mereka secara produktif. Permasalahannya adalah kurangnya pemahaman tentang ekonomi hijau nasabah bank wakaf mikro dalam usahanya. Penelitian ini bertujuan untuk menganalisis peran ekonomi hijau pada nasabah bank wakaf mikro sebagai petani di Provinsi Banten. Penelitian ini menggunakan metode kualitatif dengan pendekatan grounded theory, sedangkan sampel dengan teknik purposive sampling untuk pengelola dan nasabah bank wakaf mikro. Pengumpulan data menggunakan wawancara, studi pustaka, dan dokumentasi, sedangkan analisis data menggunakan design thinking. Hasil penelitian menunjukkan optimalisasi peran ekonomi hijau yang meliputi kesejahteraan, keadilan, lingkungan, efisiensi, dan tata kelola bagi petani nasabah bank wakaf mikro. Hal tersebut dapat diimplementasikan dengan

model evolusi sosial, antara lain empati, eksplorasi, elaborasi, eksposur, eksekusi, dan ekspansi bank wakaf mikro melalui pembiayaan, pembinaan, dan pemberdayaan keberlanjutan usaha. Implikasinya adalah optimalisasi peran ekonomi hijau untuk memahami konsep dan praktik nasabah bank wakaf mikro sebagai petani dengan pendekatan berpikir desain.

Keywords: design thinking, green economy, SMEs, micro waqf bank, farmer.

INTRODUCTION

The Islamic finance industry in Indonesia has its charm because not only the majority of the population is Muslim, but the revival of Islamic economic practice (*muamalah*) creates its competitiveness in increasing participation in development. One of the critical roles of public relations and Islamic financial institutions has an impact in the long term, not only on strengthening the institution itself but also on aspects of culture, society, morality, sustainability, and innovation for business actors.

The opportunity to develop Islamic microfinance institutions in Indonesia is still extensive, with considerable potential for raising social and commercial funds and being a competitive advantage. In realizing business sustainability of Islamic microfinance institutions based on Islamic values, justice, and sustainability aimed at improving the welfare of low-income people.¹

Increasing the role of Islamic microfinance institutions sustainably and fulfilling sustainable development aspects, it is necessary to integrate it with a green economy, where global economic growth is aligned through sustainability that prioritizes the future interests of natural resources. In realizing green growth for welfare, the Indonesian government emphasizes the importance of equitable development policies, cares about the environment, and achieves efficiency and good governance.² The green economy

¹ KNEKS, *Rekomendasi Kebijakan Strategi Pengembangan Keuangan Mikro Syariah di Indonesia*, 2019.

² GGGI, "Sintesis: Mewujudkan Pertumbuhan Ekonomi Hijau Untuk Indonesia Yang Sejahtera," *Pemerintah Indonesia - Global Green Growth Institute Program*,

concept includes financial institutions that include green financing and green banking,³ green products and green marketing,⁴ and green behavior.⁵

Integrating Islamic microfinance institutions through micro waqf banks builds a sustainable business based on a green economy. The National Committee for Sharia Economics views the importance of this integration as part of reconstructing the empowerment program for the weak through business financing sourced from zakat, infaq, sadaqah, and waqf aimed at improving their welfare.⁶ On the other hand, the importance of the business assistance program carried out by micro waqf banks is part of the *maqasid* sharia principles, including maintaining religion, reason, life, property, and descendants.⁷

The Islamic financial institutions that have been active in providing business financing prioritize concern for new and renewable energy, industrial efficiency, and environmentally friendly agriculture that does not have an impact on damaging the morality of business ventures and threatens environmental sustainability.⁸ Meanwhile,⁹ emphasized that agricultural production must prioritize low-emission rice varieties, irrigation water efficiency, and organic fertilizers.

2015, 1–21.

³ Tia Yuliawati, Asni Mustika Rani, and Allya Roosallyn Assyofa, “Efektivitas Implementasi Green Financing Sebagai Alternatif Pembiayaan Berkelanjutan Bagi UMKM Sektor Industri Pengolahan Alas Kaki Di Kota Bandung,” *Jurnal Manajemen Dan Bisnis (Performa)* XIV, no. 2 (2017): 152–62.

⁴ H. Setiawan et al., “A Green Banking for Sustainable Development in Sharia Banking,” in *In Proceedings of the Annual Conference on Social Sciences and Humanities - ANCOSH* (Setuba: Scitepress, 2018), 82–86, <https://doi.org/10.5220/0007415700820086>.

⁵ Qaisar Ali and Shazia Parveen, “Islamic Bankers Green Behaviours and Its Impact on Green Banking Growth,” *Asia Proceedings of Social Sciences* 1, no. 4 (2018): 80–84, <https://doi.org/10.31580/apss.v1i4.289>.

⁶ KNKES, “Kerangka Riset Terapan Sektor Ekonomi Dan Keuangan Syariah Nasional 2021-2024” (Jakarta, 2021).

⁷ Azwar Iskandar and Khaerul Aqbar, “Green Economy Indonesia Dalam Perspektif Maqashid Syari’ah (Indonesia’s Green Economy in the Perspective of Maqashid Syari’ah),” *AL-MASHRAFIYAH: Jurnal Ekonomi, Keuangan, Dan Perbankan Syariah* 3, no. 2 (2019): 83–94.

⁸ Hanif, Nur Wahyu Ningsih, and Fatullah Iqbal, “Green Banking Terhadap Profitabilitas Bank Umum Syariah di Indonesia,” *Jurnal Ilmiah Keuangan dan Perbankan* 3, no. 2 (2020): 86–99.

⁹ Alessandro Vercelli, “Towards a Sustainable Financial System,” *Finance and Democracy*, no. April 2015 (2019): 241–72, https://doi.org/10.1007/978-3-030-27912-7_8.

Furthermore,¹⁰ emphasized that Islamic banking has understood the concept and implemented a green economy in the ‘green banking’ aspect by paying attention to environmental aspects, including environmental impact analysis documents as accountability for the financing provided.

Green economy indicators will positively impact nature, provide new opportunities in terms of business direction, and create new skills for the workforce in the market. It is to ensure that we will be able to preserve the environment through sustainable development and an environmentally friendly world. Likewise, the green economy concept is recognized as being more productive with efficient solutions for the entire economic ecosystem. The transformation of an economical approach to green growth may be complex quickly. However, its success will largely depend on strategic planning and positive community acceptance during its initial implementation by the government.¹¹

Micro waqf banks in Banten province are established in rural areas. Conduct business in the informal and agricultural sectors, where farmers focus on applying for business financing in the farming industry to fulfil production facilities. However, small farmers face problems in financing their businesses.¹² Then the obstacles faced by the farmers of micro waqf bank customers in the province of Banten on the marketing of the products they produce.¹³

A report by *Bank Indonesia* states that most micro, small, and medium enterprises have not implemented environmentally friendly principles. It is a serious concern due to the lack of knowledge,

¹⁰ Nurma Fitrianna and Ratna Ayu Widyaningrum, “Analisis Penerapan Green Banking Pada BRI Syariah Kantor Cabang Madiun,” *ACTIVA: Jurnal Ekonomi Syariah* 3, no. 1 (2020): 55–71.

¹¹ Nazrah Abdul Hamid et al., “Contribution of Islamic Social Capital on Green Economic Growth in Malaysia,” *International Journal of Business and Management Science* 9, no. 2 (2019): 239–56.

¹² Mutia Pamitkasih and Elok Ainur Latif, “Potensi Pengembangan Produk Pembiayaan Akad Salam Di Bank Wakaf Mikro Al-Ihya Baitul Aqof Cilacap,” *Jurnal Sketsa Bisnis*, 7, no. 2 (2020): 106–19.

¹³ Muhamad Fauzi and I G N Oka Widana, “Improving Marketing Products of Micro Waqf Bank Customers : Social Evolution Model,” *International Journal of Advanced Scientific Innovation* 04, no. 02 (2022): 1–8.

concepts, understanding, benefits, and high costs that have caused MSMEs not to implement a green economy.¹⁴

The novelty of the research is to analyze the optimization of the role of the green economy on the understanding and practice of micro waqf bank customers with a design thinking approach. Then it is essential to continue the conceptual and academic settlement between the role of farmers and Islamic microfinance institutions for micro waqf bank customers in strengthening the green economy.

GREEN ECONOMY CONCEPT

The target of economic growth is not enough to create sustainable development, which includes the sustainability factor in the concept of a 'green economy. In terms of the green economy as a series of supporting efforts to reduce greenhouse gas emissions, this idea provides an excellent opportunity to take advantage of environmental and ecosystem-oriented development.¹⁵

The green economy concept is oriented toward two goals: first, experimenting with economic concepts that do not only consider macroeconomic issues. Especially investment in the environmentally friendly product sector or the production of goods and services that are more environmentally friendly and the growth of environmentally-friendly employment opportunities. Second, prepare for green investment for the poor who can alleviate poverty.¹⁶

Understanding the green economy is an economic model based on ecological and economic knowledge to make dependencies between them that produce economic impacts that impact climate change and

¹⁴ Malik Cahyadin, Tamat Sarmidi, and Elsa Adelia Nurrachma, "The Readiness of Islamic Banking in Indonesia to Implement Digital and Green Banking," *Jurnal Ekonomi Pembangunan: Kajian Masalah Ekonomi Dan Pembangunan* 20, no. 2 (2020): 176–92, <https://doi.org/10.23917/jep.v20i2.6757>.

¹⁵ Muhammad Hamdan Ali Masduqie, Syarifudin Syarifudin, and Ana Toni Roby Candra Yudha, "Green Economy of Waste Bank in the Perspective of Maqashid Sharia in Surabaya," *Jurnal Ekonomi Syariah Teori Dan Terapan* 8, no. 5 (2021): 593, <https://doi.org/10.20473/vol8iss20215pp593-606>.

¹⁶ R. Budiarto, AR. Wardhana, and A. Prastowo, "Implementation of Islamic Economics in Indonesia by Developing Green Economy through Renewable Energy Technologies," *Proceeding Of International Conferncee Pascasarjana Universitas Gadjah Mada*, no. May (2016): 1–17.

global warming.¹⁷ However, on the other hand, implementing a green economy depends on how much it contributes to poverty alleviation and sustainable development. It provides a concept that supports the development of improving community welfare while still saving the environment.

Thus, the green economy concept is a future-oriented paradigm that is sustainable regarding systems, natural resources, technology, ecosystems, and humans—prioritizing strict management and control to create economic development with prosperity, justice, efficiency, environmental friendliness, and the role of the government. The waqf and based green economy concept use available resources without reducing assets, amounts, and benefits. It is still developed to be more productive to maintain its sustainability.

ISLAMIC FINANCIAL INSTITUTION: GREEN CONCEPT

Islamic finance contributed significantly to this redefinition of maqashid al-Sharia, which is the basis of Islamic finance sharing common principles and values on environmental and community preservation. With this in common, they provide a tremendous opportunity for Islamic finance to capitalize on the solid growth of the green finance and investment segment worldwide.¹⁸

Green banking plays a caring role in sustainable development in overcoming institutional barriers and market challenges in allocating investment to green projects. Green banking involves the strategic planning and operations of the bank. The plan considers the transition to a low-carbon economy and its internal controls, risk management, and projected financial conditions based on an appropriate environmental risk assessment.¹⁹ Green banking requires that financial institutions should encourage prudent projects. *First*, sustainable development and utilization of renewable natural resources; *Second*, the protection of human health, biodiversity,

¹⁷ D Wahyudin, “Strategi Konsep Ekonomi Hijau Sebagai Sustainable Development Goals Di Indonesia,” in *Prosiding Seminar STIAMI*, 3(1) (Jakarta: STIAMI, 2016), 34–45.

¹⁸ Marianella Piratti and Valentino Cattelan, “Islamic Green Finance,” *Islamic Social Finance*, 2020, 144–72, <https://doi.org/10.4324/9781315272221-9>.

¹⁹ Mohammad Nazim Uddin and Monir Ahmmmed, “Islamic Banking and Green Banking for Sustainable Development: Evidence from Bangladesh,” *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah (Journal of Islamic Economics)* 10, no. 1 (2018): 97–114.

efficient production, and energy use; *third*, pollution prevention, waste minimization, and pollution control.²⁰

The green sector's growth potential is limitless, with solid prospects to contribute significantly by considering sustainability and long-term impacts. There are vast and untapped opportunities in this sector, and Islamic finance can allocate its resources to this segment to carve out a niche market for Islamic finance that can contribute significantly to this reinvention.²¹

Green banking thus involves a two-way approach. *First*, green banking focuses on the green transformation of the internal operations of all banks. It means that all banks must adopt appropriate ways of utilizing renewable energy, automation, and other measures to minimize the carbon footprint of banking activities. *Second*, all banks must adopt environmentally responsible financing, consider project environmental risks before making financing decisions, and support and encourage the growth of future 'green' initiatives and projects. It is an innovative and proactive way of thinking with a vision of future sustainability.²²

The green concept of Islamic financial institutions is part of economic activity that manages aspects of financial services regionally and globally by prioritizing Islamic values. It needs long-term goals and provides broad benefits, including instilling an awareness of sustainability and environmental friendliness through a more comprehensive decision-making process comprehensive and integration.

THE ROLE OF MICRO WAQF BANK

The micro waqf banks focus on people who do not have access to banking, legal, and financial services. That is *unbankable* to avoid the entanglement of moneylenders and make them restless with lending and borrowing schemes. The Islamic boarding schools in

²⁰ Nigamananda Biswas, "Sustainable Green Banking Approach: The Need of the Hour," *Business Spectrum* I, no. 1 (2011): 32–38.

²¹ Mohamed Bouteraa, Raja Rizal Iskandar bin Raja Hisham, and Zairani Zainol, "Green Banking Practices from Islamic and Western Perspectives," *International Journal of Business, Economics and Law* 21, no. 5 (2020): 1–11.

²² N. Hidayat, "Green Banking: How to Enhance Banking Policy on Sustainable Development, Renewable Energy, and Biodiversity in Indonesia," *Journal of Islamic Economics and Finance* 1, no. 1 (2018): 54–68.

unrewarded businesses can overcome poverty to increase Islamic microfinance inclusion.²³ In addition, the existence of micro waqf banks as business capital to develop business and business assistance, including religious assistance, has an impact on increasing the amount of production, income, and profits accompanied by an increase in the economic level and welfare of the community.²⁴

The characteristics of micro waqf banks include: providing financing and assistance, financing without collateral, not managing public money, increasing the level of financial inclusion, reducing poverty levels, and implementing by visiting the community, efforts to avoid the trap of moneylenders with a yield system equivalent to 3% and in the form of group responsibility (*kumpi*). To that end, OJK developed a micro waqf bank model as a business model:



Figure 1: Micro Waqf Bank: Business Model²⁵

The picture above is a business model of a micro waqf bank by explaining their respective functions, namely:

- a. Donors are all Indonesian people who have excess funds and have empathy for community empowerment while overcoming poverty.
- b. In categorizing productive society as follows:

²³ Azharsyah Ibrahim et al., *Pengantar Ekonomi Islam*, Rifki Isma (Jakarta: Bank Indonesia, 2021).

²⁴ Muhammad Alan Nur, Rais Sani Muharrami, and Mohamad Rahmawan Arifin, “Peranan Bank Wakaf Mikro Dalam Pemberdayaan Usaha Kecil Pada Lingkungan Pesantren,” *Journal of Finance and Islamic Banking* 2, no. 1 (November 6, 2019): 25, <https://doi.org/10.22515/jfib.v2i1.1806>.

²⁵ BWM, “Booklet Bank Wakaf Mikro 2019,” *Booklet Bank Wakaf Mikro* (Jakarta, 2019).

- For people who have achieved the fulfilment of basic needs in their personal and family lives;
 - For people who have productive businesses, are willing to work, and have a passion for implementing business programs;
 - For people committed to the empowerment program as the financing target, customers are poor and have not yet had access to formal financial services.
- c. Obtaining the non-deposit-taking category, namely by not managing funds sourced from the public in the form of deposits, savings, or the like, so that the focus is on the poor through productive financing, empowerment, and assistance derived from profit sharing from sharia deposits or financing and service income others in the form of Islamic social funds.

The role of micro waqf banks as sharia microfinance institutions operating as *baitul maal wattamwil* (BMT) was established in Islamic boarding schools with an orientation towards improving the business and welfare of the surrounding community through financing and socio-economic empowerment under the hope of alleviating poverty and maintain business sustainable.

THE ROLE OF TRADITIONAL FARMERS

As for the understanding of farmers, ²⁶ explained that farmers as farming businesses that are owned and have an essential role in plant maintenance and land management and make decisions in their farming business to provide livelihood welfare for their families. For traditional farmers who are small farmers, the nature of collaboration with other members is very prominent; working on agriculture comes from family members and uses straightforward technology by prioritizing household consumption needs.²⁷

Individual characteristics are characteristics or traits possessed by a farmer displayed through mindsets, attitudes, and patterns of

²⁶ ED Leatemia and RM Sari, "Pelatihan Pembukuan Usahatani Di Desa Hutumuri Kecamatan Leitimur Kota Ambon," *Bakti Unpati (Journal of Community Service)* 1, no. 1 (2012): 17–25.

²⁷ Syamsul Hadi, Henik Prayuginingsih, and Arief Noor Akhmadi, "Peran Kelompok Tani Dan Persepsi Petani Terhadap Penerapan Budidaya Padi Organik Di Kabupaten Jember," *Jurnal Penyuluhan* 15, no. 2 (2019): 154–68, <https://doi.org/10.25015/15201918492>.

action towards the environment. The most farmers are small farmers with an average land tenure of fewer than 0.5 hectares. In Indonesia, the definition of smallholder more often refers to the area of farmland.²⁸

The research method uses a grounded theory approach, one of the qualitative analyses. According to Miranda Madang, et al.²⁹ grounded theory as a systematic design approach and qualitative procedures can generate theory and use at a broader conceptual level either from the process, action, or interaction covered in essential topics.

This research was conducted on micro waqf banks of Lan Taburo Lebak Gedong in Banten province. The selection of informants used purposive sampling following the research objectives.³⁰ Data sources came from the customer micro waqf banks as farmer household daily business, totaling 3 respondents. Research data was collected through informant sources in observations, interviews, documentation, and literature studies. According to data analysis³¹ means that the activities are carried out interactively and continuously until complete so that the data is saturated. It implies that if it felt that no information obtaining.

MICRO WAQF BANK CONTRIBUTION

The interviews with farmer respondents showed that they had been customers of micro waqf banks for four years since their inception with the awareness that as traditional farmers. The micro waqf banks' contributions are to help farmers' businesses get financing with no administrative costs, no guarantees or collateral, precise requirements, no interest or profit-sharing, decent profits, and improved family welfare. The positive response followed all the provisions and activities organized by the micro waqf bank through weekly *halaqah (halmi)*, which made friendship and communication

²⁸ Miranda Mandang, Mex Frans Lodwyk Sondakh, and Olly Esry Harryani Laoh, "Karakteristik Petani Berlahan Sempit Di Desa Tolok Kecamatan Tompaso," *Agri-Sosioekonomi* 16, no. 1 (2020): 105, <https://doi.org/10.35791/agrsosek.16.1.2020.27131>.

²⁹ John W Creswell, *Qualitative Inquiry and Research Design: Choosing among Five Approaches*, 3rd ed. (Washington: Sage Publication, 2013).

³⁰ Ilker Etikan, "Comparison of Convenience Sampling and Purposive Sampling," *American Journal of Theoretical and Applied Statistics* 5, no. 1 (2016): 1, <https://doi.org/10.11648/j.ajtas.20160501.11>.

³¹ M.B Miles, M.A Huberman, and J Saldana, *Qualitative Data Analysis* (London: Sage Publication, 2005).

among customers more robust, significantly increasing business results.

There is awareness and desire to change, the capacity to gain access, the ability to face obstacles, the ability to build cooperation and solidarity.³² Thus, by empowering the community around the Islamic boarding school environment by establishing sharia-based microfinance institutions (LKM Syariah)/micro waqf banks (BWM) with sustainable mentoring patterns as a form of responsibility for the benefits they get. While the advantages of BWM include: interest-free or yields where the form of loans at BWM is through the application of a yield system, namely distribution through financing with applicable provisions not exceeding the maximum yield, then if you get a return, you must be notified through local newspapers. or announcements it has.³³

The contribution of BWM gives meaning to the sustainability of their business, not only financing or business profits obtained, more comprehensive business relations and networks, peace in the household and improving religious attitudes and behavior. It is supported by the opinion of,³⁴ where the role of micro waqf banks on the welfare of customer members includes a move from poor conditions to empowered conditions shows a positive trend.

INCREASING FARMERS' UNDERSTANDING OF THE GREEN ECONOMY ROLE

Most respondent farmers are traditional individuals who do not join farmer groups and still use hoes and ploughs for cattle or buffalo to cultivate the land and harvest agricultural products. In processing farming, most farmers still use inorganic fertilizers and pesticides that contain chemical substances. According to them, the use of inorganic fertilizers and pesticides is still following the rules that have been

³² Syarif Hidayat and M Makhrus, "Peranan Bank Wakaf Mikro Dalam Pemberdayaan Ekonomi Masyarakat Di Purwokerto," *Jurnal Ilmiah Ekonomi Islam* 7, no. 2 (June 28, 2021), <https://doi.org/10.29040/jiei.v7i2.2249>.

³³ Subhabrata Bobby Banerjee and Laurel Jackson, "Microfinance and the Business of Poverty Reduction: Critical Perspectives from Rural Bangladesh," *Human Relations* 70, no. 1 (2017): 63–91, <https://doi.org/10.1177/0018726716640865>.

³⁴ Ries Wulandari and Husna Dzakiroh, "Do Islamic Microfinance Practice Decrease the Level of Three Aspects of Poverty," *IQTISHADIA* 12, no. 1 (July 29, 2019): 87, <https://doi.org/10.21043/iqtishadia.v12i1.2883>.

practised for a long time to get better yields. The following opinion³⁵ is that traditional farmers have local knowledge that can be used as a principle to develop agricultural empowerment. The local knowledge possessed by traditional farmers is the knowledge of ancestral heritage so that they can survive to this day. Then traditional farmers still carry out traditional procedures in agriculture, which have been passed down by their ancestors from generation to generation until now. Becoming a farmer is a noble job, with local agricultural wisdom still being carried out by traditional farmers.³⁶

The farmer respondents have basic knowledge about farming that prioritizes environmental sustainability and is environmentally friendly but do not fully understand the green economy, including its indicators. However, as traditional farmers who have agricultural cultivation, they must understand that sustainable agriculture prioritizes low technology, limiting dependence on inorganic fertilizers, and other agricultural chemicals.³⁷

Mr. Hidayat as a rice farmer who received financing for using organic materials said: *“I know the use of inorganic fertilizers will damage the planting media because the need for production is needed but not excessive following farming experience .”* Furthermore, how do micro waqf bank managers remind and direct them not to use inorganic materials? He added, *“as long as they are customers, there has never been any counselling about the dangers of using inorganic materials in farming because they are only limited to providing financing and business development so that they are productive and increase income.”*

Agriculture is one way to develop a green economy or green economic growth. To preserve the environment and reduce the risk of carbon accumulation are necessary to redevelop an organic-based agricultural model.³⁸ However, because they are used to using

³⁵ M.C. Langerodi, “Farmers’ Empowerment Indicators Modeling in Mazandaran Province, Iran.,” *International Journal of Agricultural and Crop Sciences*, 5(7), 769-776. 5, no. 7 (2013): 769–76.

³⁶ Dwiyana Kurniasari, Edi Cahyono, and Yayuk Yuliati, “Kearifan Lokal Petani Tradisional Samin Di Desa Klopoduwur, Kecamatan Banjarejo, Kabupaten Blora,” *Habitat* 29, no. 1 (2018): 33–37, <https://doi.org/10.21776/ub.habitat.2018.029.1.4>.

³⁷ Elfin Efendi, “Implementasi Sistem Pertanian Berkelanjutan Dalam Mendukung Produksi Pertanian,” *Jurnal Warta* 47 (2016): 1689–99.

³⁸ Diana Dwi Susanti and Alif Muhammad Wicaksono, “Membangun Ekonomi Hijau Dengan Basis Pertanian Di Provinsi Jawa Tengah Tahun 2013 – 2018,” *Jurnal*

inorganic fertilizers and pesticides in farming, they are not ready to transform into organic farming. Many people are aware of the adverse effects of chemicals, such as synthetic chemical fertilizers and pesticides, and growth hormones in agricultural production on human health and the environment.³⁹

Micro waqf banks managers' role in materials in their businesses, Mr. Syamanhudi revealed, "in coaching recipients of financing used for farming on rice and vegetable commodities. Because they get limited loan funds used for production facilities, one of which is the purchase of fertilizers." Regarding the directive, "*we have not yet given direction not to use inorganic materials in farming, only business loans and business development. I think this is important about the green economy conveyed to customers and the use of organic materials in farming.*"

Green growth requires new technologies, competent institutions, and effective government policies in preserving the environment, as well as consistent involvement of the private sector in the transition to inclusive and environmentally friendly economic growth.⁴⁰ Excessive use of pesticides will cause environmental degradation, and even the resulting residue will endanger humans themselves.⁴¹

It is essential for traditional farmers as micro waqf bank customers to pay attention to aspects of business sustainability in line with the preservation and balance of nature because natural resources are the determining factor for farming. The managers of micro waqf banks and the government provide more encouragement and guidance to transform their farming business into more environmentally friendly organic agriculture.

Litbang Provinsi Jawa Tengah 17, no. 2 (2019): 159–67, <https://doi.org/10.36762/jurnaljateng.v17i2.795>.

³⁹ ida Syamsu Roidah, "Manfaat Penggunaan Pupuk Organik Untuk Kesuburan Tanah", *Jurnal Universitas Tulungagung Bonorowo* 1, no. 1 (2013): 31-42.

⁴⁰ GGGI, "BRIEF: LANSKAP YANG BERKELANJUTAN ' Bagaimana Pertumbuhan Ekonomi Hijau Membantu Indonesia Mengelola Lanskap Secara Berkelanjutan?," 2017, 1–21.

⁴¹ Wiji Prayitno, Zulfan Saam, and Tengku Nurhidayah, "Hubungan Pengetahuan, Persepsi Dan Perilaku Petani Dalam Penggunaan Pestisida Pada Lingkungan Di Kelurahan Maharatu Kota Pekanbaru," *Jurnal Kajian Lingkungan* 2, no. 2 (2014): 220–36.

SOCIAL EVOLUTION OF MODELS FOR GREEN ECONOMY OF MICRO WAQF BANK

In answering this research, the design thinking model of social evolution 6 (SE6) emerged as an evolutionary process towards design thinking and social innovation by combining the evolutionary model 6 with the spiral model of the six stages of social innovation.⁴² Then the Portuguese company *Minds hake* made a model by changing the process of social innovation not only more accessible but also intuitive and into application in various multidisciplinary fields.⁴³

Tabel 1: Respondents Farmer Given Funding as MWB Customers

No	Farmer	Commodities	Fundings (Rp)	Benefits	Land (m ²)
1	Kusnadi	Vegetables	2.500.000	Urea & NPK Fertilizer	2200
2	Hidayat	Paddy	3.000.000	ZA & NPK Fertilizer	7700
3	Sahroni	Corn Plan	2.500.000	Urea Fertilizer	4210

The data above shows that farmers' awareness of using organic fertilizers as a green economy needs direction and guidance from micro waqf bank managers. So that in concept and implementation, green economy and micro waqf banks that care about the use of organic-based resources are a sustainable concern.

Based on the complexity of the roles involved in micro waqf banks, it is necessary to use a design thinking approach so that the problems obtained through field observations and interviews are then synchronized with the solutions that will be generated through their workflow and can improve the role of future micro waqf banks. The design used is adapted to the conditions of the micro waqf bank, which has only been implemented in the last four years. Based on the design thinking method, the author tries to explain the framework of the model flow so that it can be used as a consideration for stakeholders in developing an understanding of the green economy for micro waqf bank customers as farmers in the future.

⁴² Robin Murray, Julie J Grice, and Geoff Mulgan, "The Open Book of Social Innovation" (London, 2010).

⁴³ Jonana Moreira et al., "Design Thinking Para a Inovação Social Desenvolvimento Do Modelo Social Evolution 6," in *Coleção Convergências Research Books* (Castelo Branco: Edições IPCB, 2021), 169–76.

Table 1. green economy indicators

Emphaty	Explore	Elaborating	Exposure	Execution	Expansion
Understanding the Role of the Green Economy on Micro Waqf Bank Customers as Farmers	<ul style="list-style-type: none"> The important role of BWM in improving welfare for traditional farmers 	<ul style="list-style-type: none"> Increased business profits and savings for families 	<ul style="list-style-type: none"> Gain access to product marketing and decent profits 	<ul style="list-style-type: none"> Farmers receive business results that are suitable for use in the interests of the family to improve welfare and business 	<ul style="list-style-type: none"> The involvement of group farming, maintaining the balance of nature and getting more productive and prosperous business results
	<ul style="list-style-type: none"> Justice for farmers as business actors to get easy access to cheap financing 	<ul style="list-style-type: none"> Increased opportunity to get easy business financing without collateral 	<ul style="list-style-type: none"> Get easy business financing, without interest and according to business volume 	<ul style="list-style-type: none"> Encouraging micro waqf banks to be oriented towards meeting the financing needs of MSMEs that do not have access to banking 	<ul style="list-style-type: none"> Accessing to financing for farming businesses/MSMEs, whether profitable or not, especially the risk of natural disasters in their farming businesses
	<ul style="list-style-type: none"> Farmers' concern for the preservation of nature and the environment for environmentally friendly farming 	<ul style="list-style-type: none"> Increasing awareness of utilizing sustainable environmentally friendly business resources 	<ul style="list-style-type: none"> Apply business principles to preserve nature, the business environment and damage the business ecosystem 	<ul style="list-style-type: none"> Encouraging farming business actors to use production facilities that ensure the preservation of nature and avoid excessive use of chemical substances 	<ul style="list-style-type: none"> A change in the behavior of farmers oriented towards maximizing fertilizers and chemical drugs that are excessively transformed into environmentally friendly organic substances
	<ul style="list-style-type: none"> Build a culture of farming efficiency 	<ul style="list-style-type: none"> Increasing utilization of business production facilities in accordance with their needs and functions 	<ul style="list-style-type: none"> Implementing a business system based on composition or rules of use 	<ul style="list-style-type: none"> The formation of efficient behavior in farming so that the financing received becomes more optimal by using appropriate technology 	<ul style="list-style-type: none"> Savings in financing and business production to increase the efficiency of farmers' resources
	<ul style="list-style-type: none"> Government involvement in eco-friendly farming education 	<ul style="list-style-type: none"> Increasing socialization and fostering sustainable productive and environmentally friendly businesses 	<ul style="list-style-type: none"> Obtain product supervision and testing according to sustainable environmentally friendly standards 	<ul style="list-style-type: none"> Government guidance and supervision of farming businesses using excessive inorganic fertilizers in the long term 	<ul style="list-style-type: none"> Awareness of farmers, micro waqf banks and business actors in implementing farming in accordance with environmental and health standards

The convergence between the role of the green economy and micro waqf banks is built on the social evolution model illustrated in the table above. The model built on green economy indicators, including the roles of welfare, justice, efficiency, environment, and government, can explain business changes or transformations. It needs to be responded to micro waqf bank as a small, micro, and medium business actor so that sharia economic principles can strengthen the green economy to become part of a sustainable business.

CONCLUSION

Farmers who are customers of micro waqf banks have not been able to implement organic fertilizers as a green economy step, and managers have not directed and fostered the consistent use of organic fertilizers in farming. The green economy is essential for micro waqf bank customers such as farmers, especially the community around Islamic boarding schools because it is a sharia economic practice (*muamalah*). This study uses a design thinking approach in formulating solutions to increase the role of the green economy in micro waqf bank business activities, which describes as social evolution, including empathy, exploration, elaboration, exposure, execution, and expansion. It is necessary to increase the contribution of the green economy to the behavior of micro waqf bank customers for their business sustainability.

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