

# The Establishment of BMT Micro Business of Hulu-Hilir Coffee Processing at Margamulya, Pangalengan Village

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**Abstract**—Margamulya Village, Pangalengan Subdistrict is one of the villages that have potential of natural resources, namely coffee, known as Malabar coffee. However, there are still many coffee business actors categorized as micro with various problems faced, including the management of venture capital that can be obtained from financial institutions or Islamic philanthropic institutions such as *Zakat* Institutions. The role of financial institutions in the development of microfinance is very essential. In addition, Baitul Maal wat Tamwil (BMT) is one of the financial institutions that is suitable for the development of micro businesses. The purpose of this PKM was to provide understanding and assistance on financial management through the establishment of BMTs in the context of business development. The PKM program carried out was in the form of training and assistance programs on financial management in BMT. The result of this PKM activity was an increase in understanding of Malabar coffee micro entrepreneurs about simple BMT management, then the formation of BMT management of Margamulya Pangalengan coffee businessman, and the obtaining aid funds from BAZNAS of West Java Province Rp. 2,000,000 each for 22 business people each with a total of Rp. 44,000,000 which would be managed through BMT institutions.

**Keywords:** *micro business, islamic philanthropy, Baitul Maal wat Tamwil*

## I. INTRODUCTION

Margamulya Village, Pangalengan Subdistrict is one of the villages that have potential of natural resources, namely coffee, known as Malabar coffee. Many people come to Pangalengan to buy coffee locally, nationally, and internationally. However, with this great potential coffee, its farmers currently only carry out farming activities without thinking about how to sell coffee at the good and the right price. For them, the most important thing was the time of their harvests is bought by someone. Coffee businessmen have not been able to develop optimally due to limited insight, knowledge, and infrastructure that they have not had yet. Therefore, there is a need for guidance both in theory through socialization and literacy, practice in improving business management skills through various training, and capital solutions and provision of infrastructure

facilities in the framework of business development through cooperation with financial institutions.

Changing times require a change in the old paradigm of society, namely from traditional farmers who only think about planting and then selling the harvest as it is usually done for generations. However, there must be an effort to develop business through professional management, following the development of the times to increase income sustainability based on sharia principles. Therefore, many coffee businesses in Pangalengan categorized as micro still face various problems, including business capital management that can be obtained from financial institutions or Islamic philanthropic institutions, one of which is *Zakat* Institution.

Philanthropic institution is a concept found in Islam aiming at for the good (*al-birr*). Looking at the conditions of different social and economic levels of society, philanthropic ideas or concepts are alternatives for a community group to reduce social inequalities between public. Al-Qur'an discuss philanthropy in the form of its commands in the concepts of *zakat*, *infaq*, *sadaqah*, and grants to create and maintain the benefit of life and human dignity, and Allah SWT creates sharia regulating the way how to properly use wealth. When referring to Al-Qur'an, there is an Islamic economic system in the implementation of *zakat*, *infaq* and *sadaqah* [1].

The presence of *zakat* as one of the Islamic philanthropic institutions is expected to be able to answer the socio-economic problems of the community through the distribution of productive funds. As an institution whose role is to distribute *zakat* funds to the public, *zakat* institutions form structures in the form of *amil zakat* and *zakat* collection and distribution programs. The rules of *zakat* related to the distribution of *zakat* funds for productive activities are contained in *Zakat* Law Number 23 Year 2011 Article 27 [2]. Which explains that *zakat* can be utilized for productive efforts in the context of handling the poor and improving the quality of the people.

## II. METHOD

The methods used in the implementation of this PKM were lectures, discussions, questions and answers, and simulations [3]. Firstly, participants were given the materials, then