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Shariah Financing Model on Salt Mini Plant UTM in Order to Increase Production and Income Numbers

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ABSTRACT: The purpose of this study is to provide an alternative model of Islamic financing to the salt business, namely the Mini Plant of Salt UTM. The existence of a shariah financing system that applies the principle of profit sharing allows the Mini Plant of Salt UTM and the publick to access capital through shariah financial institutions and also gain knowledge and reference in accessing capital to fund salt production activities. Data collection techniques were carried out using direct observation and interviews with the manager of the Mini Plant of Salt UTM, the Padelegan village apparatus, and the Islamic financial institution BMT NU Mandiri and BMT Sidogiri Pamekasan branch. The results of data analysis show that the Mini Plant of Salt UTM has developed a salt innovation that has been prototyped into food salt and non-food salt. Other research results found that the activities carried out by the UTM Salt Mini Plant until now have focused on research activities regarding salt. However, the Mini Plant of Salt UTM has not carried out salt processing on the available salt ponds land in the Padegelan village, Pademawu Pamekasan so that it has not been able to generate salt production and income for the Mini Plant of Salt UTM. The Mini Plant of Salt UTM has capital constraints in carrying out salt processing where the source of funds only comes from the University's DIPA. In an effort to overcome the funding problem, the Mini Plant of Salt UTM can use an alternative sharia financing with a mudharabah contract. This contract applies the concept of profit sharing to distribute profits. The provisions of sharia financing with mudharabah contracts can be implemented if the customer already has business activities that result in buying and selling transactions (current production activities).

INTRODUCTION

East Java is the national salt barn which contributes 47% to the national salt production (BPS, 2014). The existence of the island of Madura greatly affects salt production in East Java Province. Madura Island is one of the salt producers in Indonesia. Based on data from the Ministry of Maritime Affairs and Fisheries, it is stated that almost 95% of salt land in East Java Province is on the island of Madura. (KKP, 2020). In 2017, Indonesia recorded a national production In 2018 national salt production in Indonesia doubled compared to the previous year to 2,349,629 tons. East Java province contributed 782,738 tons. In 2018 Sampang district beat Sumenep district in terms of salt production because at that time Sumenep district only produced 190,0007 tons of salt. Meanwhile, Pamekasan Regency produces 140,716 tons of salt and Bangkalan Regency only produces 2,749 tons of salt. In recent years, the results of people's salt production in Sumenep Regency have not been absorbed optimally (rri.co.id. 2021). According to Hayat, (2021), the head of the salt community alliance in Sumenep Regency said that salt was not absorbed optimally because the selling price of salt was too cheap, around Rp. 250,000 – Rp. 300,000 per ton. This condition causes the amount of unabsorbed salt to be around 80,000 tons. National salt demand is around 2.6 million tons, but the resulting salt production is still around 1.2-1.6 million tons. Therefore, in an effort to increase salt according to these needs, a large area of land and technological innovation are needed. Trunojoyo University Madura as a public university in the Madura region is mandated by the Ministry of Research and Technology to develop salt in the Madura region. Trunojoyo University, Madura, established a Salt Farm for the Center for Excellence in Science and Technology (PUI) UTM Salt which was inaugurated on June 11, 2018 by the Ministry of Research, Technology and Higher Education. (pojokkampus, 14 June 2018). of 1,020,925 tons of salt. Of these provinces, 372,728 were donated from East Java Province. In 2017, Sumenep Regency also produced 126,622 tons of salt. This achievement is the largest amount of salt production in East Java province compared to other districts or cities. Nationally, Sumenep Regency in 2017 has become the second largest salt producer in Indonesia. PUI Salt UTM helps salt farmers by processing krosok salt into salt that is ready to be marketed and utilized by the community. Therefore, to increase salt production, sufficient capital is needed. The need for capital greatly affects the salt production process which ultimately has an impact on the number of products produced and the income of the UTM Mini Plant (PUI Garam). The problems often experienced by the salt business unit related to the development of its business in Indonesia include; (1) lack of mastery of salt-making techniques, (2) low capital ownership, (3) low market access, (4) dependence on middlemen, (5) limited land ownership that makes salt farmers use leased land, (6) lack of management skills adequate. (garampedia.com, 2020). The most crucial thing that causes the salt business unit to experience problems is capital. The capital problem faced by the salt business unit is currently an important part that must be considered by the government. Not a few salt business units are experiencing capital difficulties to increase salt productivity so that it has a direct impact on their income. The government is trying to increase the income of the salt business unit through the government's policy, namely the People's Salt Business Empowerment (PUGAR). There are four strategic issues in the implementation of PUGAR, namely: (1) institutional issues that cause the low quantity and quality of people's salt, (2) it is the issue of capital that causes salt farmers, especially in the small category, to be trapped in baskets, middlemen and skippers. (3) regulatory issues that cause the government's weak alignment and protection in the people's salt sector, so that the people's salt business is not prospective and marketable. (4) the content of the people's salt trading system which is very liberal with the absence of setting quality standards and basic prices for people's salt. The government has made a policy of people's business credit assistance (KUR) to help the people, especially small entrepreneurs, regarding capital assistance. Since 2015, the distribution of KUR to the people's salt business unit has reached Rp. 1.1 billion, but the interest subsidy has not been paid because this sector is not financed by KUR. Meanwhile, the salt business unit always struggles in terms of costs, including access to banking. According to Jakfar (2019), banks do not have confidence in the salt business unit. To access banking assistance, the salt business unit cannot use a capital loan. "Because the debt to the bank during the previous year's planting season, is currently still not paid off," said Robedi (Tempo, 2017). There are several factors that cause the salt business unit to be unable to pay off debts to banks, including crop failure due to the season, very cheap salt prices, and salt companies not being able to absorb salt. The phenomenon in the field shows that the low number of salt production results in low income. Finally, they are trying to increase business capital to continue the next production process. To overcome the problem of capital, they can obtain capital loans from financial institutions, both formal and informal. One of the financial institutions that can be used as a reference for salt business units to obtain formal capital loans/capital assistance through Islamic financial institutions, both Islamic banking and BMT/Sharia Financial Services Cooperatives (KJKS). BMT/Sharia Financial Services Cooperative (KJKS) is a cooperative business entity that runs its business using sharia principles. The emergence of BMT/KJKS provides opportunities for the development of Islamic economics, especially in the micro sector. The micro sector that is not touched by banks, such as SMEs and small traders, can be embraced by BMT/KJKS. In collecting and distributing funds, BMT/Sharia Financial Services Cooperatives (KJKS) can use several types of contracts. For fund-raising activities, BMT/KJKS can use deposit contracts (Wadiah) and profit sharing (Mudharabah), while fund distribution activities, BMT/KJKS use sale and purchase contracts (Murabahah), profit sharing (Mudharabah), participation (Musyarakah), rental (Ijarah), and non-profit (qardhul Hasan).

Several research results on productivity and capital, both through sharia financing and others, have been widely carried out, such as Susilo and Ratnawati (2015) stating that sharia financing has a positive influence on sectoral domestic products. The results of research by Arsa and Nata (2013) regarding capital on the production of the apparel industry show that capital has a positive effect on clothing production. In addition, capital financing also affects the increase in business units, this is shown from the results of research by Rambe (2019) which states that Islamic financing can significantly increase customer income in the agricultural sector. In line with this research, Angraeni et al (2013) in their research results shows that Islamic finance financing has an effect on MSME income, where there is an increase in income of 6.21%.Based on the phenomena that occur and the results of previous studies, this study takes the topic of Analysis of Islamic Financing Models at UTM Mini Plants in Order to Increase Production and Income Figures. This research contributes practically and academically. Practically, the results of this study can provide alternative capital financing strategies through sharia financing for salt business units so that they can increase production and income. Academically, the results of this study provide insight and knowledge about Islamic financing as a source of capital for the academic community.Based on the previous description, the formulation of the problem in this study is: how is the alternative Islamic financing model for financing the UTM Salt Mini Plant in order to increase production and income. The purpose of this study is to describe the Islamic financing model for the UTM Salt Mini Plant in order to increase production and income.

LITERATURE REVIEW

Capital

In the Big Indonesian Dictionary (KBBI) capital is defined as money that is used as the principal or parent to carry out trading activities. In addition, capital is also defined as property or goods as long as it is capable and can be used to produce something that can increase wealth. From the point of view of accounting, capital is something that cannot be separated in doing business or doing business, investing, and various other activities that have the aim of obtaining profits or income. Broadly speaking, the notion of capital is a collection of money or goods that can be used as a basis for doing a job or business.Reporting from the official Investopedia page, the notion of capital or capital is an item of money produced by nature or humans to be able to help produce other goods needed by humans to make profits. Capital is a very important thing in a company or business. Without capital, the business cannot move as it should. Capital is needed in various business scales, ranging from large-scale or small-scale businesses. So, the notion of capital is a company's main asset in running a business which is generally in the form of funds, assets, or debt. That way, the production process to the company's marketing can run smoothly. (accurate.id 2021). Sources of capital include internal sources and external sources. Internal sources as the name implies, capital from internal sources is capital obtained from within the company. This capital can come from retained earnings and accumulated depreciation. In addition, it can also come from sales. However, the use of internal capital is actually quite difficult because it has a limited nature and the increase rarely occurs significantly. External sources can be obtained in various ways from outside the company, such as creditors, shareholders, bank loans, cooperatives, investors, and other sources. Often, this capital from external sources is sought and needed because of its unlimited nature. Especially when compared to capital from internal sources. Because of this unlimited nature, many companies will seek capital from external sources when carrying out the company development process. (Financialku.com).

Working Capital Financing

Financing is the provision of funds to finance the needs of customers who need it and deserve it (Arifin, 2006:200). Financing is the duty of the bank, namely the provision of amount of funds to meet customer needs. According to the nature of its use, financing can be divided into: (a) productive financing, namely financing aimed at meeting production needs in a broad sense, namely to increase business, both production, trade and investment businesses and (b) consumptive financing, namely financing used to meet needs. Consumers, which will be used up to meet needs (Antonio, 2001: 160). Productive financing can be divided into two (2) things, namely: (a) working capital financing, namely financing intended to obtain capital for business development, and (b). Investment financing is financing that is intended to invest or procure consumer goods (Rivai, 2010: 686).

Sharia Working Capital Financing

Sharia working capital financing is short-term financing provided to companies to finance their business working capital needs based on sharia principles. The maximum working capital financing period is 1 (one) year and can be extended as needed (Karim, 2010:234). Working capital financing is financing for the company's working capital in the context of financing the company's current assets, such as purchasing raw or raw materials, auxiliary or auxiliary materials, merchandise, capital goods exploitation costs, receivables and others (Rivai, 2010: 718). Based on the provisions of Article 1 number 25 of the Sharia Banking Law and PBI No. 10/24/PBI/2008 financing is the provision of funds or bills or receivables (Wangsawidjaja, 2012:153).

Mudharabah and Musyarakah as Sharia Working Capital Financing

According to Nurhayati and Wasilah, (2009) state that there are two types of working capital financing including mudharabah and musyarakah. Mudharabah is a transaction that must be carried out on the basis of trust. Mudharabah is a business cooperation agreement between two parties in which the first party (fund owner) provides all the funds, while the second party (fund manager) acts as the manager, and business profits are divided between them according to the agreement, while financial losses are only borne by the fund owner. (Nurhayati and Wasilah, 2009; PSAK 105) In the mudharabah financing scheme, Islamic banks and/or Islamic Financial Services Cooperatives can help meet all of these working capital needs not by lending money, but by establishing partnership relationships with customers, where the bank acts as the funder (Shahibul maal), while the customer acts as an entrepreneur (Mudarib). Mudharabah is a profit sharing contract when the owner of the funds or capital (investor), commonly called Shahibul mal or robbul mal, provides capital (100%) to the entrepreneur as the manager, commonly called Mudharib, to carry out productive activities on the condition that the profits generated will be divided between them according to the agreement previously determined in the contract (the amount of which is also influenced by market forces) (Ascarya, 2013: 60). Mudharabah contract is an investment transaction from the owner of the funds (shahibul maal) to the fund manager (Mudharib) to carry out certain business activities in accordance with sharia, with the distribution of business results between the two parties based on a previously agreed ratio (Wangsawidjaja, 2012: 192).In addition to musyarabah financing, namely musharaka financing. Musyarakah is a cooperation agreement between capital owners who mix their capital for the purpose of seeking profit. In musharaka, each partner (Islamic financial institution and customer) both provide capital to finance a particular business, both existing and new (Nurhayati and Wasilah, 2009; Wiroso, 2011:394).In PSAK 106, there are several definitions and terms related to musyarakah accounting, namely as follows: (a) Musyarakah is a cooperation agreement between two or more parties for a particular business, where each party contributes funds provided that the profits are divided based on agreement while the risk is based on the portion of the contribution of funds, (b) Permanent Musyarakah is Musyarakah with the condition that the share of funds of each partner is determined according to the contract and the amount remains until the end of the contract period, and (c) Declining Musyarakah is Musyarakah provided that the share of the entity's funds will be transferred gradually to partners so that the share of the entity's funds will decrease and at the end of the contract period the partner will become the full owner of the business.

In musharaka, each partner has a share of capital in the musharaka. In principle, each investor has the right to manage the joint business, however partners can also give power to other partners to manage the business. If the partner only makes capital participation, it is called a passive partner, while the partner who in addition to contributing capital also manages the Musyarakah business is called an active partner (Wiroso, 2011:398). PSAK 106 stipulates that as the manager of a musharaka business, an active partner must have separate accounting records from other business records, because a musharaka business is a joint effort between partners, both active partners and passive partners. Relationship between Capital Financing and Production Figures at the UTM Salt Mini Plant. The UTM Salt mini plant definitely requires capital in its production activities. Sources of venture capital come from internal and external. Internal sources of capital usually come from business owners, while external sources of capital come from investors and banks. For capital financing from banks, the business unit cooperates in financing with conventional banks or Islamic banks.The need for capital is an important factor in the development and business continuity of a business unit. With sufficient capital, a business unit can finance its production activities in a sustainable manner. The business unit, in this case the UTM Salt Mini Plant, can increase production numbers due to the availability of capital. This increase in production figures indicates an increase in the performance of the business unit. The availability of capital through Islamic banking financing can help management increase production figures. Dewi and Astari (2017) argue that Islamic financing through mudharabah contracts has an ideal role to improve business performance (Dewi and Astari, 2017). The results of research regarding working capital financing can increase the production rate of a business venture, stated by Susilo and Ratnawati (2015) who state that Islamic financing has a positive influence on sectoral domestic products. Then Arsa and Nata (2013) stated that the existence of capital in business ventures can increase the production of the apparel industry in the clothing industry. From this description, it can be concluded that working capital financing can increase the number of production in business ventures.

Relationship between Capital Financing and Income at the UTM Salt Mini Plant

Operational activities of a business business depend on the availability of capital, because working capital is a very important factor in improving business performance and sustainability. To maintain the availability of this capital, management performs capital financing through the banking sector, be it Islamic banking or conventional (general) banking. Working capital financing through Islamic banks or Islamic financial institutions is an alternative source of financing for businesses to obtain additional capital.

Management strives to obtain optimal profit or business income so that the continuity or continuity of business business is maintained in the long term. The achievement of income or operating profit between periods is an indicator of performance for the business venture. Rambe (2019) which states that Islamic financing can significantly increase customer income in the agricultural sector. In line with this research, Angraeni et al (2013) in their research results show that Islamic finance financing has an effect on to MSME income, where there was an increase in income of 6.21%. With an increase in business profits/revenues, business viability can be maintained (Ginting, 2018).

RESEARCH METHODS

Types of research

This research uses descriptive and qualitative research (descriptive qualitative), which in this study seeks to raise and explore a research problem which is then described in an analysis to obtain conclusions according to the research objectives. This type of research is used to analyze events, phenomena, or social circumstances. Descriptive research is a research that is used to find a picture or result of an event, situation, behavior, subject, or phenomenon in society. This research seeks to answer the questions of what, when, who, where, and how related to a problem under study. Descriptive research seeks to collect information to answer the researcher's questions by paying attention to aspects obtained from a lot of research data, so that it can describe a condition, event, or phenomenon in a specific and sequential manner.

Qualitative research methods seek to see what is happening in the world and put the findings obtained in it where the researcher stands from reality or events that take place in the field with a natural environmental background (Bungin, 2007: 44). According to Bogdan and Taylor (1975) quoted by Moleong (2010: 4) defines qualitative methodology as a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. The reason this research uses qualitative research is that the collection of research data is not rigid or more flexible, but always in accordance with the actual situation. With qualitative methods, data that are feelings, norms, beliefs, habits, mental attitudes, and cultures that are held by a person or group of people can be found (Moleong, 2007: 8-13). The qualitative method aims to gain a general understanding of social reality from the participant's perspective. This study seeks to understand the meaning in accordance with the information provided by the informants, because this research is a social analysis that uses a subjectivism approach, which seeks to understand the situation as it is

Research design

Research design is a design that describes how the research is carried out in order to get what is the purpose of the research. Design is a logical link between empirical data and the initial research questions, especially the conclusions (Yin, 2009). The research design used to answer research questions about how the Islamic financing model at the UTM Salt Mini Plant. The research design is as follows:

1. Identification of phenomena and research problems.
2. Select key informants related to research
3. Application of research methods
4. Data collection
5. Data validity
6. Data analysis
7. Research Conclusion

The research design can be charted as shown below:

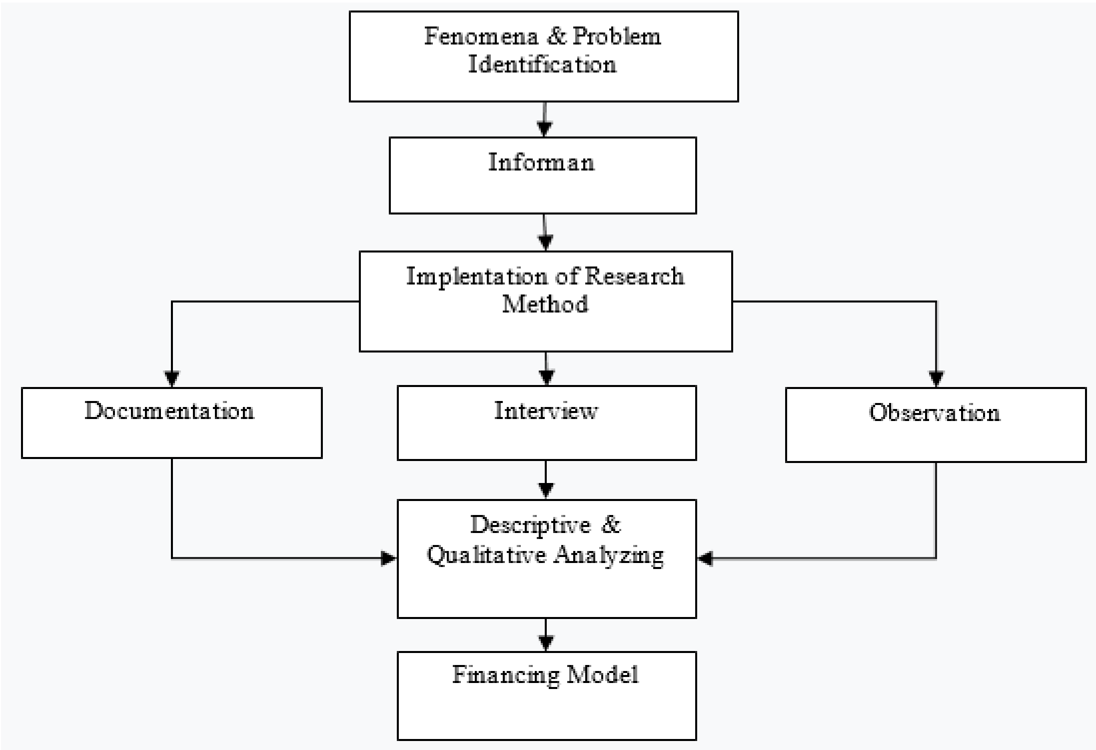

Figure 1. Research design

Data Collection Stages

The stages of data collection in this study include: (1) Preliminary survey, in the form of extracting up-to-date information through articles, internet, print media, and others to obtain an overview of the financing model, which has been carried out by salt farmers in the Regency. Sumenep. (2) Literature survey, in the form of collecting and studying finished data obtained from reference books, research journals, Sharia PSAK, and fatwas of the National Sharia Council.

(3) Field Data Collection, field data collection is carried out by observation, interviews, recording and documentation. The process of collecting data was carried out by making observations, in these observations the researchers conducted in-depth interviews in order to obtain information related to the research objectives. In the interview process, the researcher used a recording device to facilitate the data collection process and as additional information/data was obtained from the documentation that supported the research.

Data collection technique

The data collection techniques used in this study are: (1) Observation, carried out to obtain data or information related to the situation that occurred. With this observation, the researcher does not just make observations, but also interacts with informants. The interaction is in the form of in-depth interviews, (2) Interviews, in which researchers meet face-to-face and ask questions directly with informants with the aim of knowing, getting a complete picture of the views and opinions of the informants on a phenomenon. In addition, the researcher also used a discussion method, exchanging ideas with informants which allowed for reciprocal questions in the data collection process. The type of interview used is an unplanned interview or semi-structured interview, which is a type of interview in which the researcher only arranges the main points of the question and is not strict so that it can be developed according to the situation and situation.

Conditions in the field, the interviews were conducted in such a way that in providing information the informants did not tend to process or prepare the information in advance and could provide an explanation as it was. (3) Recording, aims to assist in the data collection process, because the researcher's memory is limited so that it requires a tool in the form of a recording device. (4) Documentation, used as a source of supporting data in research other than the main data source in the form of interviews.

Characteristics of Informants

Informants in this study for the purpose of collecting data through interviews, namely: (1) Managers of the UTM Salt Mini Plant to obtain data on how the salt processing process, obtaining funds and other sources, obstacles/other problems encountered while managing the UTM Salt Mini Plant and other information. . (2) The Islamic financial institutions selected in this study were either from the Islamic institution BMT Sidogiri Pamekasan branch or BMT NU Mandiri Pamekasan branch to obtain information about various types of financing, especially mudharabah and musyarakah financing. (3) The officials of Padegelan Village, Pademawu District, to obtain information regarding the existence of salt ponds owned by the UTM Salt Mini Plant and other information that supports the data in this study.

Data analysis technique

After getting data from field studies and literature studies, the next step is to analyze the data. Data analysis is a way or steps to process primary data and secondary data that are useful for research in order to achieve the ultimate goal of research. The steps taken to discuss the results of the research: (1) Explore the types of financing that have been used by salt farmers/Mini Salt Plant UTM, (2) Identify the constraints in the financing that have been used, (3) Explore the types of alternative financing that will be used. Used by salt farmers/Mini Plant Salt UTM, and (4) Create a sharia financing model as an alternative source of capital.

RESEARCH RESULTS AND DISCUSSION

UTM Salt Mini Plant at a Glance

The UTM Salt Mini Plant or the Central Field Laboratory for Excellence Innovation (PUI) UTM Salt has been inaugurated by the Minister of Research, Technology and Higher Education Prof. H. Muhammad Nasir, Ph. D., Ak on June 11 2018. The location of the 4 hectare salt pond is in the area of Padelegan Village, Pamekasan District, Pamekasan Regency. As an effort to develop the UTM Salt Mini Plant, it was marked by the signing of a Memorandum of Understanding (MoU) on November 12, 2020 by the Chancellor of UTM, Dr. Drs. Ec. H. Moh. Sharif, M.Si. And the President Director of PT. Garam is Mr. Ahmad Ardianto. The signing of the memorandum of understanding is a form of commitment in an effort to develop the Tri Dharma of Higher Education within the Trunojoyo University, Madura. The purpose of building a salt pond laboratory for the UTM Mini Plant is one of the efforts to develop science, technology and business. The existence of the Salt Mini Plant or PUI is an effort to empower the community so that the surrounding community gains knowledge about salt pond management so that they are able to produce quality salt production. High and good salt productivity produced by farmers is expected to improve the welfare of salt farmers or the surrounding community so that UTM can make a real contribution to society. To achieve the goal of the UTM Salt Mini Plant, the manager carried out socialization activities and Forum Group Discussions (FGD) with the surrounding community. Over time, the UTM Salt Mini Plant has developed a prototype salt innovation into food salt and non-food salt. The following is the statement of Mr. MF as the manager of the UTM Salt Mini Plant (PUI): "What our team is currently developing are two packs, namely food salt and non-food salt". Furthermore, Mr. MF explained that the innovation of food salt production includes healthy salt rich in minerals, which is produced through salt fortification with extracts of Moringa, sea algae, seaweed, and marine flora and fauna. Meanwhile, non-food salt production innovations that have been successfully prototyped include lifestyle salt which is the result of purification for beauty salt, spa and sauna, industrial salt, pharmaceutical salt and analytical salt.

UTM Garam Salt Mini Plant Development

Madura Island is an area that has its own uniqueness that is different from other regions in Indonesia, for example, that uniqueness can be found through its wealth of natural resources, namely salt, one of which is specifically produced in the

Bangkalan, Sampang, Pamekasan and Sumenep regencies. The richness of Madura's salt is actually inversely proportional to the government's hope to solve the problem of salt scarcity that occurred. This is because the presence of salt in Madura cannot be balanced with increased innovation and dissemination of production technology which has implications for the productivity and quality of Madura salt is very weak, even though Madura salt has good quality among salts in other areas in Indonesia.

The presence of the UTM Salt Mini Plant located in Padelegan Village, Pademawu District, Pamekasan Regency is an effort to provide alternative solutions in solving salt complexity in Madura. The Salt Mini Plant as a salt innovation center to develop research and accelerate the dissemination of salt technology innovation as part of the salt science and technology park, said Mr. Pademawu, Pamekasan Regency. Through FGD activities for Institutional Strengthening of Regional Excellence Centers for Innovation, the presence of the UTM Salt Mini Plant is intended to develop a permanent link and match between universities, business actors, government, community and non-government organizations. Conceptually and institutionally, PUI Garam is here to combine ideas, innovations and know-how from the academic world with financial and marketing capabilities from the business world. This collaboration is expected to be able to contribute and accelerate the development of salt products from upstream to downstream as well as to reduce the time needed to transfer innovations into products that can be marketed and utilized by the public with one of the objectives of obtaining high economic returns.Furthermore, Mr. MF said that PUI Garam UTM as a salt innovation center, became an integrated part in the management of study programs that could be translated or confirmed into the curriculum structure in each study program in accordance with the characteristics and characteristics of each study program within UTM. Salt Mini Plant (PUI) Development Financing. The development and activity of salt production at the UTM Salt Mini Plant (PUI) cannot be separated from the source of funding which is the most important factor for every business to finance its operational activities. Capital financing in business ventures is very supportive of investment activities that have been planned to achieve the desired business goals. According to Rivai and Arifin (2010:681) states that financing is a funding provided by a party to another party to support planned investments, either by themselves or by institutions. In other words, financing is funding issued to support planned investments. Financing/capital funding has a major role in the implementation of business ventures. With financing from external parties, namely banks and non-banking financial institutions, business actors can increase working capital so that business actors/businesses can fund their operational activities to earn business income. Access to finance or financing for business/business actors can affect business productivity (Giang, Trung, Yoshida, and Que 2; 2019), making it easier for business actors to earn business income.

So far, financing for the development and activities of the UTM Salt Mini Plant (PUI) still depends on funding sourced from the university's Budget Implementation List (DIPA). The manager submits a program and budget proposal for Mini Plant (PUI) activities to Trunojoyo Madura University for activities for 1 year. The following is Mr. MF's statement regarding the funding of the UTM Salt Mini Plant (PUI) which he manages: "For the funding for this Mini Plant, sir, it still comes from the university's DIPA. We annually propose a program of activities and costs for the Mini Plant." The source of funding that only comes from the university's DIPA, the manager of the UTM Salt Mini Plant is still difficult to carry out its operational activities as a whole due to limited funds. The proposed amount of funds was not fully approved or realized by the university. The following is Mr. MF's statement regarding the funds used for PUI Garam UTM activities: "For funding, we only propose to the university, sir, and the amount of the funds depends on the university's acc. We are still experiencing difficulties in funding sources so that the activities at PUI Garam are hampered." Based on Mr. MF's statement, it can be concluded that the funding from the university's DIPA has not fully supported the activities of the UTM Salt Mini Plant (PUI). This is evident during field observations, the maintenance and maintenance activities of the salt ponds belonging to the UTM Salt Mini Plant (PUI) have not been carried out properly. From information, one of the Pamong Village officials stated that the maintenance and maintenance of a 4-hectare pond requires a large amount of funds. The delay in program activities at the UTM Salt Mini Plant (PUI) was also caused by a delay in the realization of the DIPA budget. The realization of the DIPA budget was not implemented at the beginning of the year so that the activities that had to be carried out at the beginning of the year experienced funding difficulties. According to Mr. MF, in the future a business strategy is needed in terms of financing or funding so that business and research activities at the UTM Salt Mini Plant (PUI) can be carried out and are flexible in the use of funds.

Production and Revenue of UTM Salt Mini Plant

Production activities or activities in a business venture as part of an organizational function in which the company is responsible for processing raw materials into products that can be sold. Products with good quality or in accordance with the company's quality standards will provide added value, strength and advantage for the company to maintain the existence and market share of the company. Therefore, business actors must pay attention, maintain and evaluate the quality of the products produced to each consumer they want to target so that consumers are satisfied with the results obtained.Continuous production has a close relationship with efforts to increase operating income. In production activities, large amounts of costs are required for the activities. Production will determine the amount of input for production raw materials and will subsequently affect the output produced in the production. The more output produced, the more goods sold, so operating income will also increase along with the increase in product sales. The location of the UTM Mini Salt pond is in the area of Padelegan Village, Pademawu District, Pamekasan Regency with an area of 4 hectares. The construction of the pond as a place for the production of krosok salt which will later be processed into salt that can be consumed by the community. In addition, the land is also a salt research laboratory or location to develop salt quality related to the 2 prototypes developed by the UTM Salt Mini Plant, namely food salt and non-food salt. Based on the results of observations of the UTM Salt Mini Plant ponds, it shows that a 4 hectare pond area has been built as a boundary for the ponds owned by the UTM Salt Mini Plant with land owned by farmers or other agencies. The land has not been used as a salt pond. The land has not yet produced salt because the plots have not been made for the drying/evaporating process of seawater in the formation of salt. According to Mr. WK as the civil servant in the village of Padelegan, he stated that the salt land owned by the UTM Mini Plant had been around for a long time since 2018, this land was only built on a levee as a barrier to the ponds owned by Mini Palnt UTM. Then Mr. WK said that for salt fields, plots and a water circulation system should be made for salt production. Furthermore, Mr. WK said that for a land of this size it requires a large amount of funds. The salt ponds of the UTM Mini Plant are currently not well maintained, it can be seen that there are wild plants in the salt ponds. In addition, the embankment limiting the pond was damaged (broken) so that seawater entered through the river mouth (see picture 4.2) l In addition, Mr. WK also said that the UTM Mini Plant had never done salt processing on the land. The results of a telephone interview with Mr. MF as the manager of the UTM Salt Mini Plant, he stated that until now, the Salt Mini Plant has not produced salt production due to financial constraints in maintaining the pond land. He added that the installation of salt processing equipment had not been carried out due to financial constraints that only came from DIPA. Mr. MF also said that so far the Mini Plant's activities have been to conduct salt research and that the pond land for research is still borrowing from PT Garam. From the condition of the salt pond land in the field and the explanation from Mr. MF and WK, it shows that the UTM Salt Mini Plant has not yet carried out production activities. The Salt Mini Plant as a form of business and research effort, should carry out business activities that generate income. Mr MF explained: "We are currently still conducting research on salt, and for the production, processing of salt and marketing it has not been implemented, so the Mini Plant has no operating income at all".In addition to the land owned, the UTM Salt Mini Plant actually has the facilities and equipment used for salt processing, such as a pool for washing salt, a place to drain salt after washing, a salt purification machine, a hot water supplier, a supporting machine for purifying the water used in salt purification, tools for salt purification, and machines for removing salt products. These facilities and equipment are used to process salt from farmers which will later become ready-to-use and high-quality salt. However, all of the equipment is still in the testing phase and has not yet been operationalized. Currently, the activities of the UTM Salt Mini Plant only focus on research activities related to salt. The funds owned by the UTM Salt Mini Plant are used for research activities. However, funds for operational activities for salt production are not yet available, so the salt processing activities in the UTM salt mini-plant pond are not implemented. As a result of the absence of salt production activities Currently, the activities of the UTM Salt Mini Plant only focus on research activities related to salt. The funds owned by the UTM Salt Mini Plant are used for research activities. However, funds for operational activities for salt production are not yet available, so the salt processing activities in the UTM salt mini-plant pond are not implemented. As a result of the absence of salt production activities, so the UTM Salt Mini Plant has not been able to increase the salt production rate in Madura and the income at the UTM Salt Mini Plant.As a business venture, Mini Plant has not yet provided a return to obtain and increase its income. It can be concluded that until now the UTM Salt Mini Plant is only a cost center and not a profit center.

Sharia Financing with Profit Sharing Concept Approach

The Islamic economic system offers the concept of profit sharing in the implementation of business cooperation or partnerships. Sharia-based banks and non-banking financial institutions implement the profit-sharing system in every business venture. This profit sharing system is a form of business cooperation agreement between entrepreneurs and investors (banks) with the aim of making a profit. Both parties are bound by a business cooperation contract in which if a profit or profit is made, the distribution of the business results or profits according to the agreed portion (ratio) will be carried out. The existing sharia-compliant profit-sharing model is a profit-sharing model based on negotiations and expectations or a combination of both (Yan Orgianus, 2005). An example of a profit sharing model based on negotiations is a profit sharing model for petroleum operations between Pertamina and PT. Caltex, while examples of profit sharing models based on expectations calculated based on past business data are now widely applied to Islamic banking financial institutions (Yan Orgianus, 2005). Both of these models can be said not to conflict with sharia as long as the two parties involved are mutually pleased with each other (Qur'an 4:29). The profit-sharing ratio greatly determines the implementation of the profit-sharing agreement or agreement made by both parties. Even if the business being run suffers a loss, these parties will share the share in accordance with the agreed upon portion. In addition, profit sharing is also known as a form of return from investment activities that are not fixed and uncertain. The size of the recovery from the distribution system is determined from the results of the work that has been done previously. So that this system becomes one that is applied in banking and institutions sharia-based non-banking finance. There are three schemes in implementing the profit sharing system, namely profit sharing, gross profit sharing and revenue sharing (Dzulfikar, 2019). Profit sharing (net profit) is the distribution of profits from the profit sharing system obtained from the total income. Then the income will be reduced by operating or production costs. So the results obtained from these calculations are net profits. Gross profit sharing (gross profit) is obtained from calculating the income by reducing the cost of goods sold (HPP) of a product. The calculation of this profit has not been deducted by other costs such as marketing costs, taxes, administrative costs, and so on. Entrepreneurs need to make careful calculations so as not to be wrong in calculating profits. Revenue sharing is the result of income, which has not been deducted by operating costs and commissions. This profit sharing can be done based on an agreement or contract between the two parties. The flow scheme of the profit sharing system for business capital financing can be described as follows: In the cooperation or partnership of sharia-based business ventures, the profit-sharing system is applied to the mudharabah and musyarakah contracts. The two contracts are products offered to customers/community to finance their business working capital.

Mudharabah

In the mudharabah contract there is cooperation between the owner of the fund and the manager of the fund to run a business, profit sharing is based on a ratio according to the agreement of both parties. If there is a loss in the business being run, it will be the responsibility of the fund owner unless the loss is caused by fraud and negligence by the fund manager. According to PSAK 105 paragraph 8 provides examples of forms of negligence of fund managers, namely the requirements specified in the contract are not fulfilled, there are no conditions beyond the usual capabilities specified in the contract, or it is the result of a decision from the competent institution. Mudharabah contract is an agreement and transaction based on trust. This element of trust is very important in the mudharabah contract because the owner of the fund may not interfere in the management of the business funded by the owner of the fund. Fund owners only provide advice and supervision to fund managers.In principle, in this mudharabah contract there is no guarantee of capital, however, so that the fund manager does not make a deviation, the owner of the fund can ask for a guarantee from the fund manager or a third party. Mr. AH as the manager of sharia financing at BMT Sidogiri explained when interviewed that we asked for collateral that was easily disbursed such as gold and vehicle ownership (BPKB) to anticipate if the customer was unable to return the funds. The guarantee can be disbursed if the fund manager is proven to have made a deliberate mistake, negligent or violated the things that have been mutually agreed upon in the mudharabah contract. Furthermore, he said that the guarantee disbursement process is carried out by the customer himself or can be represented to the BMT by providing a power of attorney to sell the guarantee. The mudharabah business is considered to be running since the funds or capital are received by the fund manager (PSAK 105 paragraph 16). For mudharabah refunds, it can be done in stages together with the distribution of profit sharing or in total when the mudharabah contract ends according to the agreement between the fund manager and the fund owner.

Musharakah

Musyarakah contract is a business capital financing contract that also applies the profit-sharing principle, as is the case with the mudharabah contract. Profit sharing ratio is also determined according to the agreement of both parties. The criterion that distinguishes a musharaka contract from a mudharabah contract is that in a musharaka contract both parties have the expertise and capital and are involved in business management. So, in a musharaka contract, there is cooperation between the owners of the funds who mix their funds with the aim of making a profit. Each partner must contribute to the work and he/she becomes the representative of the other partners as well as the agent for the partnership business. A partner cannot be separated from the activities carried out by other partners in carrying out their business activities. By joining two or more people, the results obtained are expected to be much better than doing it alone, because it is supported by the ability to accumulate larger funds/capital, broad business relationships, more diverse expertise, broader insight and better control. . As with mudharabah, capital invested under a musharaka contract cannot be guaranteed by other partners because it contradicts the principle that profit comes with risk. However, to prevent partners from making negligence, intentional mistakes or violating the agreed agreement, it is allowed to ask for guarantees from other partners. Of course, the guarantee can only be disbursed if it is proven that the partner has committed irregularities.

Mr. AH as the manager of sharia financing at BMT Sidogiri explained when interviewed that we asked for collateral that was easily disbursed such as gold and vehicle ownership (BPKB) to anticipate if the customer was unable to return the funds. The guarantee can be disbursed if the fund manager is proven to have made a deliberate mistake, negligent or violated the things that have been mutually agreed upon in the musharaka contract. Furthermore, he said that the guarantee disbursement process is carried out by the customer himself or can be represented to the BMT by providing a power of attorney to sell the guarantee. Mudharabah as a Sharia Financing Model for the UTM Salt Mini Plant (PUI) Micro-enterprises have great potential for economic development, so it is necessary to develop micro-enterprises themselves. The development of micro-enterprises is sought to be able to reach the economy even in remote areas (Utari and Putu, 2014). Beik (2010) explains that in the structure of the national economy, the proportion of micro-enterprises ranks at the top. This indicates that micro-enterprises dominate the structure of the national economy. However, micro-enterprises are still very limited in having the opportunity or access to sources of financing or capital from banks and formal financial institutions. Based on these conditions, Islamic financial institutions have become a necessity, as an effort to increase financial access for community groups. Moreover, conceptually, Islamic economics has a very real alignment with the development of micro-enterprises owned by the community. The intended Islamic microfinance institution is BMT. BMT has a very active role in the development of micro enterprises. Through BMT, the poor and small traders (micro business entrepreneurs) will be released from the bondage of the usury (interest) system and shift them to an Islamic economic system called profit sharing. The UTM Salt Mini Plant is a micro-enterprise whose presence seeks to combine ideas, innovations and know-how from the academic world with financial and marketing capabilities from the business world. This collaboration is expected to be able to contribute and accelerate the development of salt products from upstream to downstream as well as reduce the time needed to process salt transferring innovation into products that can be marketed and utilized by the public with one of the objectives of obtaining economic returns. As a business unit, UTM Salt Mini Plant really needs funding from outside parties for business development. So far, funding sources for the development of the UTM Salt Mini Plant are still sourced from the University's DIPA budget, which is still very limited. The presence of a sharia financial institution is likely to help with funding/capital for the UTM Salt Mini Plant. As previously explained, sharia financing for capital or business funds consists of mudharabah and musyarakah contracts. Both types of Islamic financing apply the concept of profit sharing in the distribution of income or business profits. The current financing product at BMT Sidogiri Pamekasan is mudharabah financing. According to Mr. AH as the financing manager at BMT Sidogiri Pamekasan when met and interviewed by the research team explained that BMT Sidogiri still offers financing products with mudharabah contracts. Furthermore, he gave the reason why the musharaka contract was not offered to the public, namely that it was due to the lack of availability of human resources and time to be involved in micro-enterprise management if the musharaka contract was used in financing. Ridwan (2015) explains that mudharabah financing is financing that is promoted in the Al-Quran and Al-Hadith. Fatwa DSN MUI (2000) considers mudharabah financing, which is a business cooperation agreement between two parties in which the first party (malik, shahib al-mal, Islamic financial institutions) provides all of the capital, while the second party ('amil, mudharib, customers) acts as managers, and business profits are divided between them as stated in the contract. Mudharabah is similar to the concept of partnership where the financial capital is provided by one or more (shahibul maal) and the work is done by the mudarib. Funds used in several activities and activities for a fixed period of time. The financier and project manager share the profits in the agreed upon contract (Ahmed, 2014). Mudharabah is a business cooperation agreement between the owner of capital and the entrepreneur in which the owner of the capital provides all the necessary funds while the entrepreneur manages the capital for the business being carried out. The results of this joint venture are distributed according to the agreement when the financing contract is stated in the form of profit sharing ratio, for example 70:30 or 60:40. The following is a mudharabah financing scheme that can be applied to the Salt Mini Plant (PUI) (UTM):

The mudharabah financing model scheme explains that mudharabah financing is profit-sharing financing where the shahibul maal (BMT) provides all 100% of the capital given to the mudharib (customer/Mini Plant Salt UTM) who has the expertise to manage a project or business. In its implementation, both parties enter into an agreement or contract based on a mutual agreement, including the distribution of the profit-sharing ratio.

In mudharabah financing, if the project or business being run experiences a profit, both parties get profit sharing, but if there is a loss then the person who bears the loss is the shahibul maal with a note that the loss that occurs is not an error or deviation made by the mudharib.

CONCLUSION

Based on the results of the research that has been carried out, it can be concluded as follows: (1) The UTM Salt Mini Plant has a source of financing that still depends on the University's DIPA. The funds available at the UTM Salt Mini Plant only focus on research activities. Funds for salt processing operational activities are not sufficient, so that until now the UTM Salt Mini Plant has not carried out salt processing and production activities, this is indicated by the existence of ponds and supporting facilities and equipment that have not been utilized. (2) In an effort to overcome funding problems at the UTM Salt Mini Plant, it can be done by using an alternative sharia financing with a mudharabah contract. This contract applies the concept of profit sharing to distribute profits. The provisions of sharia financing with mudharabah contracts can be implemented if the customer already has business activities that result in buying and selling transactions (current production activities).

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