

## SOCIAL INTERMEDIATION OF SHARIA BANKING FROM THE ISLAMIC LAW PERSPECTIVE: A Case Study at Bank Negara Indonesia (BNI) Syari'ah

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### **Abstract**

*This research focuses on the dynamics of social intermediation implemented by BNI Syari'ah in Kendari City, South Sulawesi, Indonesia based on the Islamic law perspective and its impact on social life. In developing and realizing the social intermediation function of Islamic banks that arise from administrative-structural and cultural dimensions, the interpretation and meaning of a conceptual perspective are present. Therefore, this research applies a qualitative approach with a case study type through a one-site design. Data collection is done through in-depth interviews, participatory observation, and documentation study. The data were analyzed with the principle of on-going analysis using Miles and Huberman's analysis method. The research found that social intermediation implemented by BSK (BNI Syari'ah Kendari) really determines the potential and mentality of the poor society. This social intermediation is in the form of institutions such as the bayt al-mâl. This way, the poor can receive zakât, infâq, alms, grants, and other social funds. Furthermore, the social intermediation even has a positive impact on the community, because it integratively puts forward the concept of maşlahah (according to the principles of maqâşid al-shari'ah).*

*Riset ini fokus pada dinamika intermediasi sosial yang diterapkan BNI Syariah di Kota Kendari, Sulawesi Selatan, Indonesia berdasarkan perspektif*

*hukum Islam dan dampaknya terhadap kehidupan sosial kemasyarakatan. Dalam pengembangan dan perwujudan fungsi intermediasi sosial bank Syariah yang muncul dari dimensi administrasi-struktural dan kultural, interpretasi dan pemaknaan perspektif konseptual diupayakan ada. Oleh sebab itu, riset menggunakan pendekatan kualitatif dengan jenis studi kasus melalui rancangan satu situs. Pengumpulan datanya melalui wawancara mendalam, observasi partisipasi, dan studi dokumentasi. Data dianalisis dengan prinsip on going analysis dengan model analisis Miles dan Huberman. Riset ini menemukan bahwa intermediasi sosial yang dimainkan BSK (BNI Syariah Kendari) sangat menentukan potensi dan mentalitas masyarakat miskin. Bentuk dari intermediasi sosial tersebut berupa kelembagaan seperti bentuk bayt al-mâl. Dengan ini, masyarakat miskin bisa menerima dana zakat, infak, sedekah, dan hibah serta dana sosial lainnya. Bahkan ia memiliki dampak positif terhadap diri masyarakat, sebab secara integratif mengedepankan konsep maşlahah (sesuai prinsip maqâşid al-sharî'ah).*

**Keywords:** BNI Syariah; community; social intermediation

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## Introduction

This research examined the dynamics of social intermediation in sharia-based financial institutions or Islamic banking from the Islamic law perspective. The social intermediation of banking in this research scope is assumed to contribute to the benefit of the community, especially for users of Islamic bank financial services. Theoretically, there are three pillars of Islamic social finance, namely *maqâşid al-sharî'ah*, Islamic financial instruments, and the spirit of community participation (Nuh 2020, xix). These three pillars will support the development of benefit for the community's life order economically. Even, Nofrianto and Suardi concluded that the final goal of Islamic banking practice is poverty alleviation, social protection, and improvement of the quality of human resources (Nofrianto and Suardi 2015). This means that banking is a form of economic activity—borrowing a term from Susyanti—which is justice (Susyanti 2016, 16).

Thus, the social intermediation implemented by BNI Syariah in Kendari City, South Sulawesi, Indonesia—hereinafter will be written as BSK—tends to channel finance with an orientation of community

empowerment—in this case, the Kendari community in general. On the other hand, the dimension of profit (profitability) has a simultaneous influence on the intermediation function, as concluded in Siringoringo's research (Siringoringo 2012). However, there are other banks which are similar with BSK playing the function of social intermediation to develop their self-existence. They reverse the paradigmatic function of conventional banks which emphasizes profit to implement social intermediation which is oriented to the benefit of the people. Purwanto's research confirms the construction, in which the identity of Islamic banks has a positive influence on profitability (Purwanto 2019). The things that are based on community empowerment are finally recognized by BSK as part of the support for their existence.

Therefore, the social intermediation function implemented by BSK is continuously integrated with human values. It is undeniable that the Islamic banking system can encourage economic growth. Both has a strong positive correlation, as concluded in Santoso and Nurzaman's research (Santoso and Nurzaman 2020). The planned implication (on economic aspects and human empowerment) can be formed by BSK so that the implemented social intermediation function can achieve a degree of success. The postulation proposed by Ryandono and Wahyudi in this context can be used as a basis for the dynamics of the social intermediation function implemented by BSK. This postulation states, Islamic banking acts and functions as the institution which collect and distribute commercial fund (*bayt al-tamwil*) which is profit-oriented, and *bayt al-mâl* which is social activities-oriented (Ryandono and Wahyudi 2018). From these roles and functions, the ideals of the Islamic economy will be realized, namely: achieving and maintaining the welfare of the community—or human humanity.

Based on the dynamics of the social intermediation function implemented by BSK, it encourages stability and increases performance. Even, it can also foster the welfare of the community (or human humanity). This implication, in the context of research, is very interesting to be studied from the perspective of Islamic law; in this context is the ulama views and normative text in the Quran and hadith. Therefore, the better the performance of the implementation of the Islamic bank social intermediation function, the more it will give positive implications for human welfare. The construction of the postulation will be measured using the *maqâsid al-sharî'ah* discourse which is the main objective of Islamic law.

Therefore, this research uses a qualitative approach, and the type of research is a case study with a one-site design. The research background is at BSK. The research data includes financing facilities for the poor in Kendari in the form of alms, soft loans, and data related to depositing public funds to BSK. Data collection techniques used are: 1) in-depth interviews; five informants were interviewed from the head of financing, customer service (CS), and the Kendari community (debtors); 2) participatory observation; the purpose is to describe the social intermediation role in Kendari community; and 3) documentation study. Miles, Huberman, and Saldana's analysis method is applied; which has some steps, namely: data collection, data condensation, data display, and verifying.

From the structure, this article describes the social intermediation carried out by Sharia Banks (namely: BNI Syariah, Kendari Regency). The composition of the article consists of several sections, including: *first*, an introduction that discusses the research arguments of this article and also describes the research methods used to conduct the study (research); *second*, discussing in theoretically related to social intermediation conducted by Islamic banks; *third*, the implementation of Sharia bank social intermediation starting from the form and approach used by BSK when implementing the intermediation; and *fourth*, the conclusion of this study finding.

## Discussion

### Social Intermediation in Sharia Banking

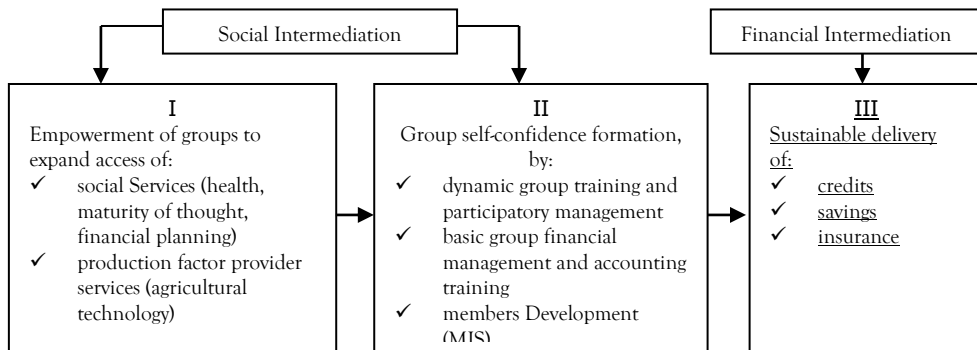
The phenomenon of social intermediation in banking in general to date has produced various studies ranging from the relationship between social intermediation in the form of finance and economic inclusion of poor families, such as the research by Bongomin (Bongomin 2018) to social intermediation services for the survival of the microfinance unit, such as the research by Wairimu and Mwilaria (Wairimu and Mwilaria 2017b). Seeing the urgency of banking social intermediation, researchers have also begun to look at the role and function of Islamic banking as what Ibrahim and Law has done in their research (Ibrahim and Law 2019), or Agustina (Agustina 2019). Furthermore, Iqbal's research also highlights the differences between social intermediation between conventional and Islamic banks (Iqbal 2013).

Islamic banking is definitely needed for the community to save or borrow money. This means, bank—as an institution—is from the community and for the community, thus its role is strongly attached to the community.

Therefore, as concluded in Jayadi and Adolf's research, banks are inseparable from the efforts to increase economic stability (Jayadi and Adolf 2018). Based on this role, banks need more strategies so that it can be easily understood by the community, one of which is through the function of social intermediation, especially in the financial aspect which is oriented to the community empowerment.

The two ranges of intermediation—namely financial and social intermediation—are closely related. Through financing for the community, especially the poor, banks will be able to help build the capacity of the community's capability. This capability ultimately has implications for the investment process for the poor. The range of this process is in Islamic banking, thus in turn it can be positioned as a normative framework so that it can minimize the social injustice created by the construction of poverty, ignorance, adversity, or gender inequality. The task of Islamic banking is continuously oriented to build the capacity of the poor to be more independent. This is what is known as social intermediation. Although basically it only facilitates the efficient execution of real economic and financial transactions (Z. Iqbal and Mirakhor 2008, 102), in Islamic banking, it emphasizes more on the social aspect. Therefore, social intermediation emphasizes the framework of developing the roots or basic sources of community (the human dimension). In general, it is in contrast to the provision of social welfare services, in which it offers a return on capital mechanism as shown in Figure 1 (Antonio and Nugraha 2013).

Figure 1  
Schematic Path of Social & Finance Intermediate Function



Interestingly, the social intermediation pattern applied is not merely profit oriented. The social intermediation function is directed so that it can have a positive impact on society. Although at present, intermediation has undergone a shift from banks—mainly conventional (or sharia) ones—to the capital market (Wardhono 2018, 55). However, the social intermediation function of sharia banking establishes itself as a social institution that continues to orientate towards social interests. Therefore, banks need to increase and maintain public trust (Putera 2019, 27) without charging interest to customers (Fauziah 2019, 24).

Determination of bank financing and financial access for the poor through the social intermediation function has an emphasis on sharia banking. Therefore, sharia banking holds a tremendous responsibility for social welfare by applying five principles, among others: fairness guarantees the protection of the rights of shareholders, including minority and foreign shareholders, and guarantees the implementation of commitments made with the investors—or creditors. There are fundamental differences between conventional banks and sharia banks, as described in Supriyatni's research (Supriyatni 2012). In this context, sharia banks hold human values that underlie all banking activities.

### **Social Intermediation Implemented by BNI Syariah Kendari**

Shariah Financial Institutions are financial institutions that have operational principles based on Islamic values and norms (Lakhdar and Abdelmadjid 2017). The operation of Islamic financial institutions such as BSK must avoid usury (*ribâ*), *gharâr*, and *maysîr*; or things that harm certain personal or community as financial loss or prosperous opportunity. Therefore, these practices or actions are strictly avoided by BSK. Moreover, this financial institution is based on Islamic ethic which has definite legal provisions, thus, the harmful things are forbidden as explained in the Quran and hadith. Hence, it is reasonable that BSK puts forward the principle of benefit for the people as the basic framework for its institutional development. Indeed, the main purpose of establishing this institution is to fulfill Allah's orders in the economic field and to free the Kendari community from financial operations that are prohibited by Islam, as Kolistiawan's research states, the establishment purpose of the Sharia bank is to free the community from the practice of *mu'âmalah* that is contrary to Islam (Kolistiawan 2017).

The principle of “*taqwâ*” in financial activities becomes the main basis for BSK. To carry out this task and solve the problems that imprison the Muslim community today, it is the duty and obligation of BSK to implement humanitarian patterns/practices and activities in its financial management. In this context, a manifestation of the success of the BSK intermediation function can be measured by the achievement of realizing the protection of the *maqâsîd al-sharî‘ah*. Endaryanto’s research indicates that good banking performance is capable of boosting the economy, as evidenced by the decline in poverty (Endaryanto 2018). By applying Islamic principles in economic activities and community activities, BSK continues to carry out its financial activities and remains oriented towards benefit. They considered that this activity was necessary to treat ‘diseases’ in the Muslim community's economic and social world.

There must be an element of conformity between the principles implemented by BSK with Islamic values, norms, and financial regulations. Therefore, operationally BSK holds on to the principles as described by the BSK leadership, namely the principles of justice, transparency, partnership, equality, and universality. Based on these principles, BSK opens space for the Kendari community to participate more massively. They construct this spatial principle based on the idea that sharia banking, which is a derivative of the Islamic economic system, should be directed towards the ideals of Islamic economic goals. The normative goal is to create *al-Falâh* (to benefit the world-hereafter) for the community as a whole. This means that the presence of BSK can actually be felt by all groups of the Kendari community, especially from the economic aspect. Although to date, these Islamic banks, including BSK, still receive criticism that deems them to not follow Islamic banking guidelines.

Therefore, BSK continuously evaluates its own system through management reorientation to realize economic goals based on Islamic values. They have a commitment that *al-Falâh* should be felt by every group of the Kendari community because it is a mandate that must be realized. In this position, BSK has an orientation towards the goal of earning profit and providing economic-based human benefits. These goals can be achieved by taking concrete actions in the form of real contributions to social welfare and massive socialization to carry out Islamic values in the socio-economic life of banking, especially in the BSK financial management system.

To carry out social functions in the form of a *bayt al-mâl* institution, BSK also accepts zakat, *infâq*, alms, grants, and other social funds. They distribute these funds to *zakat* management organizations among the Kendari community. Therefore, apart from having the function of managing investment and providing financial services, BSK also has a social service function that is oriented to improve people's welfare. This form of action improves the Kendari community's trust in BSK, thus they feel comfortable and secure. This comfort emerges from BSK services that are in accordance with the needs of the community and the security is felt due to the existence of an Islamic-based management system.

The funding released by BSK turns out to activate and increase the economic benefits of Kendari citizen. For example, the *mudârabah* and *mushâarakah* financing affected the increase in the macro or micro-economy of society. BSK, on a micro-scale, focuses its operational activities on *lending* segment, namely, the distribution of financing to the market segment in the form of micro-scale individual businesses. When Kendari citizen receive BSK financing, they will carry out the production process and increase the quantity of productive economic activities. BSK opens banking services with the principles of sharia through *dual banking systems*, namely providing conventional and sharia banking services.

It is necessary to admit that since the enactment of the *Dual Banking System's provisions*, BSK banking has experienced a shift. Since the enactment of Law no. 7 of 1992 concerning Banking and strengthened by Law No. 10 of 1998 concerning Amendments to Law no. 7 of 1992 confirmed the existence of banking governance in society. Moreover, an affirmation of the law on banking, which is managed on a sharia basis, stated explicitly in Law no. 21 of 2008 concerning Sharia Banking, shows a new stretch in the management of financial institutions. This encourages the growth of the sharia banking movement to experience a positive upward trend amid society.

However, in carrying out the activities related to micro-financing, BSK has a code of ethics. This code is prioritized to be implemented by BSK employees in providing excellent banking services. One of these codes is carrying out business activities based on sharia principles in a holistic, comprehensive, and consistent manner; running business activities that can provide benefits (*maşlahah*) and apply as a whole; and do not bribe or receive and give compensation to employees such as souvenirs (*rishwah*).



This is the conclusion of Yunita and Brawijaya's research, which empirically states that Sharia bank was based on Islamic principles (Yunita and Brawijaya 2019). With this code of conduct, finally, Kendari citizen have a high level of satisfaction with the financial services provided by BSK.

BSK itself is aware that the provision of financial services for the poor community requires a lot of strategies that can be appreciated and understood. This is also very important in implementing financial intermediation enforced in the poor community. In relation to that, BSK realizes that financing for the poor requires a process of building the community capacity. After identifying, BSK maps out the capacities that should be owned, including knowledge, self-confidence, and mastery of information technology. Kendari citizen really need to have these capabilities before they make an investment. Therefore, to take steps to develop financial institutions that are relevant to Kendari citizen as a bridge to reduce social injustice, BSK continues to implement social intermediation to get the poor community out of poverty, ignorance, gender inequality, and also discrimination.

Therefore, BSK firmly stipulates bank financing and opens financial access for the Kendari citizen itself, especially for the poor, through social intermediation activities. Internally, BSK holds the principles of social justice because they feel responsible for the social welfare of Kendari citizen. Based on this religious commitment, their financial management actions are oriented towards the achievement of Islamic economic goals, including social justice and equitable distribution of wealth. Moreover, Islamic economy will be the economic system which is really prosperous (Imama 2008).

Overall, the Islamic banking system run by BSK is not only oriented to earn profits but it is also a financial management system that aims to make a positive contribution to Kendari citizen in achieving the socio-economic goals of Islam. If it is drawn from the formulation of *maqâṣid al-sharī'ah*, the objectives that BSK is trying to achieve are two aspects: *ḥifẓ al-māl* (protecting the property), and *ḥifẓ al-nafs* (protecting the soul). All BSK financial management systems are oriented towards the goal of sharia, namely the community benefit. Furthermore, the paradigmatic framework refers to the principle that "there is no single law of Allah that separate from the ultimate goal and beginnings; all the laws of Allah have a purpose which affects man." Therefore, BSK directs all of its financial activities to fulfill Islamic economic goals. One of them is ensuring that Kendari

citizen's wealth can move in a rotative manner fairly and equitably without condemning the poor. This is because the poor are a community that has the right to receive many benefits from the existence of sharia banking.

In BSK banking practice, there are two basic models, namely: the social approach (*tabarru'i* approach) and the commercial approach (*tijârî* approach). These two models essentially contain educational empowerment for the poor. Even in these models, there is the inculcation of educational elements emphasized to shape the character and mentality of the society. BSK shapes the character of the society so that they can become successful entrepreneurs. It is expected that the poor Kendari citizen will eventually become *muzakkî* who do not turn away from their obligations. Activities that are implemented by BSK in this context usually take the form of counseling and training for the poor. Therefore, the prioritized educational patterns are training skills and strengthening mental. These implemented processes by BSK are called the social approach (*tabarru'i* approach).

BSK allows the poor to directly participate in obtaining bank services. This opportunity is indeed intended to obtain BSK financial services—the process is a form of *'aqd tijârî* (*tijârî* approach). In a simpler sense, the two approaches are values designed in the forms of activities or programs in the Islamic banking social intermediation. Therefore, there is a common action taken by BSK in the form of educational actions when people get the *tabarru'* funds to be projected to get *tijârî* funds (commercial contracts). This action is held firmly by all structural components of BSK.

Therefore, BSK continues to provide space for the poor to grow and develop. One of them is that they do not directly receive commercial financing from BSK but provide educational services using the *tabarru'* contact. The funds used are social funds, such as zakat, *infâq*, *sadaqah*, waqf, and grants (ZISWAH). It is undeniable that BSK encourages the mental development of Kendari citizen to keep improving. This effort also has a positive impact on the subject or personal of the citizen, where they can stand on their strengths and dare to be entrepreneurs. BSK does not only stand as a profit-oriented financial manager, nevertheless, it has a very prophetic orientation and goal. One study concludes that the characteristics of Islamic finance are religious values, fundamental values of ownership (*al-milkîyah*), balance, basic values of brotherhood and togetherness, fundamental values of freedom, and basic values of justice (Arafah 2019).

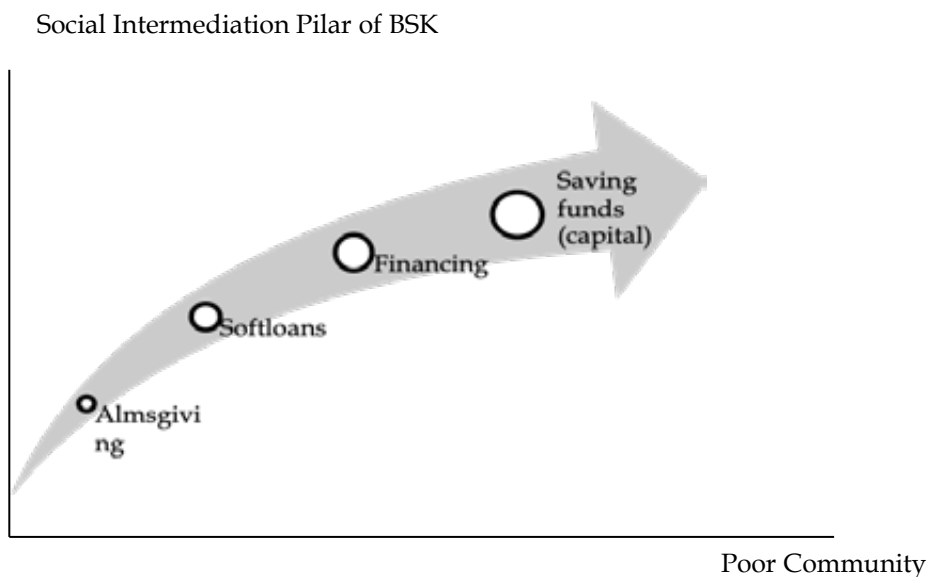
In this context, Islamic banking such as BSK can be positioned as an institution that implements Islamic normative messages. BSK itself has the belief that the manifestation of Islamic values through ZISWAH can provide alternative solutions to meet all the basic needs of the poor in Kendari. In fact, BSK's actions can be used to obtain additional capital for the poor community, so that they can carry out constructive activities such as productive businesses that generate profits. This role in real terms can improve the welfare of the poor from a material aspect; meanwhile, from the non-material aspect, it has strengthened the entrepreneurial character of the poor.

These efforts (actions involving the active role of the poor in banking financing programs) have been implemented by Islamic banks themselves. One of them is through the PNPB (*Program Nasional Pemberdayaan Masyarakat* or National Community Empowerment Program) that once existed in Kendari. This step, at least, raises or forms an assumption that Islamic banking like BSK is very enthusiastic about the real sector. In other words, BSK is very strict about its actions towards the poor to improve their welfare, although from the level of success, it is relatively unsatisfactory or unsuccessful.

Therefore, BSK affirms that it requires the existence of other explicit roles that can raise the dignity and welfare of the poor people of Kendari. This means that BSK is very firm in positioning itself in sharia banking to solve poverty problems. This is where BSK social intermediation's strategic role is one of the particular policies that is continuously implemented amid the Kendari community. This means that social intermediation has become a substantial and urgent part of various products of BSK banking services.

The implementation of policies in the form of BSK social intermediation service products is very visible. This can be seen from the style used by BSK such as social Islamic financial policy instruments (ZISWAH). The researchers in this context saw the stages that were carried out when the intermediation service products policy was implemented, starting from the simple instrument products to relatively complex ones; and the pillars of the instrument can be seen in the Figure 2.

Figure 2  
Social Intermediation of BSK (Syafi'i 2011)



Based on the figure, BSK social intermediation appears to have four elements or pillars: almsgiving, soft loans, financing, and savings. Each of these elements has a different pressure point, and each has a different policy setting. Each of these elements is described in the following paragraphs.

*First*, alms or donations; this element is BSK's product to give alms or donations to the poor in Kendari without expecting anything in return. This fund is allocated for the poor, which is oriented towards basic needs such as clothing, shelter, and food. It is given in the form of education to strengthen their skills. The contract used in this context is a grant so that BNI itself does not get feedback from the community. However, at this stage, the researchers could already see that BSK began to internalize educational values by strengthening skills for the poor. Therefore, the poor's patterns, attitudes, and actions can be transformed into strong character and entrepreneurial mentality to live independently.

*Second*, soft loans; this element is the basic framework of the fund management institution to provide loans to the poor. Recently, BSK has collaborated with the Department of Maritime Affairs and Fisheries in South Konawe Regency, Southeast Sulawesi. The reason is that loans are better than alms. When someone takes out a loan, he definitely urgently needs the funds. In this context, BSK tries to provide education on fund

management so that adequate management with high commitment will have a constructive impact, thus, the debtors are able to repay the loan at the agreed time. This way, the poor people of Kendari feel that they do not feel burdened, even though they have a loan to BSK because they are guided to be success in the future.

In the *first* and *second* elements, the role of social intermediation carried out by BSK with the various accompanying educational programs cannot be separated from religious orientation. The Kendari community understand their potential and the opportunities they can achieve; an entrepreneurial mentality, discipline in repaying loans, and education that leads to self-development and economic development of low-income families can be realized. The contract built on the second element is the contract of *al-qard al-ḥasan*; thus, the poor who borrowed funds from the BSK was obliged to return the loan according to the borrowed amount.

*Third*, providing financing; in this element, BSK provides financing to give education for the poor in Kendari. The financing intends for constructive and productive business activities that can be enjoyed by the poor. Interestingly, in this element, people who have received “education” in the previous elements (*first* and *second*) and have repaid their loans cannot get the same facilities (or contracts). However, they need to get different facilities, such as commercial or facilities (contract of *tijāri*) taught to use funds functionally, appropriately, and far from being extravagant.

*Fourth*, saving funds or capital; this element is intended to provide education and insight for the poor in Kendari. This is made by BSK only for the poor people. They have to prepare current plans for their better future. This planning is done by setting aside a portion of their income in the form of savings. Therefore, the poor in Kendari can anticipate various needs (clothing, food, or shelter) in the future.

These elements are the basis of the BSK social intermediation policy which is an interconnected program. These elements do not stand alone (elementary), and are partial. To optimize the goal of social intermediation, BSK shares the poor with comprehensive welfare starting from the basic to the top level. Naturally, when the researchers ask BSK about the maturity degree of the program, one of them states that he is serious about planning, implementing, and evaluating the role of social intermediation. For them, social intermediation is used as the primary policy in sharia banking activities.

Without any doubt, BSK positions itself as a financial institution that concerns with determining bank financing and financial access for the poor in Kendari. Hence, in this BSK performance frame, there is a unique fact that through the social intermediation process related to the position of Islamic banking, BSK holds greater responsibility for social welfare and the religious commitment of the poor community in Kendari. Through this reality, BSK feels responsible for the social justice within Kendari community, the equitable distribution of income, and the increase of the economic growth of the Kendari community.

From this role, BSK self-claims as a prophetic institution. It carries out the role as a social intermediary institution by implementing community welfare programs. This role takes the form of social assistance, mosque management assistance, or educational roles. All of these programs have the great aims to continue improving the welfare of the community and also to help develop the potential of human resources. Therefore, in carrying out its social intermediation role, BSK takes a position in the investment process of developing the potential of human resources and as the institution that provides capital. Besides, the social intermediation is also oriented to develop the self-confidence of the poor community in Kendari. All forms of these social intermediation goals are ultimately directed at preparing the poor to use BSK's formal financial intermediation.

Sharia banking as BSK must be recognized as having a positive impact on society. It has occupied a significant position in the community's economic development. It is not surprising that these banks can be placed at the forefront of Islamic-based community economic development projects in Indonesia. Moreover, the existence of Islamic banking as a banking system demands to provide different nuances and colors in solving economic problems. That is why many researchers are attracted to study Islamic banking with the role of social intermediation (Kamukama and Natamba 2013; Wairimu and Mwilaria 2017a; Wediawati and Setiawati 2016).

### **Social Intermediation in the Perspective of Islamic Law**

The social intermediation roles carried out by sharia banking institutions need to be discussed from normative religious ethics such as the perspective of Islamic law. This focuses on finding harmony and suitability of social intermediation from sharia banking with the objectives of Islamic law. This means, the values of social intermediation realized by BSK need to

be considered. The reason is that, there are some people who think that there is no different, function wise, among sharia banks, sharia financial services, and conventional banks (Khan 2010). Hence, social intermediation's function and role need to be seen from the ethical values that underlie this intermediation, so that its direction and objectives can be framed with Islamic law's perspective. The discourse that needs to raise is the integration effort between Islamic business ethics including religious values and the operational strategy of sharia banking management.

It is necessary to admit that empirically BSK cannot be separated from noble values. There is a social function in the form of *bayt al-mâl* that manages *zakât*, *infâq*, alms, grants and other social funds. Naturally, BSK was established to fulfill Allah's orders in the economic field and free the Kendari citizen from financial operations prohibited by Islam. The operationalization is from financial management activities as practiced by financial institutions. This means that from the framework of the Islamic economy, there are three closely related activities: consumption, savings, and investment. The relationship between these three aspects is illustrated in a schematic form in Figure 3.

Figure 3  
The Relationship of Economic Activities in Islam

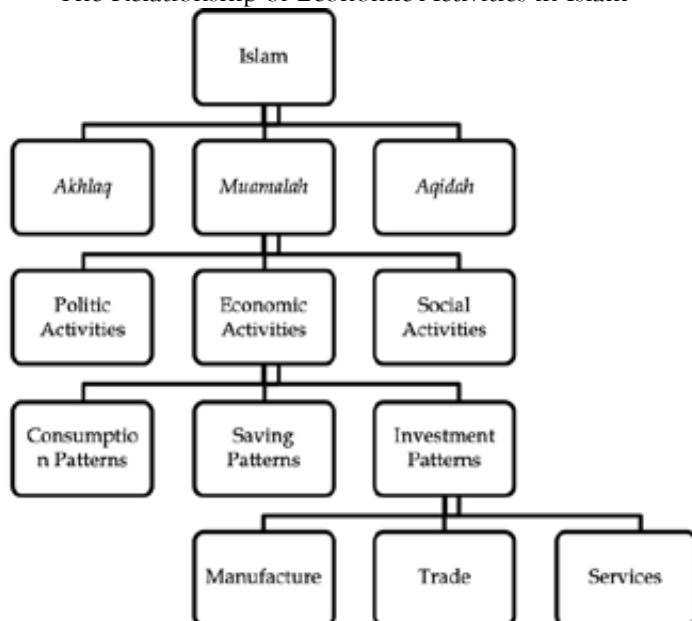


Figure 3 shows that there is one pattern that requires ethical emphasis, namely consumption patterns. In Islamic system, there are doctrines that regulate this pattern and have the principle of moderation. The consumption pattern cannot be excessive and suppresses extreme shortages, so not excessive (right) nor deficient (left). This principle expresses in the Q.S. al-Isrâ' [17]: 27, which indicates that humans were created only to worship Allah SWT. Two patterns emerge in this framework, and it constitutes the activities of one banking institution, namely: the economic activity of saving and investment patterns. These two patterns demand a management unit that has an impact on the flow of improving the community's welfare and also the preservation of assets for future "guarantee."

BSK has four elements or pillars in social intermediation, namely alms, soft loans, financing, and savings. The elements are aimed at the people's resilience and mental maturity so their future is guaranteed through their independent efforts. Based on this description, BSK has a noble goal, safeguarding property and life. In the perspective of *maqâsid al-shari'ah*, keeping these two things is very urgent as it is Islam's goal. The efforts to protect the benefit of property can be seen from the verse about the prohibition of obtaining property illegally (persecuting), consuming orphan property, being excessive, committing abuse, reducing weighing, causing damage, and other things that have a negative impact. At least several verses give ethics, such as Q.S. al-Isrâ' [17]: 34 and 35.

This series of verses simultaneously forms the concept of wealth (economic reality) based on the benefit's value. This means that the normative value emphasizes not to commit abuse in collecting capital, including in the context of treating and managing the assets of orphans. At a concrete-realistic level, these verses emphasize being fair and proportional in material assets. At this level, the objective of BSK social intermediation has a theological framework. Without these theological values, financial managers will not have any nuances of difference from other conventional banks. Although on the one hand, the Islamic banking institution still needs to improve the principles of Islamic business ethics.

In this context, what needs to be emphasized is the study of the *'illah* contained in the argument. *'Illah* commands (*al-amr*) and prohibitions (*al-nahy*) are sometimes written explicitly and unwritten, so there is a need for an in-depth study. The implication of this effort will be the basis for the operationalization of the banking program (financial governance) which will



continue to be following the Islamic *syi'ar*. In terms of doctrine, the Quran and hadith clarify the differences between businesses oriented towards improving morals and *akhlâq*, with business which hurts individuals and communities. The reason is that in reality, humans are social creatures with various needs that can only be fulfilled by working. From an economic perspective, work means showing their existence in a society that involves all one's potential: soul, spirit of mind, and physical spirit (Ahmad 2001, 36).

Business ethics (financial management) in Islam is emphasized to create a life order based on moral values which also include forms of business ethics, such as good-oriented (*khayr*), devotion (*birr*), justice (*qist*), balance and justice (*'adl*), truth (*ḥaqq*), good deeds (*ma'rûf*), and piety (*taqwâ*) (Putritama n.d.). These instructions in the Quran are closely related to behavior (*khuluq*), as stated in the Q.S. al-Qalâm [68]: 4.

Following the conclusions of the research by Azizah et al., actually the financial institution has guarded or maintained assets in accordance with normative ethical provisions, such as the prohibition of stealing and sanctions for it, the prohibition of cheating and treason in business, prohibition of usury, prohibition of eating others' property in a vanity way, or an obligation to replace damaged items. The financial institution has implemented the principles of *maqâsid al-sharî'ah* (Azizah et al. 2020). Thus, it can be said that BSK has an integrated program flow of *maqâsid al-sharî'ah* values. For this reason, the discourse on the property is inseparable from the basic framework of Islamic law or *maqâsid al-sharî'ah*. There are benefits of what has been given by Allah to humans in term of good life (treasures) in this world and the hereafter. This right also needs to be given to others so it can be enjoyed collectively and collegially. This implies that Islam, utilizing sharia, regulates and maintains assets that manage in *shar'i*. Therefore, Aprianto's conclusions follow this concept. He states that by maintaining/protecting property, humans will be saved in this world or the hereafter, human rights and obligations to the property are adequately preserved; there is no fear of wickedness for the transacting parties (Aprianto 2017).

Likewise, in mental care, BSK encourages the formation of prophetic goals, namely: building the capacities of the poor (such as knowledge, self-confidence, and mastery of information technology). In the study of Islamic law, this is one of the goals to realize. Allah as *Shâri'* (the one establishing sharia) stipulates laws and regulations not in a vacuum and in vain.

However, laws and regulations create a specific purpose that has a dimension of benefit to humans. It should be emphasized that the aim of sharia is the benefit of servants in this world and the hereafter; it is fair, all of which are full of grace and contain wisdom. Therefore, any problem that deviates from justice, mercy, benefit, and wisdom is not a provision of sharia. Included in this context is financial governance in banking.

Banks, especially those based on sharia, are closely tied to Islamic values. Islam views the responsibility of managing public funds as a mandate that needs to be fulfilled legally. It is common for *mu'amalah* practices—amely banking—to become part of the sharia system; as shown in Figure 4.

Figure 4  
Islam Comprehensive Way of Live (Antonio 2002)

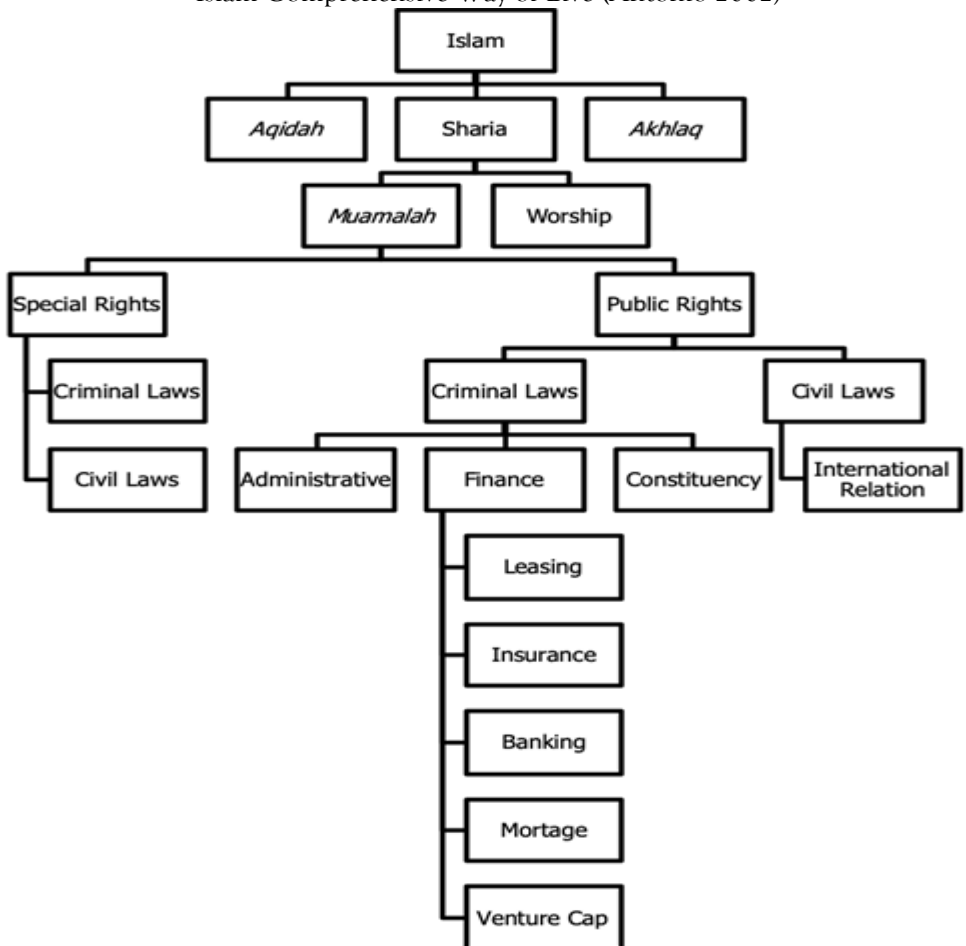


Figure 4 shows that the parts of financial governance included in the category of public rights need to align with sharia values. So, the existing financial governance needs to realize sharia goals. One of them is to form a society that has high welfare and financial capabilities. Thus, every banking program needs to have a legal basis that prioritizes human benefit. Although normative religious texts often have contradictory nuances with banking reasoning, the reason put forward is the benefit of the human being (the soul), which is the bank's object and subject.

The Quran states the importance of protecting the soul as the primary and foremost basis. Strictly speaking, illegally killing other people is forbidden in the Quran, and it is firm in that context. Conversely, saving one person is considered similar as saving all people on this earth (as stated in Q.S. al-Isrâ' [17]: 33 and Q.S. al-Mâ'idah [5]: 32).

Obviously, *maşlahah* is not an independent argument like the Quran, hadith, *ijmâ'*, and *qiyâs*. *Maşlahah* is a general rule which is the conclusion of a set of laws based on the postulates of shari. *Maşlahah* is not an independent proposition, but it is a general rule extracted from many *furû'* problems originating from legal arguments. In this context, the researchers assessed that BSK has a reason for the benefit of the soul in analyzing its programs. Even, it also translates into a social intermediary role in the form of educational programs that accompany the religious orientation. Therefore, it becomes a holistic provision for BNI Syariah, that in essence, there are three *maqâşid al-shari'ah* functions.

The first is to understand the text of legal sources (along with the law) in detail and comprehensively to harmonize banking programs such as the role of social intermediation. The second function is to make *maqâşid al-shari'ah* as one of the parameters or standards (*murajjihât*) to capture one of the juristic opinions as the basis for the banking program on the role of social intermediation. The last one is to understand the *ma'alât* (long-term consideration) of human activities and relate it to every fatwa on the financial institution management.

One example of a BSK banking program that is in line with this spirit is the launch of the KUR iB Hasanah. The ideal of this program can expand access to finance for productive businesses, increase the competitiveness capacity of MSMEs, and absorb labor. It is even expected to maximize the development of the microfinance business of BNI Syariah and help the success of government programs to improve the welfare and economy of the

people. This program is definitely aimed at the benefit of the community and human happiness in this world and the hereafter. All of Allah's laws (sharia), namely *taklîfi* and *wad'î* laws, will lead to improving the quality of human life. The life principle of BNI Syariah banking governance needs to be directed to the normative ethics in Q.S. al-Dhâriyât [51]: 56.

Therefore, without looking at the *maşlahah* dimension (*maqâşid al-shari'ah*), the sharia-based financial institutions are the same as conventional financial institutions. It is oriented only to the profit dimension and releases the great values of humanity and divinity in terms of its function and role. In general, regardless of the locus—either financial institutions or non-financial institutions—, *maşlahah* can be achieved in two ways, namely, *first*, by realizing benefits, goodness, and pleasure for mankind; this is called as *jalb al-manâfi'*. This benefit can be felt directly at that time or indirectly in the future; while the *second*, by avoiding or preventing damage and badness; this effort is often called as *dar' al-mafâsid* (Mutakin 2017).

## Conclusion

The form of social intermediation implemented by Islamic banks can be in the form of institutions such as the *bayt al-mâl*. With this form, it can receive zakat, *infâq*, alms, grants, and other social funds. There are at least four elements or pillars in social intermediation often raised by Islamic banks, namely, alms, soft loans, provision of financing, and savings. All of them are oriented to improve and develop the liberation of the poor in particular and community in general from financial operations that are prohibited by Islam. Besides, social intermediation is implemented to form the capacities (such as knowledge, self-confidence, and mastery of information technology) of the poor.

Social intermediation conducted by Islamic banks actually has a positive impact on the community because this role/function continues to promote the concept of *maşlahah* in an integrative way. From the perspective of *maqâşid al-shari'ah*, it is a substantial principle that needs to be translated into every individual and communal (institutional) activity. Therefore, *maşlahah* is an ethical-normative foundation in establishing Islamic banking. In fact, it is also really necessary to create halal transactions and keep people away from the illegal transaction system that can damage their mind, soul, religion, property, and offspring/descendant.

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