

## THE ROLE OF SWOT ANALYSIS OF THE POTENCY FOR ESTABLISHING A MICRO WAQF BANK IN EAST KOTAWARINGIN REGENCY



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### Abstract

This research aims to analyze the strengths, weaknesses, opportunities, and threats to the efforts to establish MWB in East Kotawaringin Regency. This study analyzed the strengths, weaknesses, opportunities, and threats to efforts to establish MWB in East Kotawaringin Regency. This research used a qualitative method with a descriptive approach. Collecting data using observation, interviews, and documentation was processed using Fred's SWOT analysis technique R. David. The results showed through a SWOT analysis that the strategic position of the potential for the establishment of a Micro Waqf Bank in East Kotawaringin Regency, which is located in quadrant II from the internal side, has strength with the existence of a business unit managed by Islamic boarding schools. Still, from external factors, there are threats, namely low Islamic financial literacy. The strategy must be applied to use strengths to take advantage of opportunities. Among the Islamic boarding schools in East Kotawaringin Regency, Pondok Pesantren of Sabibal Muhtadin has the most potential for establishing a Micro Waqf Bank. This is based on Pondok Pesantren of Sabibal Muhtadin having a cooperative business unit already a legal entity. A sizeable socioeconomic impact on the Islamic boarding school community and has implemented one of the strategies to increase Islamic financial literacy.

**Keywords:** Micro Waqf Bank, Islamic Micro Finance, SWOT Analysis

## INTRODUCTION

Poverty is still one of the main problems for developing countries, including Indonesia (Nawawi, 2023). In addition, the pandemic in the last two years has added to the long list of poor people. To overcome poverty and improve people's welfare, Islam has several social financial instruments such as Zakat, Infaq, Alms, and Waqf (ZISWAF). This potential can be used to improve welfare and solve social problems and poverty issues (Siswanto, 2022, p. 236) (Widiastuti et al., 2022) Islamic Financial Institutions (IFIs) play a pivotal role in the post-COVID recovery, akin to their role during the aftermath of the 2008 financial crisis. Islamic finance is a unique financial system in the world, founded on ethical and moral principles. It stands as the only financial system built upon principles that prioritize ethical conduct, financial transparency, and social responsibility. The essence of this system lies in its commitment to ensuring community participation, social and economic stability, fostering financial inclusion, and bolstering comprehensive human development (Rabbani et al., 2021, p. 2).

As a country with a majority Muslim population, Indonesia has a significant potential for cash waqf. However, it has not been developed to its full potential in reality. With the world's largest Muslim population, Indonesia has a huge potential for cash waqf, but unfortunately, this has not been developed optimally (Adinugraha et al., 2023). All this time, the designation of waqf in Indonesia is less directed at empowering the people's economy, tends to be limited only to the interests of worship, education, and funeral activities, and does not lead to productive waqf management (Medias, 2017).

To date, waqf is known to the public only as an immovable waqf object and is intended for the vertical dimension of worship. Waqf is placed as pure doctrine in the category of mahdhah worship. More than that, waqf functions as horizontal worship or social worship. Cash waqf, one of the most potential sources of funds, has not been utilized optimally in Indonesia. This is due to a large number of waqf managed traditionally consumptively (Muhaimin, 2023). On the other hand, Islamic financial institutions that are trusted to manage cash waqf have not been able to manifest the benefits of cash waqf for the socioeconomic empowerment of the community (Medias, 2017).

Waqf is an instrument considered effective for reducing poverty and overcoming inequality by empowering low-income communities as stipulated in Law No. 41 of 2004 concerning Waqf, where Waqf aims to empower the benefit and social welfare productively. The function of waqf is as an economic pillar, so it is expected to continue to provide financial assistance to small entrepreneurs (Mahat et al., 2015, pp. 294–302). The issuance of Law No. 41 of 2004 began to shift the paradigm of waqf, bringing significant changes to waqf in Indonesia, waqf is no longer known as donating immovable assets, waqf is also possible in the form of movable assets such as money (Azlina et al., 2022).

Waqf has great potential that can be explored. The Financial Services Authority (OJK) and Bank Indonesia (BI) are now starting to make waqf, or in everyday language, the form of giving assets (land or money) to benefit the interests of the people as a priority program for economic development. Productive waqf is the main menu of the Government in raising the status of the poor to be better, those who do not have become productive, and the economy moves from the bottom. The OJK also established a Micro Waqf Bank (BWM), while BI developed the Waqaf Core Principles with BWI.

The role of mosques in Indonesia has not been optimized for community empowerment. It has been proven that the function of most mosques has only been limited to ritual worship or spirituality and that it has not played a major role as an institution that can provide benefits to the people. However, the Jogokarian mosque in Jogja has shown that mosques can also be seen as a center for the unity of the people and can be used to empower the community's economy as well as collect ZISWAF and waqf funds and as well as an Islamic boarding school (Nuriyah & Fakhri, 2022, p. 79).

Islamic boarding school is one of the elements of society that has a strategic function in terms of community assistance to encourage the community's economy. The reason for the establishment of BWM in Islamic boarding schools is that Islamic boarding schools are religious-based educational institutions with great potential to empower people. Islamic boarding schools are also considered to have trust and respect in the community, so socialization and distribution to the community are easier to carry out (Fikri Fauzi, Iman Setya Budi, 2020). OJK cooperates with Islamic boarding schools to evolve waqf from social and religious activities to economic activities such as building roads, and bridges, working

on agricultural land, plantations, and trading. The presence of BWM is believed to increase financial inclusion, especially for Small and Micro Business (UKM) actors who will quickly get capital (Faujjah, 2018).

Based on data from Islamic Microfinance Institutions, 60 BWM has been established with cumulative beneficiaries of 48.4 thousand customers and a total financing of IDR 73.6 billion (*LKMS-BWM / Statistik Data Nasional*, n.d.). The establishment of BWM in Islamic boarding schools aims to teach students how to manage a bank. Thus, if BWM grows significantly, the people's economy can run well. BWM also proves that the government does not only take care of large investors in conventional banking.

Remembering many Islamic boarding schools scattered on the island of Kalimantan, this should be a big opportunity to establish BWM. However, in all provinces on the island of Kalimantan, only two BWM have been established, namely BWM Al-Hijrah Cindai Alus, Martapura, Banjar Regency, South Kalimantan with several beneficiaries 379 customers with total financing of 535 million rupiahs, and BWM Taawun Mitra Ummat, Al-Mujahidin Islamic Boarding School Balikpapan, East Kalimantan with the number of beneficiaries of 131 customers, and total financing of 183.5 million rupiahs (*LKMS-BWM / Statistik Data Nasional*, n.d.).

Based on the statistics on the distribution map of Islamic Boarding Schools, it is natural that the two provinces have initiated the establishment of BWM. South Kalimantan Province has the highest number of Islamic Boarding Schools, 264 institutions with 93,198 students and 7,161 religious teachers. In comparison, East Kalimantan has 176 institutions with a total of 37,432 students and religious teachers. 3,646. In addition, in Central Kalimantan, there has not been a single BWM established until now, and the number of Islamic Boarding Schools spread is only 91 institutions (*EMIS / Dashboard / Pendis Kemenag*, n.d.) However, this number does not mean the chances are small.

Data on the official website [emispendis.kemenag.go.id](http://emispendis.kemenag.go.id) showed a map of the distribution of Islamic boarding schools among 13 regencies/cities in Central Kalimantan, East Kotawaringin is the regency with the highest number of Islamic boarding schools, namely 23 institutions. Based on the data, it can be said that East Kotawaringin is one of the regencies with the most potential to establish BWM.

The community needs the rational establishment of BWM. Research conducted by Fahmi Medias showed that the importance of mobilizing waqf funds from the community through the establishment of waqf banks in Indonesia is to expand the potential of cash waqf in improving the social and economic welfare of the Indonesian people (Medias, 2017). As an effort to support the BWM establishment program, it is necessary to conduct a more in-depth study of what are the strengths, weaknesses, opportunities, and threats to efforts to establish BWM in East Kotawaringin Regency so that the potential for BWM establishment in East Kotawaringin Regency as a function of community empowerment can be utilized optimally.

## **REVIEW OF LITERATURE**

Previous research is used as a comparison in the preparation of this research to find out the results of research that has been carried out by previous studies and their relevance to this research, as well as an effort to show the existence of novelty between this research and research that has been done before.

As previously described, the presence of BWM is necessary to mobilize waqf funds to improve the community's social welfare. Thus, it became a trigger for researchers to further explore the concept of Micro Waqf Banks as an alternative to financing micro-enterprises in poor productive communities with sharia schemes and low margin levels that banking financial institutions cannot meet. In line with, his research entitled "Cash Waqf Model for Micro Enterprises' Human Capital Development" regarding the integrated cash waqf microenterprise investment model (Thaker et al., 2020). The study results show that community empowerment can be carried out through micro business programs by utilizing cash waqf funds. The use of cash waqf funds is not only limited to capital assistance but also in the form of facilitating training programs to increase human resources' capability in running micro businesses.

The use of cash waqf as a financing model for micro-enterprises is a promising alternative for micro-entrepreneurs, judging by the high interest of micro-entrepreneurs and the emergence of micro-waqf institutions in various countries, particularly in Indonesia and Malaysia, in her research entitled "Model of Islamic Corporate Governance (ICG)

Entrepreneurship-Based Cash Waqf: Multi-Case Studies in Indonesia and Malaysia” (Ratnasari et al., 2021). This study used qualitative methods and a multi-case study approach. The research data were obtained primarily (from in-depth interviews), online report documentation, journal articles, and books. Data were analyzed using by SWOT-LISA method. Based on the SWOT analysis of the ICG model of entrepreneurship-based cash waqf in Indonesia and Malaysia, the LISA (Leverage, Improve, Size, and Awareness) can be determined as follows. In Indonesia, exploiting strengths (Leverage) and increasing weaknesses (Improve) can be done by selecting corporate Corporate Social Responsibility partners (BUMN or non-BUMN) that are by Nazhir's vision and mission, determining specific donors for multi-benefit projects, establishing religious figures as ambassadors waqf, and determination of beneficiaries (Aulia et al, 2023). Entrepreneur-based cash waqf productivity fund for re-investment (in collaboration with a bank or non-bank Islamic Financial Institution). The Leverage-Improve strategy was chosen to strengthen Indonesia's internal Islamic finance and micro entrepreneur-based cash waqf pilot models. Leverage-Improve in Malaysia can be done by developing *murabahah*, *mudarabah*, *rahn*, and *ijarah* financing. Professionalism and auditing of waqf corporate financial statements are used for mutawali cooperation between 14 states. The relevance of this research to this research is the utilization of cash waqf productivity in the development of micro-enterprises.

Based on the study of the potential model for empowering Micro Waqf Institutions is urgently needed to expand the potential of cash waqf as an instrument for economic development in a country. In addition, Micro Waqf Institutions are also believed to be able to increase community financial inclusion. This argument is in line with the results of research entitled “Potential of Micro-Waqf as an Inclusive Strategy for Development of a Nation” concerning strategies for developing financial instruments waqf through the establishment of the Payung Teduhan Ilmu waqf-micro financial institution in the Alor Gajah campus, Melaka (Mahat et al., 2015): The study results show that the Payung Teduhan Ilmu micro-waqf institution is believed to be an effective educational tool for developing waqf and increasing awareness of the concept of waqf among the Muslim community in an academic institution in Malaysia. This project aims to encourage waqf culture among the Muslim

community around the campus in Alor Gajah, Melaka, especially within and outside the campus.

The analysis of the factors affecting Micro Waqf Bank's (MWB) sustainability in Indonesia and the strategy development necessitates an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) as well as the formulation of strategies that can be used to address these factors. As revealed by a study conducted by (Hasiba et al., 2020), the research was aimed at identifying the SWOT factors with the most significant impact on MWB development and proposing strategies that can effectively address these factors. The research employed the Analytic Network Process (ANP) method as the primary analytical tool for measuring and analyzing the relationships among elements in the hierarchy of SWOT factors that influence MWB. This enables the determination of priorities in decision-making. ANP is a useful method for evaluating the factors with the most significant impact in the context of MWB development.

Seeing the great potential of Micro Waqf Institutions as an alternative solution to the problems of this nation's economy, in-depth studies are needed on the potential for the establishment of Micro Waqf Banks in various regions in Indonesia to increase the quantity of Micro Waqf Institutions which in turn increases public financial inclusion. Some previous research that is relevant to the object of this study includes research entitled "Analysis of the Potential for the Establishment of Micro Waqf Banks in the City of Banjarmasin (Case Study of Al-Furqon Islamic Boarding Schools, Al-Istiqomah and Nurul Jannah in the City of Banjarmasin)" (Fikri Fauzi, Iman Setya Budi, 2020) concerning the potential for establishment and obstacles to Micro Waqf Banks in the Islamic boarding school environment in the city of Banjarmasin. The results of this study indicate that each Islamic boarding school has the potential to establish Micro Waqf Banks at their respective Islamic boarding schools, each Islamic boarding school is open to the establishment by socializing the Micro Waqf Bank program. Obstacles faced in the establishment of Micro Waqf Banks, there is no socialization carried out by the OJK to Islamic boarding schools about Micro Waqf Banks, and there are other obstacles, namely the existence of thoughts that assume the similarities between BWM and banks that contain usury. This research is relevant to this

research, considering that they both see the potential for establishing Micro Waqf Banks. However, the distinction between the study is the focus of the research.

The relevance of several previous studies to this research is the use of cash waqf as a model for community economic empowerment and expansion of Sharia financial access services, so reflections are needed to measure the potential for establishing micro-waqf financial institutions to develop Islamic financial instruments. The novelty of the SWOT Analysis conducted in East Kotawaringin Regency lies in its examination of the potential for establishing a Micro Waqf Bank before the actual institution is established. The analysis method employed in this study is based on the weighting of factors within the Internal Factors Evaluation (IFE) and External Factors Evaluation (EFE) matrices, a methodology developed by Fred R. David. This approach enables a more objective assessment of the existing potential and challenges prior to the establishment of the Micro Waqf Bank. Consequently, this research adds significant value by offering a deeper and more rational insight into the necessary steps for establishing such a financial institution in East Kotawaringin Regency.

## **RESEARCH METHOD**

This research method is descriptive qualitative known as non-hypothesis research. Descriptive research is a research method aimed at describing phenomena. This study used a phenomenological approach to understand how humans construct important meanings and concepts within the intersubjectivity framework (Kuswarno, 2006).

The data analysis method was carried out by conducting a SWOT analysis (Rangkuti, 2009), where the researchers analyzed internal and external factors at Islamic boarding schools in East Kotawaringin. The SWOT analysis consists of strengths, weaknesses, opportunities, and threats. A SWOT analysis was conducted to determine the potential for establishing Micro Waqf Banks in several Islamic boarding schools in East Kotawaringin.

The object of this research was the potential for establishing a Micro Waqf Bank in East Kotawaringin Regency. The subjects in this study amounted to 7 people, namely each student/manager of the Islamic boarding school, 2 business people around the Islamic boarding school, and an informant from the Deputy Commissioner for Public Relations and Logistics of the Financial Services Authority. Data collection in this study used observation,

interviews, and documentation techniques the data collection techniques can be finished by combining the techniques (Sugiyono, 2016).

## **RESULTS AND DISCUSSION**

### **Micro Waqf Bank**

Professional cash waqf management can build great opportunities to create investment in various sectors, including the economy, education, health, and social services because in the Micro Waqf Bank (BWM), cash waqf has an essential role as a donor. Professional cash waqf management has the potential to attract large amounts of wakif interest because it is considered easier to practice, and more people who have the desire to waqf can go through cash waqf. The potential of waqf in Indonesia with the number of generous Muslims is estimated at 10 million people with an average waqf donation per month of Rp. 500,000,- up to Rp. 10,000,000, at least 3 trillion will be collected annually from waqf funds. The potential of these funds was expected to help distribute cash waqf to the community and assist micro-business actors in accessing capital to develop their businesses. The government and the Financial Services Authority (OJK) in 2017 launched the Micro Waqf Bank, a Sharia microfinance institution established in the Islamic boarding school environment.

The existence of the Micro Waqf Bank as a pilot project for the Financial Services Authority (OJK) is a new phenomenon in the development of the Islamic finance industry in Indonesia. It should be noted that the establishment of the Micro Waqf Bank was the result of the synergy between the Financial Services Authority (OJK) as the regulator of the financial services industry, National Amil Zakat Institution (LAZNAS), Islamic Bank Mandiri (BSM) as a zakat management organization, and Islamic boarding schools as religious institutions to empower community economy and expansion of sharia financial access services (Fikri Fauzi, Iman Setya Budi, 2020).

Micro Waqf Bank is a Sharia Microfinance Institution (LKMS) that focuses on financing small community businesses initiated by the OJK in collaboration with the National Amil Zakat Institution (LAZNAS). Each BWM will receive around Rp. 3 billion to Rp. 4 billion from donors from all walks of life or companies. Funding for BWM customers for the

initial stage is IDR 1 million with an administrative fee of three percent per year. The specialty of the Micro Waqf Bank lies in its mentoring process because grouped customers will receive regular training and assistance, with a financing pattern that is made “jointly responsible” (Otoritas Jasa Keuangan, 2021).

Microfinance institutions play an important role in the economic system in Indonesia because the scope of business in the micro and small sectors is still very high (M.Ak, 2016). The Micro Waqf Bank’s establishment can increase public financial access at the micro level to facilitate UMKM actors in capital problems. Micro Waqf Bank is a Sharia microfinance institution that focuses on financing small communities with a profit-sharing pattern, and this institution is purely for financing. The funds are used from donations from individuals, institutions, and corporations through the National Amil Zakat Institution (LAZNAS).

The presence of Micro Waqf Banks was believed to be able to increase public financial inclusion, especially since Small and Micro Business actors (SMEs) will easily get capital that banks cannot complete because when small business actors want to borrow from banks, they must have collateral and piles of administration before they can go to the bank. Banks charge substantial interest to debtors. Meanwhile, the Micro Waqf Bank only charges operational and administrative costs of three percent per year. Thus, the public can obtain small capital loans through this micro waqf bank. The establishment of Micro Waqf Banks in Islamic boarding schools is intended to teach students to manage banks. So, if the Micro Waqf Bank grows significantly, the people’s economy can run well. The Micro Waqf Bank also proves that the government does not only take care of large investors in conventional banking.

Islamic boarding school is used as a potential institution for the community in addition to being an educational institution for Muslims but also as an empowerment institution. The active involvement of Islamic Boarding Schools to empower their communities is a form of commitment given by Islamic Boarding Schools to the community in the surrounding environment to improve their community’s economy, both individually and in groups. The goal is that the level of resources can be achieved optimally so that the community’s welfare can increase, and the quality of the community relies on independence. This is following the program guidelines made by the Financial Services Authority (OJK)

regarding the criteria that are targeted in the Micro Waqf Bank program, namely customer segmentation as recipients of financing from Micro Waqf Banks are people who have business potential with a radius of 5 (five) kilometers from the location of the Micro Waqf Bank.

### **SWOT Analysis**

SWOT analysis is an instrument for systematically identifying various factors to formulate a company or organization strategy. This analytical approach is based on the logic that can maximize strengths and opportunities while minimizing weaknesses and threats (Fatmawati, 2020). According to Kotler briefly, SWOT analysis can be applied by analyzing and sorting out the things that affect the four factors (Kotler & Keller, 2009). Meanwhile, Emet Gurel defines SWOT analysis as a tool used for strategic planning and management in organizations and can be used effectively to build organizational and competitive strategies (Gürel, 2017). In short, SWOT analysis can be applied by analyzing and sorting out the factors that affect the four. SWOT analysis can be a strategic and effective analytical instrument in maximizing all the open strengths and opportunities while minimizing all the weaknesses and threats. SWOT analysis is based on the logic that the success of a business or organization is determined by the internal and external conditions of the business or organization concerned.

The SWOT analysis approach is based on maximizing strengths that come from internal factors and opportunities as external factors, as well as minimizing weaknesses originating from internal factors and various threats that arise from outside external (Rangkuti, 2009). Furthermore, the two factors are compared, namely external factors in the form of opportunities and threats, as well as internal factors in the form of strengths and weaknesses. External factor analysis used the EFE (External Factor Evaluation) matrix. For internal factors, the matrix used is the IFE (Internal Factor Evaluation) matrix (Sukma & Wahjuadi, 2017).

Internal factors are factors that influence the existence of strengths and weaknesses. These factors are related to conditions that occur in Islamic boarding schools. Where positive things that follow the indicators that have been determined by the Financial Services

Authority as potential Islamic boarding schools are stated as strengths. On the other hand, negative things that are not in accordance with these indicators are considered weaknesses.

Internal factors that can be said to be the strength of efforts to establish Micro Waqf Banks are the strong commitment of the leaders and managers of Islamic Boarding Schools to building community welfare. This commitment can be seen from the efforts of economic independence created by Islamic Boarding Schools with various business units being developed, provision of soft entrepreneurial skills for the community and students, and distribution of social assistance from zakat funds, infaq, and alms. On the one hand, Islamic boarding school leaders' commitment to economic independence is positive and reflects the attitude of *'iffah, qana'ah*, and trying not to beg. On the other hand, in some Islamic boarding schools, this attitude becomes an obstacle to the development of the Islamic Boarding School itself. In the context of the establishment of Micro Waqf Banks, this kind of attitude makes Islamic boarding schools less initiative in raising funds.

Based on the data that has been collected through interviews, observation, and documentation, it was found that 7 Islamic boarding schools were used as subjects in this study. They already had business units, those with legal entities such as cooperatives, and micro business units such as kiosks, drinking water depots, shops, and a grocery store that sells the needs of the students. Some even have large-scale business units such as Hajj and Umrah Travel. However, in the observations of researchers, in terms of management, it was still necessary to increase the competence of human resources, as the results of observations in the field showed several business units are not significantly developed among the inhibiting factors business unit is only for students.

Islamic boarding schools as educational institutions focus on developing Islamic values and broadcasting. In its development, Islamic boarding schools have increasingly expanded their work area, which does not always accelerate vertical mobility but also horizontal mobility (social awareness). The existence of Islamic boarding schools should provide a social impact on the community in the surrounding environment, among these social impacts, namely the increased religious literacy of the community, which in turn creates a change in the mindset of the community. Based on the researchers' observations, the key driving force for social change in the environment around the Islamic boarding school

is the existence of religious figures or figures born from the womb of the Islamic boarding school and religious activities that the Islamic boarding school routinely carries out and open to the public for the surrounding community.

One of the elements of society that has a strategic function in assisting to encourage the community's economy is the Islamic Boarding School. This transformational educational institution concerns not only the aspect of religiosity. But also, the social, economic, and cultural aspects that exist in the community. In the face of fierce competition in the world of work in the current era of globalization, Islamic boarding schools as educational institutions also develop their curriculum by adding entrepreneurship education for students. Entrepreneurship education is not only contained in formal education but is also internalized through developing students' soft skills. Based on observations and interviews, even though Islamic boarding schools run their business units, they empower students to hone their entrepreneurial skills. However, other things that need to be considered are the lack of Islamic financial literacy for students and Islamic boarding school managers and the lack of technology in management. Concerning the establishment of Micro Waqf Banks, students, and Islamic boarding school managers need to be equipped with a comprehensive understanding of Islamic financial literacy and the use of technology because BWM activities are not only limited to providing entrepreneurial assistance but also dealing with Islamic economic activities in terms of channeling and raising funds.

The following table illustrates the internal factors that influence the strengths and weaknesses in establishing a Micro Waqf Bank based on the data analysis above.

**Table 1.**  
**Internal Factors**

<b>Strengths</b>	<b>Weaknesses</b>
Have a Business Unit (Cooperative/ Stall/ Depot)	Lack of HR competence in managing business units
Actively carry out social and religious activities in the community	The majority of Islamic boarding schools do not use technology in their management
The students are equipped with soft entrepreneurial skills	Lack of Islamic financial literacy
Having a religious figure who is respected in the community	Administrative management is still a traditional

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Have a high commitment to building community welfare Lack of leadership initiative in raising funds

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### **External Factor**

External factors influence the formation of opportunities and threats (opportunities and threats). This factor is related to conditions outside the Islamic boarding school, namely, positive things that follow the indicators that the Financial Services Authority has determined as potential Islamic boarding schools declared as opportunities. On the other hand, negative things that are not in accordance with these indicators are considered threats.

As previously explained, the community felt the social impact of Islamic boarding schools. From the results of observations and interviews of researchers with several communities around the Islamic boarding school environment, the social change that is strongly felt by the community is the increase in religious literacy with the existence of systematic religious studies. The existence of Islamic boarding schools can be a pioneer of social and cultural dynamics that liberate and overcome social anomalies due to the dynamics themselves, not merely as a religious, educational institution that produces *santri* to become scholars but also as a social institution that seeks to advance the social status of religion, education, culture, , even the economy of society. Concerning society, the Islamic boarding school that gave birth to the ulama is an institution that does not remain silent with various diseases that occur in society, such as ignorance, disbelief, and poverty, the community can change towards a relatively good social life, both in terms of religion, education, social as well as from an economic point of view.

Islamic boarding school has a close relationship with the surrounding community. Ideally, the Islamic boarding school's role is not only to answer the internal and institutional needs of the place where the Islamic boarding school is located. But Islamic boarding schools can also positively impact the community around the Islamic boarding school. Therefore, it should not only be able to color but shape society. The social and economic effects felt by the community cannot be separated from the authority of the Kiai as the owner and implementer of education in the Islamic boarding school. The public's trust in the Kiai as the driver of social change is very influential on the succession of social change in society. However, this can also become a point of weakness when the Islamic boarding school does not prepare the regeneration that will replace these figures.

In its development, efforts to increase the capacity of Islamic boarding schools also cannot be separated from government support. The existence of the Islamic Boarding School Law Number 18 of 2019 mandates the government, especially the Ministry of Religion, to pay attention to the world of Islamic boarding schools and provide state recognition (recognition) to Islamic boarding schools whose existence has existed for centuries. The birth of this law mandates the government, especially the Ministry of Religion, to pay attention to the world of Islamic boarding schools. To ensure the implementation of Islamic boarding schools, arrangements are needed to provide recognition, affirmation, and facilitation to Islamic boarding schools based on their uniqueness. Based on Article 46, paragraph 1 states that the Central Government and Regional Governments support and facilitate Islamic boarding schools in carrying out community empowerment functions. The support from the Central Government and the Regional Government, as referred to at least, is in the form of financial assistance, assistance for facilities and infrastructure, technological assistance, or skills training. From the data obtained by researchers in the field, the Regional Government has been present to support Islamic boarding schools in East Kotawaringin. Although the assistance is still limited to finance and infrastructure, the support urgently needed in community empowerment is technical assistance or training skills, especially those related to Islamic financial literacy.

The above explanation of the external factors that influence the formation of opportunities and threats in the establishment of Micro Waqf Banks can be illustrated in the following table:

**Table 2.**  
**External Factors**

<b>Opportunities</b>	<b>Threats</b>
Social impact on society	The community has lost a respected Islamic boarding school figure/figure
Gaining people's trust	There has been no socialization and education about Islamic financial literacy
The government provides support for Islamic boarding school activities	Less economic impact on society

After analyzing the internal and external factors, the next step assessed the rating/urgency value for each variable contained in the strengths, weaknesses, opportunities, and threats. The results of identifying internal key factors, which are strengths and weaknesses, weighting, and rating, are transferred to the Analysis Table of Internal Factors Urgency Matrix and External Factors Urgency Matrix to be given a weight of X rating and then compared. More details can be seen in the following table.

**Table 3.**  
**Internal Factors**

<b>Strengths</b>	<b>Total</b>	<b>Weight (MU)</b>
Have a Business Unit (Cooperative/ Stall/ Depot)	7	0.14893617
Actively carry out social and religious activities in the community	3	0.063829787
The students are equipped with soft entrepreneurial skills	7	0.14893617
Having a religious figure who is respected in the community	3	0.063829787
Have a high commitment to building community welfare	7	0.14893617
<b>Weaknesses</b>		
Lack of HR competence in managing business units	6	0.127659574
The majority of Islamic boarding schools do not use technology in their management	3	0.063829787
Lack of Islamic financial literacy	8	0.170212766
Administrative management is still a traditional	1	0.021276596
Lack of leadership initiative in raising funds	2	0.042553191

**Table 4.**  
**Internal Factors**

<b>Opportunities</b>	<b>Total</b>	<b>Weight (MU)</b>
Social impact on society	3	0.1875
Gaining people's trust	2	0.125
The government provides support for Islamic boarding school activities	1	0.0625
<b>Threats</b>		
The community has lost a respected Islamic boarding school figure/figure	4	0.25

There has been no socialization and education about Islamic financial literacy	5	0.3125
Less economic impact on society	1	0.0625

Description:

MU: Weighting the urgency matrix by comparing the level of urgency of each indicator, then the total point of urgency for each indicator divided by the total number.

Based on the table above, it could be known that the most urgent indicator of Islamic boarding schools is a business unit, having figures or figures that are respected by the community, and the leadership of Islamic boarding schools having a high commitment to building community welfare. But on the other hand, there are essential things that must be overcome, namely the low Islamic financial literacy of students and managers. In line with that, the analysis of the urgency matrix on external factors that are very urgent and affect the potential for the establishment of Micro Waqf Banks is the absence of socialization and education from external parties, both local governments and Islamic banking, regarding Islamic financial literacy and entrepreneurship.

After weighing the urgency matrix of each factor indicator, the next step is to calculate the internal factor evaluation (IFE) and external factor evaluation (EFE). According to David, the IE (Internal-External) Matrix positions various divisions within an organization. The IE Matrix is based on two key dimensions: the IE weight score and the EFE weight score. Each division within an organization must create an IFE Matrix and an EFE Matrix about the organization. The total weight scores obtained from these divisions allow for the construction of the IE Matrix at the corporate level (Fried, 2012).

**Table 5.**

<b>Internal and External Factors</b>	<b>BF</b>	<b>ND</b>	<b>NBD</b>	<b>NRK</b>	<b>NBK</b>	<b>TNB</b>
<b>Strengths</b>						
Have a Business Unit (Cooperative/ Stall/ Depot)	0.14894	5	0.7447	4	0.58582	<b>1.3305</b>
Actively carry out social and religious activities in the community	0.06383	3	0.1915	3	0.20851	0.4
The students are equipped with soft entrepreneurial skills	0.14894	5	0.7447	4	0.5461	1.29078

Having a religious figure who is respected in the community	0.06383	3	0.1915	3	0.19574	0.38723
Have a high commitment to building community welfare	0.14894	5	0.7447	4	0.57589	1.32057
<b>4.72908</b>						
<b>Weaknesses</b>						
Lack of HR competence in managing business units	0.12766	5	0.6383	4	0.45106	1.08936
The majority of Islamic boarding schools do not use technology in their management	0.06383	3	0.1915	3	0.18298	0.37447
Lack of Islamic financial literacy	0.17021	5	0.8511	3	0.56738	<b>1.41844</b>
Administrative management is still traditional	0.02128	3	0.0638	3	0.06099	0.12482
Lack of leadership initiative in raising funds	0.04255	4	0.1702	4	0.15887	0.32908
<b>3.33617</b>						
<b>Opportunities</b>						
Social impact on society	0.1875	5	0.9375	3	0.625	<b>1.5625</b>
Gaining people's trust	0.125	4	0.5	3	0.4	0.9
The government provides support for Islamic boarding school activities	0.0625	5	0.3125	4	0.24583	0.55833
<b>3.02083</b>						
<b>Threats</b>						
The community has lost a respected Islamic boarding school figure/figure	0.25	2	0.5	3	0.66667	1.16667
There has been no socialization and education about Islamic financial literacy	0.3125	5	1.5625	3	1.02083	<b>2.58333</b>
Less economic impact on society	0.0625	5	0.3125	4	0.23333	0.54583
<b>4.29583</b>						

Description:

ND : Assessment of the rating/urgency value of the indicators carried out by researchers based on references from indicators that the Financial Services Authority has made

BF : The value of the weight of the sub-variables transferred from the MU weight (Urgency Matrix)

NBD : Support weight value is calculated from  $BF \times ND$

NK : The correlation value of each indicator is to be filled with if there is a relationship between factor 1 and factor 2. And so on. If there is no NK value, it is 0 (nil). If there is a NK value determined between 1-5

NRK : The average value of the association, calculated by the total value of the association divided by number of internal and external factors assessed (in this case, 16-1)

NBK : The value of the weight of the relationship, calculated utilizing  $NRK \times BF = NBK$

TNB : Can be calculated from each factor with  $NBD + NBK = TNB$

FKK : The key factor for success is choosing the factor with the most considerable BNP value, and 4 FKK is selected based on the order of BNP in each variable.

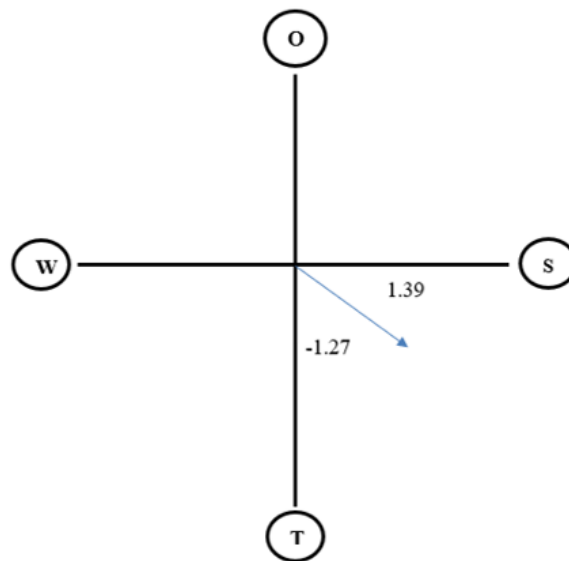
Through the weighting of the value of the relationship between each indicator, the highest value of the strength variable (strengths) is obtained, namely, Islamic boarding schools have a business unit (cooperatives/stalls/drinking water depots) of 1.3305, while the highest value of the weaknesses variable (weaknesses) is 1.4184. It means that internal factors are significantly related to the potential for the establishment of a Micro Waqf Bank where Islamic boarding schools have business units. This indicates that Islamic boarding schools are ready to build economic independence, but the high value of the weak variables also needs to be considered, namely indicators of low Islamic financial literacy for students and managers. The external factor with the highest correlation value is the threat variable (Threats) with a value of 2.5833, namely the absence of socialization about Islamic financial literacy, while the opportunity value (Opportunities) is 1.562, namely the presence of Islamic boarding schools has a social impact on the community.

Based on the results of data processing, scores were obtained for each of the SWOT variables for the establishment of Micro Waqf Banks, which became the key strength factors, namely:

**Table 6.**

<b>Internal</b>	<b>Weight</b>
Strengths	4.72908
Weaknesses	3.33617
	<b>1.3929</b>
<b>External</b>	
Opportunities	3.02083
Threats	4.29583
	<b>-1.275</b>

From the calculation of the evaluation of internal and external factors, the difference in internal strategic factors (strengths and weaknesses) is 1.3929, which shows the influence of strength is greater than the influence of weakness. Meanwhile, the difference in external factors (opportunities-threats) is -1.275, which shows the effect of threats is greater than the influence of opportunities. This condition produces a matrix of potential positions for establishing Micro Waqf Banks in Kotawaringin in quadrant II.



ST strategy can be described as a threat but has strength. Use force to overcome threats. ST strategy minimizes the negative impact of threats or challenges from outside. If existing internal and external forces cannot overcome the threat, it is necessary to find a way out so that the threat will not have too significant a negative impact. This SWOT matrix provides an overview of the potential for establishing a Micro Waqf Bank in East Kotawaringin. The quadrant above illustrates that establishing a Micro Waqf Bank in East Kotawaringin has a nig potential, considering the strengths that can be used as opportunities. This potential is marked by a business unit managed by Islamic boarding schools. However, the low literacy level of BWM managers can be a threat and hinder the establishment of BWM.

The potential for establishing Micro Waqf Banks in Islamic boarding schools in East Kotawaringin Regency looks very promising. This can be seen from the dominance of the strength variables (strengths) in business units that almost exist in all Islamic boarding schools. This means establishing a Micro Waqf Bank in the Islamic boarding school of East Kotawaringin Regency is possible. However, the potential for this establishment is also accompanied by a dominant threat variable, namely the lack of literacy about Islamic finance in the Islamic boarding school environment. Strategies that can be done to optimize these strengths can be done by increasing the competence of managers and students through training and education activities by policymakers, such as Islamic banking or financial services authorities.

Among all the research subjects, namely the Tahfidzul Qur'an Assa'adat Islamic Boarding School, Sabilal Muhtadin Islamic Boarding School, Al Marhamah Islamic Boarding School, Darul Aitam Islamic Boarding School, Raudhah Salafiyyah Islamic Boarding School, Darul Amin Islamic Boarding School, and Al Fajar Islamic Boarding School, the researcher can provide recommendations to the Sabilal Muhtadin Islamic Boarding School as a boarding school with the most potential for the establishment of a Micro Waqf Bank, taking into account the aspects of its strengths, namely, a business unit in the form of a cooperative with a legal entity, the presence of a boarding school also has a large socio-economic impact on the community. The community around the Islamic boarding school. The existence of a Micro Waqf Bank will undoubtedly add a more significant socio-

economic impact on the community in terms of improving welfare. Another consideration, PP Sabibal Muhtadin also has a curriculum that includes subjects of Fiqh Muamalah as an additional form of supplement in increasing literacy on Islamic finance. However, the limitation of this research lies in the extensive scope of the study, which led to the selection of only a few samples considered representative. For future researchers, the opportunity exists to explore different research locations, such as West Kotawaringin Regency, which has one of the highest numbers of boarding schools in Central Kalimantan after East Kotawaringin Regency.

## CONCLUSION

Based on the calculation of the evaluation of internal and external factors, the difference in internal strategic factors (strengths-weaknesses) is 1.3929, which shows that the influence of strength is greater than the influence of weakness, and the contrast of external factors (opportunities-threats) is -1.275. This score can be interpreted as the threat more significant than the effect of the opportunity. This condition determines the position of the potential quadrant matrix for establishing a Micro Waqf Bank (MWB) in Kotawaringin to be in quadrant II. Through this mapping, it can be determined that the formulation of strategic priorities will be formulated, namely ST strategy, which means there is a threat but has strength. ST strategy minimizes the negative impact of threats or challenges from outside. If existing internal and external forces cannot overcome the threat, it is necessary to find a way out so that the threat will not have a too large negative impact. SWOT matrix illustrated that the establishment of a Micro Waqf Bank in East Kotawaringin had a huge potential considering that there are strengths that can be used as opportunities, namely Islamic boarding schools have business units, but the low level of literacy of BWM managers can be a threat and hinder the establishment of BWM. Among the Islamic boarding schools in East Kotawaringin Regency, Pondok Pesantren Sabibal Muhtadin has the most potential for establishing a Micro Waqf Bank (MWB). This is based on PP Sabibal Muhtadin having a cooperative business unit that is already a legal entity with a significant socio-economic impact on the Islamic boarding school community and has implemented one of the strategies to increase Islamic financial literacy.

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