

## Economic Empowerment through Muhammadiyah-Owned Enterprises A Case Study of Muhammadiyah Regional Board of Lumajang

**Imamul Hakim, Muhammad Sarif, Aunur Rofiq**

*University of Malaya, Malaysia; Muhammadiyah University of Malang, Indonesia;*

*State Islamic University of Malang, Indonesia*

*imamulhakimhakim@gmail.com, sarif@umm.ac.id, aunur@uin-malang.ac.id*

### **Abstract**

*This article examines the Muhammadiyah-Owned Enterprises (Badan Usaha Milik Muhammadiyah (BUMM)) managed by CV. Syirkah Amanah and its role in the economic empowerment of Muhammadiyah organizations and the community. CV. Syirkah Amanah is the research object because it has shown exemplary achievements in managing BUMM. This study uses a qualitative descriptive approach with data sources through interviews, document reviews, and field observations. This study indicates that the management and development of business units owned by Muhammadiyah organizations have a significant role in the organization's economic empowerment and community economic empowerment. In empowering the community's economy, namely the existence of new job opportunities, invest and increase financial income. Meanwhile, in empowering the organization's economy, namely increasing financial resources for the sustainability of organizational activities and increase the development of social service facilities in carrying out the organization's vision and mission.*

**Keywords:** *Muhammadiyah-Owned Enterprises; Economic Empowerment; Organization; Society*

**Permalink/DOI:** <https://doi.org/10.18326/infl3.v15i2.195-216>

## **Introduction**

Muhammadiyah, as a social and religious organization engaged in da'wah and social assistance, has had thousands of business charities and is experienced in managing its business charities. For more than 100 years, Muhammadiyah, through its various charities, has shown its contribution and service to the nation. Muhammadiyah manifests the spirit of contributing to education, health, social assistance, and the economy (Baidhawiy, 2015; Elhady, 2017; Hakim, 2018; Rahman et al., 2021). One of the contributions of Muhammadiyah in the economic sector is manifested in the financial sector by depositing its funds in state-owned Islamic banks, which amount to trillions of Rupiah. In addition, Muhammadiyah also has many Islamic village banks (BPRS), Baitul Maal Wat Tamwil (BMT), and cooperatives in various regions spread throughout the country (Hafni & Harventy, 2013; Lelisari, 2020).

According to Asnifati (2009), Muhammadiyah has 160 cooperatives/BTMs throughout Indonesia, all of which are under the coordination of Muhammadiyah. Meanwhile, Aisyiyah also has approximately 50 cooperatives already legal entities, and there are around 650 pre-cooperatives. These institutions continue to grow, so it is estimated that many cooperatives have been established by Muhammadiyah, Muhammadiyah autonomous organizations, and Muhammadiyah Business Charities. In addition, the trend that has developed lately is in the real sector, namely a very massive movement in various regions by establishing mini markets, wholesale shops, log marts (logistics marts), book distributors, school supply stores, and uniforms, there are also gas stations and various other types of business (Lelisari, 2020; Nasri, 2021; Njoto-Feillard, 2016; Zulfikar & Azhar, 2018).

Business institutions managed by Muhammadiyah have also grown and developed in various regions known as Badan Usaha Milik Muhammadiyah (BUMM). Several BUMMs have developed rapidly with a high level of profitability managed professionally, like the management of business institutions in general. Moreover, many BUMMs have implemented a management system with a corporate model that regulates financial governance, the authority of shareholders, commissioners, and directors as described in the

Muhammadiyah Central Executive Decree regarding the guidelines for managing Muhammadiyah-Owned Enterprises. Meanwhile, in the rules of BUMM ownership, as explained in the guidelines, BUMM assets ownership is on behalf of the Muhammadiyah Central Board (Supriyono, 2009; Hafni & Harventy, 2013) However, the management is semi-autonomous, which involves various organizational structures at lower levels. Meanwhile, in terms of investment capital participation, Muhammadiyah involves various parties, including business charities, autonomous organizations, and the general public.

Muhammadiyah is expected to develop and grow BUMMs with the potential of various assets owned to provide solutions in increasing more massive benefits in the economic aspect so that they can have an impact on community empowerment and welfare (Fatimah, 2018). Meanwhile, at the 47th Muhammadiyah Congress in Makassar in 2015, Muhammadiyah launched its three pillars of movement: education, health, and the economy. The Economic Movement is the third pillar of the Muhammadiyah Da'wah Movement, showing the seriousness of Muhammadiyah in working on its potential for economic Empowerment of the community and the organization (Hakim, 2022). Through the Economic Council, Muhammadiyah's da'wah movement has three main targets: advancing the organization's economy, making Muhammadiyah a new economic power in Indonesia by developing and establishing business-oriented institutions. Second, advancing the economy of members (citizens) of the association by guiding, encouraging, and empowering the economy of Muhammadiyah members to grow and develop. Third, advancing the economy of the people and nation through synergy with all groups of people and nations to build prosperity and economic independence of the people and nation (A. Hamid, 2017; Nasri, 2021).

The Muhammadiyah economic movement, through the establishment of various BUMMs spread across various regions throughout Indonesia, is expected to be able to develop on a broad scale so that they can contribute financially to the sustainability of the organizational movement in realizing the vision and mission of Muhammadiyah (Njoto-Feillard, 2014). In addition, BUMM is also

expected to contribute to the community's economic Empowerment, including opening up new jobs and the country's economic growth. For this reason, the study in this article focuses on taking one of the BUMMs as the subject of discussion, namely, CV. Syirkah Amanah, so there is one question in this study, namely; "What is the role of BUMM managed by CV. Syirkah Amanah Lumajang in empowering the economy of the organization and the community?"

This article aims to explore the role of BUMM in the economic Empowerment of communities and organizations with a focus on the study of BUMM managed by CV. Syirkah Amanah which is under the authority of the Regional Board of Muhammadiyah (PDM) Lumajang. This article focuses on examining the BUMM management model and its development and role in empowering the economy of communities and organizations. PDM Lumajang is the research object because it has successfully managed profitable BUMMs with a business organization management model through the CV. Syirkah Amanah with its gas station business unit.

### **Literature Review**

According to Aziz Muslim (2009:3), Empowerment is a process of making people aware that is carried out in a participatory, transformative, and sustainable way in increasing the ability to handle fundamental problems and improve the standard of living as expected. Meanwhile, according to Law of the Republic of Indonesia number 6 of 2014 concerning Villages, community empowerment is an effort to develop the welfare and independence of the community by increasing knowledge, attitudes, skills, behavior, abilities, and public awareness. Furthermore, Wrihatnolo & Dwidjowijoto (2007) explained that community empowerment encourages people to be involved in collective decision-making, including solving their fundamental problems. In this case, society is not an object but a subject. Therefore, community empowerment can be marked by increasing job opportunities initiated and created by the community collectively and can impact income to ease the burden of public consumption. In addition, community empowerment is also marked by the increased ability of the community to manage the organization and its development independently.

Meanwhile, in the context of community economic empowerment, according to Liddle (2017), community economic empowerment is making efforts to increase the community's ability to create added value in the economic field. Liddle emphasized that community economic empowerment is carried out in four ways, namely. First, access to resources, second, access to technology, third, market access, and fourthly access to demand.

From the various definitions above, it can be concluded that empowerment in general and economic empowerment, in particular, have the same goal, namely increasing the community's ability to overcome the problems they face and creating community independence in improving their standard of living with various approaches used.

In the context of Muhammadiyah, according to Elhady (2017), Muhammadiyah has been trying to empower since its establishment. The real effort can be seen from what has been done by the founders of Muhammadiyah by establishing an institution as a rescue center for people who are suffering from poverty and disease, which is named *Penolong Kesengsaraan Oemoem* (PKO), where this institution is now a hospital, health clinic, orphanage, rehabilitation center, and other social services. Muhammadiyah as a religious organization has been established since 1912 or more than a century (Radjasa, 2016; Rahmanto & Rozikan, 2017). With that age, Muhammadiyah has experienced rapid development, from the number of members in the broad coverage area nationally and internationally to many AUM and BUMM throughout the archipelago (Hafni & Harventy, 2013). Even since the second world war, cooperatives have been established by Muhammadiyah to fight economic domination by ethnic Chinese. Until the 1950s, Muhammadiyah further sought to increase efforts in the productive economic sector, such as the manufacturing industry, especially in the textile sector, to help strengthen the role of the Muhammadiyah organization in dealing with the economic problems of the people (Njoto-Feillard, 2016).

Along with the times, Muhammadiyah needs to understand that in this era of globalization, the reality of business as an economic activity to strengthen an organization's finances is a necessity

(Arifianto, 2017; H. Rahman, 2017). Therefore, organizations such as Muhammadiyah, sources of financial income from business activities are essential to facilitate the Muhammadiyah movement to achieve its goals (Hakim, 2018). According to Rahardjo (2000), Muhammadiyah should urge its members to their social responsibility in financing da'wah activities and organizational charitable activities in providing social services to the community. In addition, however, Muhammadiyah should carry out Empowerment or economic development for its members (community) (Muksin, 2015). In this case, according to Asy'Arie (2000), it is necessary to have a coaching program in improving the quality of human resources of Muhammadiyah members in managing and developing business professionally because the business charity management model is used to manage most of the management of Muhammadiyah business institutions, and has not been fully managed with a business organization management model.

At this time, Muhammadiyah is an Islamic organization that has a business charity and the most significant number of assets in the world (Pakkanna, 2010), and has very many members and is widespread not only throughout the territory of the State of Indonesia from urban to rural areas but also spread to various countries . Most Muhammadiyah members are educated, and many are engaged in business. Having a network with third parties is quite extensive, so it is relatively easy to build cooperation.

In this case, Muhammadiyah-owned business institutions such as Muhammadiyah-Owned Enterprises (BUMM) or Muhammadiyah Business Charities (AUM) have considerable potential if appropriately managed. However, the problem that needs to be faced is the consolidation of economic potential that has not been well organized. The economic power possessed by Muhammadiyah is still managed individually on a small scale, so efforts are needed that can synergize between business units through mergers or other strategies. This case needs to make these small business units become important business institutions with a brand widely known by the public (Supriyono, 2009). Applying the company's management model also needs to be considered to make AUM or BUMM can be managed appropriately (Machfoedz, 2000).

In addition to the above, what needs to be understood is that business charities or BUMMs can be used to obtain profit. However, if it is returned to the goals of Muhammadiyah, then profit-oriented business charities will be able to support non-profit-oriented organization da'wah activities, which distinguishes AUM or BUMM from other companies. Therefore, a Muhammadiyah business unit governance concept is needed, which refers to the principles of transparency, responsibility, and accountability and within the framework of the mandate to combine the business unit objectives with the holy ideals of Muhammadiyah (Hafni & Harventy, 2013).

In response to this, Muhammadiyah has begun to improve and earnestly seeks the realization of its economic movement. At the 47th Muhammadiyah Congress in Makassar in 2015, Muhammadiyah made the economic movement the third pillar in its da'wah movement. So that the Muhammadiyah Central Executive in 2017 issued a Guide to the management of Muhammadiyah-Owned Enterprises. Therefore, according to Lelisari (2020), to realize an effective and efficient Muhammadiyah economic movement program in planning, organizing, implementing, mentoring, and supervising BUMM management, the existence of a BUMM management guideline is mandatory as a reference in BUMM management so that it is managed according to the vision and Muhammadiyah's mission is to accommodate an excellent modern company management system.

The BUMM guide, which consists of 23 articles from 13 chapters, explains the governance of BUMM, namely, the form of company, financial management, the authority of shareholders, commissioners, and directors. In addition, the guideline also regulates the principles in the management of BUMM. The management principle of BUMM must be honest, trustworthy, superior, mission-oriented, obedient to the association, professional, accountable, transparent, impersonal, and provide benefits to the community. With a sound management system, it is hoped that Muhammadiyah Business Charities and Muhammadiyah-Owned Enterprises can significantly impact community empowerment as Muhammadiyah aspires to realize a massive economic movement.

## **Methods**

This type of research is a case study with a qualitative descriptive approach. Sources of data used in this study are primary and secondary data sources obtained through observation, documentation and interviews (the interview was conducted with Mr. Aminuddin as the director of CV. Syirkah Amanah and Mr. Sentot as Muhammadiyah Branch Manager of Lumajang). With this approach, it is expected to be able to explore data sources optimally to be interpreted and analyzed according to the findings in the field. Testing the validity of the data is done by using the triangulation method from the three data sources. The data obtained were selected according to the relevance of the research objectives then sorted into units to find patterns and studied according to the research theme, namely the management of BUMM and its role in the economic empowerment of organizations and the community's economy.

## **Result and Discussion**

The Regional Board of Muhammadiyah Lumajang has established a Business Entity with the Commanditaire Vennootschap (CV) model, namely CV. Syirkah Amanah with gas station and minimarket business units. It was established in 2007 to manage the gas station business unit built-in 2007 on some waqf land owned by the Regional Board of Muhammadiyah Lumajang. The gas station was established on 2,500 m<sup>2</sup> waqf land out of a total area of 14,177 m<sup>2</sup> managed by PDM Lumajang on Jalan Letkol Slamet Wardoyo no 103 Labruk Lor Village, Sumber Suko District, Lumajang Regency. The idea of establishing a gas station business came from the initiative of the Muhammadiyah Branch Rogotruman, Lumajang, who saw the waqf land's geographical location, which was very strategic and needed to be mapped to consider the potential profits that these business activities would generate.

The establishment of the Syirkah Amanah gas station followed PERTAMINA's policy in terms of ownership. The ownership of gas stations can only be owned by individuals or companies that are legal entities, as stated in the Letter of Cooperation Agreement for Gas Station Concession in article 1 paragraph 18. Therefore, in terms of licensing the establishment of gas stations, the Regional Board of Muhammadiyah Lumajang appoints Mr. Suharyo administratively to

represent PDM Lumajang as the owner of the Syrikah Amanah gas station business. Meanwhile, in business management, it is entirely handed over to CV. Syrikah Amanah that the Regional Board of Muhammadiyah Lumajang has appointed to manage and develop the gas station business unit.

Establishment of CV. Syrikah Amanah aims to ensure that the gas station business management can be appropriately managed in achieving the expected business targets. In this case, as a Muhammadiyah-Owned Enterprise, is given the task of managing gas station operations to build a professional and profitable business with modern governance. CV. Syrikah Amanah is responsible for designing, establishing a business unit (gas station), operating and managing it. In this case, financial management, marketing, human resources to business development are the responsibility and authority of CV. Syrikah Amanah. Therefore, CV. Syrikah Amanah as a partner in business management, is obliged to report its business activities, including cash flow reports, balance reports, and income projection reports.

In establishing a gas station business, it has a uniqueness, where the construction of a gas station requires significant funds, while on the other hand, PDM Lumajang does not have sufficient financial capacity to establish a gas station business unit. In the end, PDM held a meeting to decide on the financial sources for constructing the gas station. The meeting results decided that the financial resources would be obtained through a partnership system, namely cooperation with investment capital (shares). In this partnership, the priority scale is intended for Muhammadiyah autonomous organizations and Muhammadiyah business Charities, but in reality, it does not meet the expected needs, so the investment is opened for the community whose priority is Muhammadiyah members. So in this investment partnership, the parties involved include Persyarikatan Muhammadiyah, Muhammadiyah Autonomous Organization (ORTOM), Muhammadiyah Business Charities, and the community or members of Muhammadiyah.

The funds needed during the establishment of the gas station were worth 5.6 billion Rupiah, which was converted into 5600 shares.

Distribution of share ownership from CV. Syirkah Amanah, among others, namely; Ownership in the name of the Muhammadiyah autonomous organization as many as 18 shares, ownership in the name of Muhammadiyah consisting of Muhammadiyah Branch (PCM) and Muhammadiyah Regional Board (PDM) as many as 858 shares, ownership in the name of Muhammadiyah Business Charity as many as 600 shares and ownership in the name of individuals or the general public (Muhammadiyah members) as many as 4,124 shares whose ownership is in the name of individuals with a total of 81 shareholders from among Muhammadiyah members.

The partnership model in overcoming financial problems in establishing business institutions or Muhammadiyah-Owned Enterprises carried out by the Regional Board of Muhammadiyah Lumajang can solve the financial problems. Moreover, by maximizing the potential of Muhammadiyah in the form of assets, human resources, and the strength of its members' spirit, it is possible for all problems in carrying out business activities to be resolved. In addition, the Cooperation Model as implemented by CV Syirkah Amanah can also increase the spirit of togetherness, which is fading and individualistic recently among Muhammadiyah members, thereby triggering concerns that they will experience a decline in various sectors of the organization's activities. Therefore, this kind of cooperation and management model is expected to increase motivation in organization and cooperation in the business world. In addition, the management of Muhammadiyah-Owned Enterprises with models and systems similar to the management of business organizations, so that business institution can develop and compete with the pace of development of competitors that continue to emerge.

#### *The Development of The Management of The Syirkah Amanah Gas Station*

Muhammadiyah-owned enterprises in this modern era are required to survive during increasingly fierce competition. Therefore, there is always a demand to innovate and continue to improve the quality of business unit management professionally. Muhammadiyah-Owned Enterprises are business institutions whose management must be distinguished from the management model of social organizations

such as Muhammadiyah and Muhammadiyah autonomous organizations. In this case, Abdullah, (2010) emphasized that Muhammadiyah-Owned Enterprises called BUMM must be managed with a pure business management model (corporate). Without the management of the corporate model, BUMM will not be able to compete and will sink into the pace of competition. Therefore, the Regional Board of Muhammadiyah Lumajang established a CV. Syirkah Amanah in 2007 was the party that specifically mandated to manage the gas station business unit from collecting investment, building to operate the gas station business to develop the business unit.

CV. Syirkah Amanah started the construction of gas stations in 2007, and gas stations began operating in 2009. In the early stages of its activities, it can be categorized into 3; namely, 2006 is the business planning period, 2007 – 2008 is the period of establishment and construction of gas stations, and 2009 until now is the period of business operation and business development. Therefore, there was no dividend distribution to shareholders during the planning and construction of gas stations, namely from 2007 to 2009. However, in 2010 the gas stations could distribute dividends to investors with a profit-sharing system following capital investment. Since 2010, CV. Syirkah Amanah has made very significant progress. At the beginning of the operation of the gas station, the turnover only reached 10 tons per day, but over time the turnover of the gas station experienced a significant increase to reach 35 - 40 tons per day so that the increase in sales volume of the gas station had an impact on the increasing distribution of dividends to shareholders. In addition to the distribution of dividends per year, the increase in the value of assets owned by the Syirkah Amanah gas station also affects the value of shares which were initially worth 1 million Rupiah per share, now per share is worth 2 million Rupiah. In addition, thanks to its sound management, in 2016, the Syirkah Amanah gas station was awarded "The Best Pertamina Outlet".

In 2018, CV. Syirkah Amanah sold 400 new shares for business development. These shares were purchased on behalf of individuals distributed to 9 new shareholders. The total number of shares distributed was 6000 shares in 2018, and the number of shareholders

on behalf of individuals increased to 90 people from a total of 4,524 shares of individual ownership.

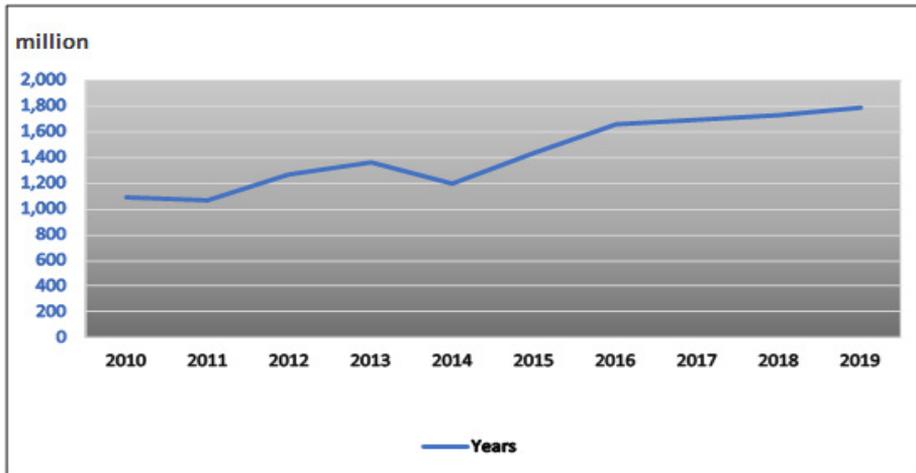


Figure 1. Net Profit at CV. Syirkah Amanah  
Source: CV Shirkah Amanah annual report (2010-2019) and  
(Hakim & Sarif, 2021)

The development of gas stations has increased significantly from year to year, as shown in figure 1. At the beginning of the gas station operation, the net profit got 1.085 billion Rupiah, increasing until 2019, reaching 1.8 billion Rupiah. In addition, the success of CV. Syirkah Amanah in realizing investment partnerships is inseparable from the fundamental factor in realizing partnerships, namely trust. Trust is very principle and strategic in determining the partnership's sustainability and business success. In this case, Muhammadiyah is an influential institution and guarantees trust from the community, so it plays a vital role in assuring trust to the parties involved in the partnership. Because of the trust in Muhammadiyah as the rope of holding the partnering parties.

After the success of managing the gas station business unit, CV. Syirkah Amanah has established the Syirkah Amanah Mini Market in 2018, located on Diponegoro street, Jogoyudan, Lumajang Regency, East Java 67316, which the mini-market serves people's needs, often referred to as "Toko Serba Ada" serving consumer goods and photocopying services.

### *Organizational Economic Empowerment*

Profit-oriented business activities as financial support in organizational activities is a demand that cannot be denied. Business activities are essentially a vital part of improving and facilitating organizational movements. Therefore, Muhammadiyah-Owned Enterprises are an essential part of supporting the realization of the third pillar of the Muhammadiyah movement to empower the organization's economy and the community's economy. In addition, Muhammadiyah did not start from scratch in realizing its economic movement. Muhammadiyah already has assets in the form of business charities and Muhammadiyah-owned enterprises spread throughout Indonesia and have the resources of millions of Muhammadiyah members from the center to the branches who can become producers, consumers, and distributors. In addition, the empowerment movement through economic activities can be carried out by involving all elements within Muhammadiyah such as; Muhammadiyah autonomous organizations and Muhammadiyah business charities in the context of realizing a massive Muhammadiyah economic movement by empowering its economic potential. The involvement of all parties will be beneficial in terms of financial resources, human resources, and sources of ideas and thoughts. Therefore, the activity of empowering Muhammadiyah's economic potential is expected to increase the independence and progress of Muhammadiyah by utilizing existing advantages and potentials into business activities to increase self-reliance, improve Muhammadiyah's welfare and improve community welfare. Therefore, Supriyono (2009), asserts that the economic strength of Muhammadiyah rests on two pillars, namely; Entrepreneurs and Muhammadiyah-Owned Enterprises (BUMM).

Muhammadiyah-Owned Enterprises managed by CV. Syirkah Amanah Lumajang, with the gas station business unit, has optimized the internal and external potential of the organization in developing productive businesses. As a result, CV. Syirkah Amanah can formulate a practical partnership model framework. Profit-oriented partnerships aim to realize mutual prosperity so that these partnerships can significantly create productive businesses and increase the financial income of organizations and communities. In this partnership, they used a profit and loss sharing system, CV. Syirkah Amanah has made a real financial

contribution in supporting organizational movements and activities. Every year CV. Syirkah Amanah holds a general meeting of shareholders (GMS) to report business activities and dividend distribution. The determination of the distribution of dividends follows the basic technical rules for determining the distribution of dividends as stipulated in the Muhammadiyah Central Board Guidelines on Muhammadiyah-Owned Enterprises. In addition, they refer to the technical rules agreed at the beginning of the agreement by all parties: shareholders, business managers (CV.Syirkah Amanah), and Muhammadiyah (PDM Lumajang). The agreement on the distribution of dividends is as follows; namely, Muhammadiyah as the whole person in charge and the owner of the business brand gets 20% of the total dividends, shareholders get 70% of the net profit (dividends) and the remaining 10% of dividends for reserve funds and business development.

The figure 2 shows that Muhammadiyah earns financial income from productive businesses managed by CV. Syirkah Amanah is 20% of business profits every year. It is clear that the business activities carried out by BUMM can empower the organization's economic resources (Muhammadiyah) or, in other words, can provide financial contributions in sustaining the organization's activities, whether in the form of da'wah activities, social service infrastructure development, education financing, social assistance, health services, and others following the mission of Muhammadiyah.

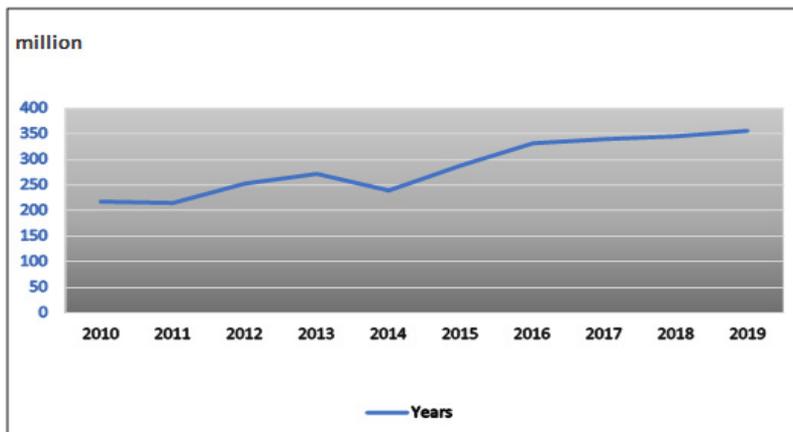


Figure 2. Muhammadiyah's Income from CV. Syirkah Amanah  
Source: CV Shirkah Amanah annual report (2010-2019)

In addition to income 20% of net profit, Muhammadiyah also gets a source of financial benefits from the management of this BUMM, namely from the distribution of dividends through investment (shares), both directly owned by Muhammadiyah or ownership through Muhammadiyah autonomous organizations and Muhammadiyah business charities. The ownership of shares sourced from the funds of these institutions is 1,476 shares which are distributed to Muhammadiyah Regional Board, Muhammadiyah Branch, Muhammadiyah Autonomous Organizations, and several Muhammadiyah Business Charities with the distribution as described previously in the discussion section.

#### *Community Economic Empowerment*

According to Aziz Muslim, (2009), empowerment is a process of community awareness that is carried out in a participatory, transformative, and sustainable manner in improving basic abilities in dealing with problems encountered and increasing abilities as expected. In this case, the community economic empowerment is an effort to improve the community's ability in the business sector with its potential, so it can change towards a better direction than the previous condition, in terms of the ability to grow a business and the ability to develop a business in order to increase their financial income.

In the context of Muhammadiyah, Malik, (2010) argues that Muhammadiyah, as a Religious Social Movement, must have the will and effort to build an economic movement, which is oriented towards community economic empowerment. Muhammadiyah has social capital from its members to strengthen its role in the economic field, which aligns with the concept of progressive Islam (Islam Berkemajuan) that KH. Ahmad Dahlan has pioneered (Hakim, 2019). Following the Muhammadiyah Bylaws, which states that "the Muhammadiyah movement in the economic field is to advance entrepreneurship towards the economy and improve the quality of life." Community economic empowerment carried out by Muhammadiyah will be able to motivate wider community involvement, especially from Muhammadiyah members themselves, because economic Empowerment requires community participation and active community involvement (Hakim, 2022), because it which

---

is the critical point for the success of economic Empowerment, so that the empowerment movement will be more effective and responsive. Therefore, the fundamental role of Muhammadiyah is as an inspirator, mediator, and facilitator in community economic empowerment.

As a Muhammadiyah-Owned Enterprise, CV. Syirkah Amanah is the facilitator of establishing an organization-based business unit with a capital partnership model that involves various parties, especially the surrounding community. Community participation in business investment is beneficial in realizing the establishment of this business unit, evidenced by the majority share ownership owned by the community. On the other hand, this business has also increased the income of the people who participate in the partnership, as seen in the figure below. It is clear here that this partnership relationship shows the occurrence of a mutualism symbiosis between Muhammadiyah and the community, namely the existence of a mutually reinforcing relationship, mutual need, and mutual benefit. The Government Regulation concerning partnership also explains the development of the people's economy through solid business partnerships between all economic actors based on mutual benefit. In addition, Muhammadiyah also provides opportunities and learning in investing in the community, especially the small and medium community, because individual shareholders are not from large capital owners, but from the middle to lower classes who have the spirit of partnering with guaranteed trust in the Muhammadiyah organization.

Besides the mutualism symbiosis between the partners, this business activity can also create new jobs for 30 employees who work in various sectors to overcome the problems of unemployment and poverty. It is clear here that involving the community's active role in business management is a means of empowering the community's economy so that the benefits can be felt by many parties, especially stakeholders and the general public. In addition, the dividend income of 20% received by Muhammadiyah is also used for social and religious activities, including for the construction of education and health facilities and infrastructure that benefit the community.

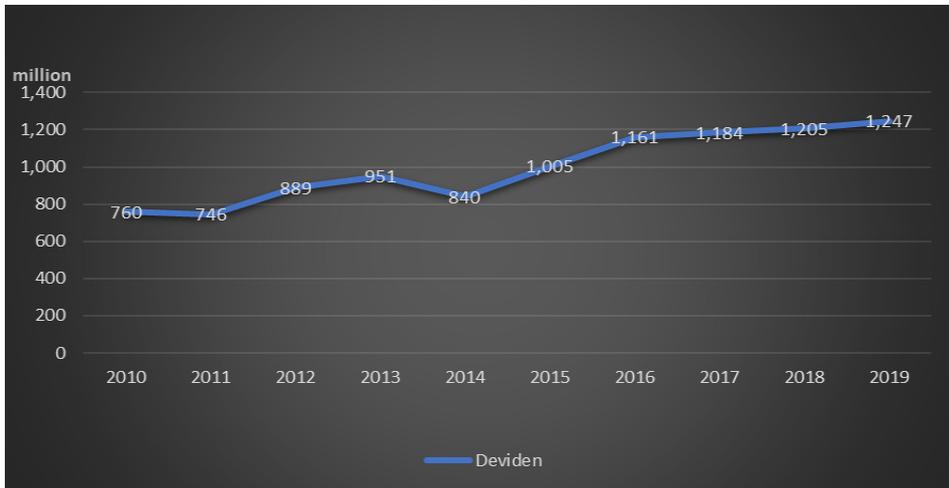


Figure 3. Deviden Distribution for CV. Syirkah Amanah Shareholders  
 Source: CV Shirkah Amanah annual report (2010-2019)

### Conclusion

From the discussion above, it can be concluded that the management of BUMM by CV. Syirkah Amanah has met the criteria to empower the organization's economy and society. It can be seen from the following categories; first, the involvement of active participation from institutions (Muhammadiyah, Ortom, and AUM) and the community in business partnerships so that they impact business establishment and development. Second, creating a productive business with the opening of a new strategic and profitable business sector can provide benefits to the organization and society. Third, opening a new business sector can create new jobs for the community. Furthermore, the fourth is the essential thing from business activities: an increase in financial resources received by both the organization and the community. Fifth, there is a symbiotic mutualism between the organization and the community, where this collaboration can bring benefits that can be felt by all parties involved in the partnership and the community in general. It is clear here that Muhammadiyah-Owned Enterprises (BUMM) Syirkah Amanah has a significant role in the economic Empowerment of organizations and communities. Meanwhile, Muhammadiyah, as the parent organization, has a vital role as an inspirator, mediator,

facilitator, and guarantee of trust in realizing the sustainability of this business sector.

### **Suggestions**

The management model of Muhammadiyah-Owned Enterprises with a business organization management system a carried out by CV. Syirkah Amanah has several advantages that can be used as a model in the management of business institutions based on social organization, namely; a) capital partnership model in overcoming financial problems in starting a business, b) management model for business institutions managed by professionals through CV. Syirkah Amanah, c) make potential assets more productive, d) productive management of waqf assets.

## Bibliography

- Abdullah, I. B. (2010). Reinventing Muhammadiyah: Ikhtiar Kecil Menuju Muhammadiyah Incorporated. In N. M. Fajar, I. Ulum, & Widayat (Eds.), *Gerakan Ekonomi Muhammadiyah; kajian dan pengalaman empiris*. UMM Press.
- Arifianto, A. R. (2017). Islam with progress : Muhammadiyah and moderation in Islam. In *RSIS Commentaries* (No. 213). <http://hdl.handle.net/10220/44024> Rights
- Asnifati, N. (2009). Pemberdayaan Ekonomi” dalam Najib Hamid. In N. Hamid (Ed.), *Memberi dan Mencerabkan* (pp. 135–141). Hikmah Press.
- Asy’Arie, M. (2000). Konsep Gerakan Pengembangan Ekonomi Persyarikatan Muhammadiyah. In A. Abdullah (Ed.), *Meretas jalan baru ekonomi Muhammadiyah* (pp. 105–113). Tiara Wacana.
- Baidhawry, Z. (2015). Lazismu and Remaking the Muhammadiyah’s New Way of Philanthropy. *Al-Jami’ah: Journal of Islamic Studies*, 53(2), 387–412. <https://doi.org/10.14421/ajis.2015.532.387-412>
- Elhady, A. (2017). Islamic Reform Movement In Indonesia : Role Of Muhammadiyah In Social Empowerment. *International Journal of Academic Research in Business and Social Sciences*, 7(8), 340–350. <https://doi.org/10.6007/IJARBS/v7-i8/3234>
- Fatimah, F. (2018). Improving Members ’Ability ‘Aisyiyah In Empowering Regional Economic Potentials To Improve Self- Independence And Progress Of Business Ways Of Muhammadiyah In Balung Jember. *Jurnal Pengabdian Masyarakat Ipteks*, 4(1), 65–76.
- Hafni, D. A., & Harventy, G. (2013). Membingkai Good Corporate Governance Amal Usaha Muhammadiyah dalam Kerangka Amanah. *JURNAL AKUNTANSI & INVESTAS*, 14(2), 85–95.
- Hakim, I. (2018). Muhammadiyah ’ s Framework on The Community Economic Empowerment. *FALAH Jurnal Ekonomi Syariah*, 3(2), 106–119.
- Hakim, I. (2019). The Dialectic of Contemporary Thought of The

- Muhammadiyah Economic Movement. *JESI (Jurnal Ekonomi Syariah Indonesia)*, 9(1), 51. [https://doi.org/10.21927/jesi.2019.9\(1\).51-64](https://doi.org/10.21927/jesi.2019.9(1).51-64)
- Hakim, I. (2022). *Model Gerakan Ekonomi Muhammadiyah Pasca Muktamar ke 47 Muhammadiyah 's Economic Movement Model Post-47th Congress*. 09, 325–334.
- Hakim, I., & Sarif, M. (2021). The Role of Productive Waqf in Community Economic Empowerment: A Case Study of Muhammadiyah Regional Board of Lumajang, East Java, Indonesia. *Journal of King Abdulaziz University, Islamic Economics*, 34(2), 41–54. <https://doi.org/10.4197/Islec.34-2.3>
- Hamid, A. (2017). Muhammadiyah and da'wah in social welfare. *Toward Community, Environmental, and Sustainable Development*, 6(6), 493–499.
- Lelisari, L. (2020). Tanggung Jawab Sosial Dan Lingkungan Badan Usaha Milik Muhammadiyah (Bumm) Terhadap Masyarakat Dan Lingkungan. *Media Keadilan: Jurnal Ilmu Hukum*, 11(2), 293. <https://doi.org/10.31764/jmk.v11i2.3084>
- Liddle, B. (2017). Urbanization and Inequality/Poverty. *Urban Science*, 1(4), 35. <https://doi.org/10.3390/urbansci1040035>
- Machfoedz, M. (2000). Penguatan Institusi Ekonomi untuk Pengembangan Umat. In A. Abdullah (Ed.), *Meretas Jalan Baru Ekonomi Muhammadiyah* (pp. 96–110). Tiara Wacana.
- Malik, N. (2010). Strategi Gerakan Ekonomi Bisnis Muhammadiyah. In N. M. Fajar, I. Ulum, & Widayat (Eds.), *Gerakan Ekonomi Muhammadiyah; kajian dan pengalaman empiris* (pp. 105–120). UMM Press.
- Muksin, U. (2015). Kiprah Muhammadiyah dalam Pemberdayaan Masyarakat Desa. *Anida*, 14(2), 372–386.
- Muslim, A. (2009). *Metodologi Pengembangan masyarakat*. Teras.
- Nasri, I. (2021). Majelis Ekonomi. *Suara Muhammadiyah Edisi Ke 03*, 19.
- Njoto-Feillard, G. (2014). Financing Muhammadiyah: ? Early

- Economic Endeavours of a Muslim Modernist Mass Organization in Indonesia (1920s-1960s). *STUDIA ISLAMIKA*, 21(1), 1–46.
- Njoto-Feillard, G. (2016). Muhammadiyah vs. Mammon: The Economic Trials and Tribulations of an Islamic Modernist Mass Organization in Indonesia (1990s–2000s) Gwenaël. In M. R. Mullins (Ed.), *New Religiosities , Modern Capitalism , and Moral Complexities in Southeast Asia* (pp. 17–38). Japanese Studies Centre University of Auckland.
- Pakkanna, M. (2010). Muhammadiyah Incorporated: Sebuah Keniscayaan di Abad Kedua. In N. M. Fajar, I. Ulum, & Widayat (Eds.), *Gerakan Ekonomi Muhammadiyah: kajian dan pengalaman empiris* (pp. 45–64). UMM Press.
- Radjasa. (2016). Moslem Community in Borobudur Central Java Respose of Muhammadiyah Community to Economic Change from Agriculture to Tourism. *International Journal of Education and Social Science*, 3(12), 51–58.
- Rahardjo, D. (2000). Format dan Strategi Pengembangan Ekonomi Muhammadiyah dalam melenium ke tiga. In *Meretas jalan baru ekonomi Muhammadiyah* (pp. 117–135). Tiara Wacana.
- Rahman, A., Syukur, M., & Jumadi, J. (2021). Implementation of al-Ma'un Theology: The Movement of Muhammadiyah Educated Groups in Poverty Alleviation in Bulutellue Village, Sinjai Regency. *INFERENSI: Jurnal Penelitian Sosial Keagamaan*, 15(1), 25–50. <https://doi.org/10.18326/infsl3.v15i1.25-50>
- Rahman, H. (2017). Peran Organisasi Keagamaan Muhammadiyah Dalam Modernisasi Ekonomi Masyarakat Islam Di Kota Pekanbaru (Tahun 2017). *JOM FISIP*, 4(2), 1–15.
- Rahmanto, M., & Rozikan. (2017). *Reintepretasi Islam dan Pemberdayaan Masyarakat ; Studi Kasus Majelis Pemberdayaan Masyarakat Muhammadiyah*. 1–10.
- Supriyono, I. (2009). L1MH. In N. Hamid (Ed.), *Memberi dan Mencerahkan* (pp. 143–146). Hikmah Press.
- Wrihatnolo, R. R., & Dwidjowijoto, R. N. (2007). *Manajemen pemberdayaan Sebuah pengantar dan panduan untuk*

*pemberdayaan masyarakat. Elex. Media Komputindo.*

Zulfikar, A., & Azhar, A. (2018). Persyarikatan Muhammadiyah Merespon Tantangan Dunia Kerja dan Kompetisi Global. *Kolokium Pemikiran Kaum Muda Muhammadiyah, April 2018*, 1–12. <https://doi.org/10.31227/OSF.IO/5CAVB>