ABSTRACT

At present time, the economic inequality in Indonesia is in a critical level since

Indonesia was awarded as the 4th of the World Most Unequal Countries in the World

by Independent UK. Therefore, economic empowerment of community is considered

as one of the rightest solutions to minimize the gap. This solution is used by the

Government of Bandung City which combining with the Sharia' financing as a method

for poverty alleviation in the region.

This research aims at elaborating the instrument of Islamic finance in

empowering economic on micro, small, and medium level and creating socio

economic justice. Particularly, this research seeks to analyse socio-economic

empowerment effect on the beneficiaries through an Islamic finance instrument issued

by the Bandung City Government, called 'Mesra Soft Loan' or 'Kredit Mesra'. This

research was conducted in several places in Bandung City, West Java, Indonesia,

which focused at PD. BPR Kota Bandung and Masjid Baitul Ma'mur, Bandung Kidul

Districts. In the research, descriptive with qualitative method was used to analysed this

research with triangulation of techniques using Data Analysis, Data Display, and

Conclusion Drawing and Verification.

The research proves that the positive improvement happened on the

beneficiaries after receiving the Kredit Mesra program. It is showed from the

achievement of Empowerment Index which have been reached by the beneficiaries.

The improvement affected the socio-economic-spiritual aspects of the beneficiaries.

The beneficiaries could generate this program to gaining their income through capital

assistance used in improving their economic condition. Furthermore, the social change

in interaction and involvement in social, spiritual, and socio-spiritual activities become

the benchmark that this program also affects many different aspect of community.

Keywords: Economy, Sharia', Empowerment, Socio-Economic-Spiritual Change

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