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Comparative Analysis of Maqashid Syariah Index Achievement at BPRS Muamalah Cilegon and BPRS Cilegon Mandiri After Covid-19 (2021–2023)

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ABSTRACT

This study aims to compare the achievement of Maqashid Syariah Index (MSI) in two Sharia People's Financing Banks (BPRS) in Cilegon City, namely BPRS Cilegon Mandiri and BPRS Muamalah Cilegon, after the Covid-19 pandemic in the 2021-2023 period. The research method used is a comparative descriptive quantitative approach with secondary data analysis in the form of annual financial statements of the two BPRS and structured interviews with management. MSI measurement is carried out based on three main indicators, namely individual education, justice enforcement, and welfare improvement, which are adapted from the Abu Zahrah model and the Simple Additive Weighting (SAW) method. The results showed that BPRS Muamalah Cilegon consistently obtained a higher MSI score than BPRS Cilegon Mandiri, with an average MSI score of 0,62828 in the study period. This finding indicates that BPRS Muamalah Cilegon is more optimal in implementing maqashid sharia objectives, although both BPRS still have challenges in improving achievement in certain aspects. This study recommends the need to strengthen maqashid sharia-based strategies and program innovations for both BPRS in order to contribute more to the recovery and empowerment of the post-pandemic community economy.

Keywords: Maqashid Syariah Index, BPRS, Covid-19, Financial Performance.

Introduction

The development of Islamic finance in Indonesia has experienced rapid growth in the last two decades, especially through the role of Islamic People's Financing Banks (BPRS) that focus on financing the micro and small sectors (Diniyah, 2023). In the midst of these dynamics, BPRS performance measurement is not only seen in terms of profitability, but also from the achievement of maqashid sharia objectives which include individual education, justice enforcement, and welfare improvement. One of the measurement tools used is the Maqashid Syariah Index (MSI), which offers a holistic approach in assessing the social and economic contributions of Islamic financial institutions (Nugroho & Trinugroho, 2023).

The Covid-19 pandemic that has hit the world since early 2020 has put great pressure on global economic stability, including Indonesia. The financial sector, especially Islamic banking, faces significant challenges due to the decline in economic activity, increased risk of non-performing financing, and changes in consumer behavior (Hasan, 2020). BPRS as a financial institution oriented towards the lower community is one of the most affected, so that maqashid sharia-based performance measurement becomes increasingly important to ensure the sustainability and relevance of this institution in the post-pandemic recovery period (Cakhyaneu, Puspitasari, Tanuatmodjo, & Firmansyah, 2020).

The fundamental impact of these problems can be seen in decreased profitability, increased liquidity risk, and limitations in channeling financing to the productive sector. The decline in people's purchasing power caused many micro and small businesses to have difficulty paying their obligations, which impacted the quality of BPRS assets. In addition, the implementation of maqashid sharia principles has become more challenging due to the limited resources and operational pressures faced by BPRS during and after the pandemic. The urgency of this research is even higher considering that BPRS is expected to be the driving force of economic recovery based on sharia values (Nasution, Soemitra, & Nasution, 2023).

Globally, the Covid-19 pandemic has caused widespread economic contraction. According to World Bank data, world economic growth experienced a sharp decline in 2020, with many countries going into recession. In Indonesia, economic growth in 2020 was recorded at minus 2.07% according to the Central Bureau of Statistics. The Islamic financial sector was also affected, with the Financial Services Authority (OJK) recording a decline in asset growth and an increase in non-performing financing (NPF) at BPRS during the pandemic (Mardhiyatur Rosita Ningsih, 2021). Regionally, Banten Province as the research location also experienced an economic slowdown, with Cilegon City as one of the centers of industry and trade also significantly affected.

At the local level, BPRS Cilegon Mandiri and BPRS Muamalah Cilegon are the two institutions that are the focus of the research. Based on the annual financial reports, these two BPRSs showed fluctuations in performance during the 2021-2023 period, with the main challenges in the aspects of financing distribution, risk management, and achievement of maqashid syariah indicators. Empirical data shows that the average MSI achievement of BPRS in Indonesia is still below 60%, signaling the need for evaluation and improvement of strategies to increase the social and economic contribution of this institution.

Research gaps related to the achievement of maqashid syariah in BPRS have been identified in various studies. Research by Amalia, Husna, & Edi, (2022) in North Sumatra found that the average performance of BPRS based on MSI during 2019-2021 was still low, with some elements such as profitability being particularly negatively impacted by the pandemic. Another study by Damayanti et al. (2022) compared the performance of Islamic banks in Indonesia and Malaysia before and during the pandemic, and found that the implementation of maqashid sharia is still fluctuating and not optimal in many Islamic financial institutions. Meanwhile, a study by Amalia et al., (2022) highlighted that despite improvement efforts, many Islamic banks in Indonesia experienced a decline in MSI scores during the pandemic, especially on the aspects of justice and welfare.

Solutions that have been pursued by regulators and industry players to overcome this problem include the provision of stimulus policies for financing restructuring, increasing Islamic financial literacy, and strengthening governance and risk management in BPRS. The government through OJK also encourages service digitization to improve operational efficiency and expand access to financing. However, the effectiveness of these solutions is still limited as many BPRSs face technological constraints, limited capital, and lack of competent human resources in the implementation of maqashid sharia principles as a whole (Jannati, Y. Rozali, & Cakhyaneu, 2023).

In addition, efforts to improve transparency and maqashid sharia-based financial reporting still face obstacles, such as unoptimized reporting systems and low awareness of the importance of non-financial performance measurement. Many BPRSs are also still focused on achieving financial targets, so social aspects and community education have not been a top priority. This has caused BPRS to not maximize its contribution to the objectives of maqashid sharia, especially in supporting the economic recovery of communities after the pandemic.

Preliminary studies conducted in Cilegon City show that the two BPRS in this region have unique characteristics, both in terms of organizational structure, business strategy, and customer segmentation. Cilegon City as a strategic industrial area in Banten Province provides great opportunities for the development of Islamic finance, but also presents its own challenges related to financial inclusion and community economic empowerment. The selection of the research location is based on the consideration that BPRS in Cilegon has an important role in supporting real sector growth and empowering MSMEs, as well as being a representation of the dynamics of BPRS in urban-industrial areas.

The objectivity of the research location selection is reinforced by the results of the preliminary study which shows the gap between the potential of the regional economy and the achievement of maqashid sharia-based BPRS performance. Preliminary data from financial reports and interviews with BPRS management indicate that despite the existence of social and educational programs, the implementation of maqashid syariah principles is still not optimal, especially in the aspects of fairness in financing distribution and improvement of community welfare.

In addition, Cilegon City has a relatively high level of economic growth in Banten Province, but the level of Islamic financial literacy and inclusion still needs to be improved. This condition makes Cilegon a strategic location to examine the effectiveness of maqashid sharia implementation in BPRS, as well as provide relevant recommendations for the development of Islamic finance in similar areas.

Previous research in other regions also shows that the achievement of MSI in BPRS is strongly influenced by internal factors such as capital adequacy, risk management, and asset quality, as well as external factors such as macroeconomic conditions and government policies. However, there are not many studies that specifically compare the performance of two BPRS in one region with the post-pandemic maqashid sharia approach, so this study is expected to fill the literature gap and make a practical contribution to the development of BPRS in Indonesia.

By understanding the dynamics and challenges faced by BPRS in Cilegon City, this study aims to provide a comprehensive overview of the achievement of maqashid syariah index at BPRS Cilegon Mandiri and BPRS Muamalah Cilegon during the period 2021-2023. The results of the study are expected to be the basis for formulating strategies to improve the performance of maqashid sharia-based BPRS, as well as supporting efforts to restore the community's economy in a sustainable manner.

Overall, the background of this problem emphasizes the importance of evaluating and comparing the performance of maqashid sharia-based BPRS in facing post-pandemic challenges. This research not only contributes to the development of science in the field of Islamic economics, but also provides strategic recommendations for practitioners and regulators in strengthening the role of BPRS as agents of social and economic change at the local and national levels.

Using an inverted pyramid approach, the explanation starts from an overview of the global problem, followed by specific impacts in Indonesia and regionally, to focus on the research location in Cilegon City. Research gaps and solutions that have been attempted are also systematically outlined, thus providing a strong foundation for the urgency and relevance of this research in the context of Islamic economic recovery after the Covid-19 pandemic.

Literature Review

In examining the comparison of the achievement of the Maqashid Syariah Index (MSI) at BPRS Cilegon Mandiri and BPRS Muamalah Cilegon after the Covid-19 pandemic, there are several important sub topics that need to be reviewed in depth. These sub topics include: (1) Concept and Dimensions of Maqashid Syariah Index in BPRS, (2) Impact of Covid-19 Pandemic on BPRS Performance, (3) MSI Measurement Methodology in the Context of Islamic Banking, (4) Trends and Innovations in Maqashid Syariah Practices in BPRS, (5) Comparison of MSI Performance between BPRS Cilegon Mandiri and BPRS Muamalah Cilegon, (6) Determinants of MSI Achievement in BPRS, and (7) Research Gaps and Policy Implications (Khabib Solihin, 2019).

The concept of Maqashid Syariah Index has developed into one of the main measuring tools in assessing the success of Islamic financial institutions, especially BPRS, in implementing sharia principles holistically (Kamarni, Ifriadi, & Arqani, 2023). MSI assesses not only aspects of profitability, but also contributions to education, justice, and community welfare. In the context of BPRS, the implementation of MSI is important to ensure that sharia objectives are achieved in a balanced manner, especially in the challenging post-pandemic situation (Cakhyaneu, 2018).

The Covid-19 pandemic has had a significant impact on the stability and performance of BPRS. The decline in purchasing power, increased risk of non-performing loans, and changes in customer behavior require BPRS to adapt quickly. Research in the last five years shows that BPRS that are able to survive and recover well are those that integrate maqashid sharia values in their business strategies and social services.

The MSI measurement methodology in BPRS generally uses a quantitative approach with indicators developed from Abu Zahrah's theory and local context adjustments. The main indicators include individual education (tahdzib al-fard), justice enforcement (iqamah al-adl), and welfare improvement (jalb al-maslahah). Some studies have also begun to adopt the Simple Additive Weighting (SAW) method to give weight to each indicator, so that the measurement results become more objective and measurable (Rudi Setiyobono, Nurmala Ahmar, & Darmansyah, 2019).

Recent trends in MSI research on BPRS show an increased attention to non-financial aspects, such as community education, strengthening Islamic financial literacy, and local economic empowerment. BPRS that are active in social programs and financial literacy tend to have higher MSI scores. In addition, digitization of Islamic services and product innovation are important factors in strengthening the achievement of maqashid sharia in the post-pandemic era (Kadir & Rahman, 2022).

The comparison of MSI performance between BPRS Cilegon Mandiri and BPRS Muamalah Cilegon during 2021-2023 shows interesting dynamics. Based on the latest data and analysis, BPRS Muamalah Cilegon consistently shows higher MSI achievements than BPRS Cilegon Mandiri, especially in the aspects of justice and welfare. However, both BPRS still face challenges in the aspect of individual education, which is reflected in the low allocation of funds for education and training programs.

Factors that influence the achievement of MSI in both BPRS include the quality of governance, product innovation, involvement in social programs, and policy support from regulators. The research also highlights the importance of financial and non-financial reporting transparency as a form of institutional accountability in achieving sharia objectives. In addition, limited human resources and capital are the main obstacles in optimizing the achievement of MSI, especially for BPRS with smaller business scale.

A significant research gap in this area is the lack of in-depth comparative studies between BPRS in one region with the MSI approach, especially post-pandemic. Most studies still focus on descriptive analysis of one institution or highlight financial aspects alone. In fact, a comparative approach is very important to identify best practices and specific challenges faced by each BPRS in a similar context.

In addition, there are limitations in reporting non-financial data, such as education and community empowerment programs, which are often not recorded in detail in the BPRS financial statements. This makes it difficult for researchers to conduct a comprehensive evaluation of the achievement of maqashid syariah as a whole. Future research is expected to develop measurement instruments that are more inclusive and adaptive to local dynamics.

Solutions that have been attempted by BPRS and regulators to overcome the challenges of achieving MSI include digitizing services, strengthening Islamic financial literacy, and restructuring financing for customers affected by the pandemic. However, the effectiveness of these solutions is still limited by technological constraints, limited capital, and low digital literacy among BPRS customers and employees. This shows the need for a more integrated and sustainable strategy in improving the achievement of maqashid sharia in BPRS.

Finally, the selection of Cilegon City as the research location has strong objective reasons. The city is the center of economic growth in Banten with two active BPRS and has diverse customer characteristics. Preliminary studies show a gap between the economic potential of the region and the achievement of MSI in both BPRS, so comparative research in this region is very relevant to provide applicable and empirical data-based policy recommendations.

Methods

The research method used in this study is a quantitative approach with a comparative descriptive research type. This study aims to compare the achievement of the Maqashid Syariah Index (MSI) at BPRS Cilegon Mandiri and BPRS Muamalah Cilegon after the Covid-19 pandemic in the 2021-2023 period. The population in this study is all BPRS operating in Cilegon City, where there are two BPRS that are the object of research, namely BPRS Cilegon Mandiri and BPRS Muamalah Cilegon. The data sources used are secondary data in the form of annual financial reports of the two BPRS from 2021 to 2023, as well as primary data in the form of interviews with BPRS management to strengthen the analysis related to the implementation of maqashid sharia programs that are not listed in detail in the financial statements. Data collection techniques were conducted through documentation of financial statements and structured interviews. Data analysis was conducted by calculating the Maqashid Syariah Index value based on individual education indicators, justice enforcement, and welfare improvement, adapted from Abu Zahrah's model and Simple Additive Weighting (SAW) method. Furthermore, an independent t-test or Mann-Whitney U test was conducted to determine the significance of the difference in MSI values between the two BPRS during the study period. The results of the analysis are presented descriptively and comparatively to provide an objective picture of the achievement of maqashid syariah at the two BPRS in Cilegon City after the Covid-19 pandemic

Results and Discussion

Performance Ratio Determination

Individual Education *(Tahdzib Al-Fardhu)*

Within this first objective, there are four areas: education (R1), research (R2), training (R3) and publications (R4). Through these four aspects, it can be understood how BPRS contributes to the education of individuals. The first objective performance ratio values are shown in the table below:

Table 1

Maqashid Syariah Performance Ratio First Objective

BPRS	Year	First Objective Performance Ratio				
		R (1)	R (2)	R (3)	R (4)	
BPRS Cilegon Mandiri	2021	0,00	0,00	0,00	0,00	0,00
	2022	0,00	0,00	0,00	0,00	0,00
	2023	0,00	0,00	0,00	0,00	0,00
BPRS Muamalah Cilegon	2021	0,00	0,00	0,00	0,00	0,00
	2022	0,00	0,00	0,00	0,00	0,00
	2023	0,00	0,00	0,00	0,00	0,00

Source: Data processed by the author 2024

The first aspect that affects maqashid sharia performance is education grants, which is the amount of funds provided by Islamic Financing Banks for education grants divided by the total amount to be paid. A larger amount of education grants compared to the total expenses indicates that the Islamic Financing Bank is better at developing internal and external banking education.

The table above shows that the Islamic People's Financing Bank has not received education grants with the same percentage result of 0,00% in 2021-2023, which means that the Islamic People's Financing Bank has not maximized their spending on education so that it has not reached 1% of the total funds allocated to this area.

However, after the author conducted direct interviews with related parties, each BPRS did not specifically display in the financial statements for Education expenses.

Nevertheless, actually each BPRS still implements the first goal of the maqashid sharia index, namely maintaining and advancing science and education. This shows their commitment to sharia principles, although not explicitly reflected in the financial statements.

At BPRS Muamalah Cilegon, has a program “Binaan Rumah Tahfidz” which in Banten province there are about 3-5 fostered houses, as well as a loan shark-free village program where a recitation is also held about fiqh muamalah. And for BPRS Cilegon Mandiri, it has a literacy education program for the community. Both programs aim to realize maqashid sharia, namely improving morals and developing human potential.

The second aspect affecting maqashid syariah performance is research, i.e. how much funds are used for research and development activities. Research is important because it helps BPRS improve the capabilities of its workforce, innovate, and improve quality and services. However, the data shows that during 2021-2023, BPRS has not spent any funds on research at all (0,00%). In addition, spending on education is also very small, less than 1% of total funds.

This low level of funding for education and research means that BPRS is missing an opportunity to contribute more to community development. If BPRS increases investment in these areas, they will not only strengthen their position as an Islamic financial institution, but also help improve the overall quality of life of the community. A commitment to education and research will provide long-term benefits to BPRS and the wider community.

The training aspect is the cost incurred by BPRS to improve employee competence and quality. From the available data, both BPRS, namely BPRS Muamalah Cilegon and BPRS Cilegon Mandiri, have not allocated special funds for this training. Even so, both BPRSs actively conduct training for employees, both internally through workshops and seminars, as well as in collaboration with professional training institutions and universities. This demonstrates their commitment to continuously develop their employees' capabilities in order to provide the best services.

BPRS management believes that investment in human resource development is essential to maintain competitiveness and improve service quality. In addition to technical training, they also focus on developing soft skills such as leadership, communication, and teamwork, which helps create a productive and innovative work environment.

The publication aspect is the cost incurred by BPRS for promotion and disseminating information about BPRS to the public. If the funds for publication are large, then the role of BPRS in introducing Islamic banking will be stronger, especially for people who are not familiar with BPRS.

However, based on the data, the publication costs of both BPRS in Cilegon are still low. Even so, they still try to increase visibility and reputation through various means, such as holding events to raise public awareness about BPRS. Although the publication budget is limited, BPRS Muamalah Cilegon and BPRS Cilegon Mandiri continue to innovate in communication and marketing strategies in order to reach more customers and increase public trust in their services.

Enforcement of Justice (Iqamah al-Adl)

In addition to this second objective, there are three aspects: fair return (R5), functional distribution (R6), and interest-free products (R7). Through these three aspects, it can be understood how BPRS contributes to upholding justice. The second objective performance ratio values are shown in the table below:

Table 2

Maqashid Syariah Performance Ratio Second Objective

BPRS	Year	Second Objective Performance Ratio		
		R(5)	R(6)	R(7)
BPRS Cilegon Mandiri	2021	0,000508486	0,31154539	0,917233678
	2022	0,072866671	0,16397549	0,451690239
	2023	0	0,281351318	0,785630615
BPRS Muamalah Cilegon	2021	0,367126964	0,181578535	0,957503136
	2022	0,587404593	0,238021136	0,76539266
	2023	0,204635482	0,326788663	0,671633806

Source: Data processed by the author 2024

The first aspect of this second objective is fair return of funds, measured by the value of Profit Equalization Reserve (PER) compared to investment returns. The data shows that BPRS Muamalah Cilegon has the highest PER value in 2022 of 0,58%, while BPRS Cilegon Mandiri recorded 0% in 2023.

The high PER value of BPRS Muamalah Cilegon indicates that this bank has managed its funds and investments well, so that it can provide fair returns to customers. This shows the efficiency and transparency that is important in Islamic banking.

Meanwhile, the 0% value at BPRS Cilegon Mandiri may indicate different challenges or strategies in fund management that have not been optimized. However, the bank is still trying to improve its performance through various initiatives to attract customers and improve financial literacy. Despite the difference in PER values, both BPRS endeavor to provide fair returns to customers. BPRS Muamalah Cilegon has shown good performance, while BPRS Cilegon Mandiri still has opportunities to improve through product innovation.

Overall, the high PER value reflects the successful management of funds and commitment to sharia principles, which not only increases bank profits but also provides direct benefits to customers. By maintaining this performance, BPRS Muamalah Cilegon can contribute more to local economic development and community welfare.

The second aspect of the second objective is functional distribution, which is the BPRS expenditure on financing with mudharabah and musyarakah contracts compared to total investment. These contracts are important because they provide fair financing, where customers and banks share profits and losses together. The data shows that BPRS Muamalah Cilegon has the highest percentage in 2023 at 0,32%, which means the bank has successfully used mudharabah and musyarakah contracts well. This shows their commitment to providing profitable products while helping the social welfare of the community.

Meanwhile, BPRS Cilegon Mandiri recorded the lowest percentage of 0,16% in 2021. Although low, this could be because they are adjusting their strategy or facing challenges in implementing the contract. However, this is also an opportunity to develop more innovative financing products in the future.

Overall, both BPRS have great potential to contribute to fair and sharia-compliant financing. By continuing to develop mudharabah and musyarakah-based products, BPRS can strengthen their role in supporting local economic growth and community welfare. With this approach, BPRS not only achieves business objectives, but also contributes to broader social development, creating an inclusive and sustainable financial system.

The third aspect of the second objective is interest-free products, which is the income earned by BPRS without coming from interest, according to the principles of Islamic banking that avoid usury. The data shows that BPRS Muamalah Cilegon has the highest percentage of interest-free income in 2021 at 0,95%, signaling their success in running a sharia-compliant business.

On the other hand, BPRS Cilegon Mandiri recorded the lowest percentage in 2022 at 0,45%. Although lower, this may be because they are adjusting their strategy to increase their interest-free income and face challenges in developing attractive and sharia-compliant products.

Both BPRSs are committed to continuously improving products and services that are halal and beneficial to the community. They can develop products such as mudharabah and musyarakah financing to add value for customers while increasing interest-free income. With these efforts, BPRS not only strengthens its market position, but also builds public trust in Islamic banking as a better alternative to conventional banking.

Welfare Improvement *(Jalb al-Mashlahah)*

In the third objective there are three aspects of measurement, namely the Profitability Ratio (R8), Personal Income (R9) and Investment in the Real Sector (R10). In this third objective will be seen to what extent the role of BPRS to create prosperity. The value of the third objective ratio can be seen in the table below:

Tabel 3

Maqashid Syariah Performance Ratio Third Objective

BPRS	Year	Third Objective Performance Ratio		
		R (8)	R (9)	R (10)
BPRS Cilegon Mandiri	2021	0,001258489	0	0
	2022	0,006592979	0	0
	2023	0	0	0
BPRS Muamalah Cilegon	2021	0,020686243	0,030833466	0
	2022	0,018789907	0,038125128	0
	2023	0,019362686	0,035375376	0

Source: Data processed by the author 2024

The first aspect of the third objective is the ratio of net profit to total assets. This ratio shows the ability of BPRS to generate profits from its assets and its impact on community welfare. The data shows that BPRS Muamalah Cilegon has the highest ratio in 2021 at 0,019%, which indicates efficient asset management and a good investment strategy. This helps local economic growth and community welfare.

However, BPRS Cilegon Mandiri recorded a value of 0% in the same period, indicating challenges in generating profits. Factors such as management issues, sub-optimal financing disbursement, or corruption cases may have affected this performance. However, BPRS Cilegon Mandiri is working to improve conditions through improved governance and risk management.

Both BPRS have an important role in the regional economy. The good performance of BPRS Muamalah Cilegon can be an example for BPRS Cilegon Mandiri to improve its strategy and profitability. With these improvements, both can provide greater benefits to the community and local economy.

The second aspect of the third objective is seen from personal income, namely zakat funds issued by BPRS compared to its net profit. The greater the zakat funds issued, the greater the role of BPRS in helping the welfare of the community. BPRS Cilegon Mandiri does not report the amount of zakat issued, while BPRS Muamalah Cilegon recorded the highest percentage of zakat of 0,38% in 2022. Focusing on interest-free product development is essential for BPRS to achieve its objectives in accordance with sharia principles. By increasing revenue from halal products and reducing non-halal revenue, BPRS not only strengthens its position as an Islamic financial institution, but also contributes to fair and sustainable economic development

The last aspect of the third objective is investment in the real sector, which is the funds spent by BPRS on direct investment in the real economy compared to its total investment. This investment is important as it is expected to encourage the economic development of the community.

But, the two BPRS in Cilegon have not published data on spending on real sector investment. This lack of transparency may undermine public trust as they are not clearly informed about the BPRS' contribution to the local economy. Without clear data, it is also difficult for BPRS to evaluate and develop more effective investment strategies. This may hinder improvements in operational efficiency and investment management that could potentially provide greater benefits to the community.

Assessing Performance based on Maqashid Syariah Index indicators

The next step is to get the indicator value through the summation of performance aspects with the weight of each performance ratio element.

1. Individual Education

   $IK_1 = (R1)+(R2)+(R3)+ R4)$

Table 4

Performance Indicators of Maqashid Syariah First Objective

BPRS	Year	First Objective Performance Ratio				
		$IK1_1$	$IK1_2$	$IK1_3$	$IK1_4$	Total IK1
BPRS Cilegon Mandiri	2021	0,00	0,00	0,00	0,00	0,00
	2022	0,00	0,00	0,00	0,00	0,00
	2023	0.00	0,00	0,00	0,00	0,00
BPRS Muamalah Cilegon	2021	0,00	0,00	0,00	0,00	0,00
	2022	0,00	0,00	0,00	0,00	0,00
	2023	0,00	0,00	0,00	0,00	0,00

Source: Data processed by the author 2024

2. Enforcement of Justice

   $IK_2 = (R5) + (R6) + R(7)$

Table 5

Performance Indicators of Maqashid Syariah Second Objective

BPRS	**Year**	**Second Objective Performance Ratio**			
		$IK2_1$	**$IK2_2$**	**$IK2_3$**	**TOTAL IK2**
BPRS Cilegon Mandiri	2021	0,000153	0,099695	0,348549	0,183842
	2022	0,02186	0,052472	0,171642	0,10085
	2023	0	0,090032	0,29854	0,159315
	2021	0,110138	0,058105	0,363851	0,218159
	2022	0,176221	0,076167	0,290849	0,222727

BPRS Muamalah Cilegon	2023	0,061391	0,104572	0,255221	0,172685

Source: Data processed by the author 2024

3. Welfare Improvement
   IK_3 = (R8) + R(9) + R(10)

Table 6

Maqashid Syariah Performance Indicators Third Objective

BPRS	Year	Third Objective Performance Rasio			
		$IK3_1$	$IK3_2$	$IK3_3$	TOTAL IK3
BPRS Cilegon Mandiri	2021	0,000415	0	0	0,00012
	2022	0,002176	0	0	0,000631
	2023	0	0	0	0
BPRS Muamalah Cilegon	2021	0,006826	0,00925	0	0,004662
	2022	0,006201	0,011438	0	0,005115
	2023	0,00639	0,010613	0	0,004931

Source: Data processed by the author 2024

4. The sum of BPRS performance on the three objectives of the maqashid syariah index

Table 7

Maqashid Syariah Index BPRS in Cilegon City (2021-2023)

BPRS	Year	Maqashid Syariah Index Indicator			
		IK1	IK2	IK3	TOTAL
BPRS Cilegon Mandiri	2021	0	0,183842	0,00012	0,18396
	2022	0	0,10085	0,000631	0,10148
	2023	0	0,159315	0	0,15932
BPRS Muamalah Mandiri	2021	0	0,218159	0,004662	0,22282
	2022	0	0,222727	0,005115	0,22784
	2023	0	0,172685	0,004931	0,17762

Source: Data processed by the author 2024

Discussion

BPRS Financial Performance based on Individual Education indicators (Tahdib Al-Fard)

Education is the key to achieving maqashid sharia. BPRS plays a role in strengthening education for employees and customers through four aspects: educational grants, research, training, and publications. However, based on the data from Table 5, the two BPRSs in Cilegon do not report expenditure on education grants, research, training and publications in their financial statements. Therefore, these educational objectives are difficult to measure with certainty, and this could affect community trust in the BPRS.

However, interviews show that both BPRSs continue to run education programs for stakeholders and customers. They conduct workshops and intensive training on fund management, Islamic investment and risk management. In addition, the BPRS also works with the local government to develop financial education programs for children and youth.

This proves the commitment of BPRS in Cilegon in improving individual education. With a broader and more effective education program, BPRS can help the community be more aware and capable of managing funds in a sharia manner, as well as contribute to the development of the local economy.

Financial Performance of BPRS based on the Enforcement of Justice Objective (*Iqamah Al-'Adl)*

The second objective emphasizes the importance of justice for BPRS stakeholders and customers. Three main ratios are measured: fair return, functional distribution (mudharabah and musyarakah financing), and interest-free products. BPRS must ensure all transactions are fair and honest in order to increase public trust and build a good image.

BPRS Muamalah Cilegon achieved the highest fairness enforcement score of 0,61%, better than BPRS Cilegon Mandiri. During 2021-2023, BPRS Muamalah Cilegon experienced fluctuations in its fair return ratio, with a value of 6,161,379 in 2022 and total income of 10,489,157. BPRS Cilegon Mandiri also experienced an increase in the ratio with a value of 3,381,979 and total income of 106,740,781 in the same year.

Regarding mudharabah and musyarakah financing, BPRS Muamalah Cilegon recorded a total of 67,172,744 from a total investment of 261,970,326, while BPRS Cilegon Mandiri had financing of 205,180,797 from a total investment of 827,235,793 in the same period. In interest-free products, BPRS Muamalah Cilegon reached 53,651,514 and BPRS Cilegon Mandiri 71,730,099 during 2021-2023. Overall, both BPRSs show commitment to upholding justice according to maqashid syariah principles, with BPRS Muamalah Cilegon showing superior performance in several aspects.

Financial Performance of BPRS based on Welfare Objective (*Jalb Al-Mashlahah)*

The third objective of maqashid sharia is to improve people's welfare (Jalb Al-Maslahah). BPRS is expected to provide great benefits through three main ratios: profitability, personal income (zakat), and investment in the real sector. Based on the data, BPRS Muamalah Cilegon has the highest average value of 14,7%. For profitability ratio, BPRS Muamalah Cilegon reached 5,88% with an average net profit of 13,451,628 and total assets of 690,859,602. While BPRS Cilegon Mandiri has a ratio of 0,79% with a net profit of 3,395,002 and total assets of 1,119,068,836.

In the ratio of personal income, BPRS Muamalah Cilegon issued zakat of 437,336 compared to its net profit, while BPRS Cilegon Mandiri did not publish zakat data. For the ratio of investment in the real sector, both BPRS in Cilegon have not published their expenditure data.

BPRS Muamalah Cilegon shows better performance in improving community welfare, although there are still data limitations, especially on real sector investment.

Comparative Analysis of Maqashid Syariah Index Achievements Before and After Covid-19

The COVID-19 pandemic has had a major impact on human life and the economy, including the banking sector such as Islamic People's Financing Banks (BPRS). The decline in economic activity during the pandemic has led to an increase in poverty and unemployment, as well as social restrictions that limit community activities. This impact also disrupts banking performance, including BPRS in Cilegon City, which is experiencing financial problems and decreased performance. This study aims to statistically prove the difference in the performance of BPRS before and after the COVID-

19 pandemic, and to see whether the performance of BPRS is in accordance with sharia values and principles.

The results of the study using the Sharia Maqashid Index (SMI) show that the financial performance of BPRS during the pandemic has not fully achieved sharia objectives, because BPRS has not recorded certain expenses in its financial statements. However, BPRS in Cilegon has implemented many programs that support sharia objectives. A comparison of the efficiency of BPRS after the pandemic shows varying results, depending on each bank's ability to control costs and maintain lending.

Comparison of Performance of Sharia People's Financing Bank (BPRS) Cilegon Mandiri and Sharia People's Financing Bank (BPRS) Muamalah Cilegon City

Evaluation of the performance of BPRS in Cilegon City from 2021 to 2023 using the Maqashid Syariah Index (MSI) shows significant differences between BPRS Muamalah and BPRS Cilegon Mandiri. In 2021, the early recovery period after the COVID-19 pandemic, BPRS Muamalah Cilegon City excelled with an MSI value of 0,22282, while BPRS Cilegon Mandiri got 0,18396. This value shows that both banks managed to make a positive contribution to the welfare of the community despite the recovery period.

In 2022, BPRS Muamalah again showed better performance with an MSI value of 0,22784, signaling a strong commitment to achieving maqashid sharia goals. Meanwhile, BPRS Cilegon Mandiri experienced a decline with a value of 0,10148, indicating challenges in achieving these goals. However, in 2023, the MSI values of both banks decreased, with BPRS Muamalah amounting to 0,17762 and BPRS Cilegon Mandiri 0,15932. Although BPRS Muamalah is still ahead, this decline indicates the need for evaluation and improvement of operational strategies and increased compliance with sharia principles. This condition emphasizes the importance of both BPRSs to focus more on sharia and social performance in order to better fulfill maqashid sharia objectives.

Conclusion

Based on the results of the analysis of the financial performance of BPRS from the perspective of the Maqashid Syariah Index (MSI) for the 2021-2023 period, it can be concluded that in general BPRS has tried to implement the three main objectives of maqashid syariah well, although there are still shortcomings and advantages in achieving the ratio of each objective. In the first objective, namely individual education, BPRS has carried out its role even though it has not specifically published the burden of individual education, such as the ratio of educational grants, research, training, and publications in its financial statements. For the second objective, namely the enforcement of justice, BPRS Muamalah Cilegon Mandiri recorded the highest achievement of 0,61, and consistently channeled financing mainly on mudharabah and musyarakah schemes, although there was a decrease every year and some BPRS did not channel financing on mudharabah schemes. In the third objective, namely welfare improvement, BPRS Muamalah Cilegon also recorded the highest value of 14,078, although there are still BPRS that have not reported zakat distribution in their annual financial statements. Overall, the highest MSI average value in this period was also achieved by BPRS Muamalah Cilegon of 0,62828. This shows that BPRS has been committed to implementing the principles of maqashid sharia, but still needs to increase transparency and consistency in reporting and achieving relevant ratios

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