

# The Contribution of UIN SATU Tulungagung to MSME Welfare in Plosokandang Village: An Islamic and Positive Law Perspective

Nina Indah Febriana<sup>1</sup>, Khofifah Nanda Putri Pangestu<sup>1</sup>

<sup>1</sup> UIN Sayyid Ali Rahmatullah Tulungagung, Indonesia

 [ninaifebriana@gmail.com](mailto:ninaifebriana@gmail.com)\*

## Article Information:

Received Februari 10, 2025

Revised Maret 20, 2025

Accepted Maret 27, 2025

**Keywords:** *MSMEs, Higher Education, Social Contribution, Islamic Law, Positive Law*

## Abstract

The contribution of higher education institutions to the development of micro, small, and medium enterprises (MSMEs) plays a strategic role in enhancing community welfare and strengthening the local economy. This study investigates the involvement of UIN Sayyid Ali Rahmatullah (UIN SATU) Tulungagung in supporting MSMEs in Plosokandang Village, Tulungagung Regency, from both Islamic and positive (national) legal perspectives. Using a descriptive qualitative method, data were collected through field observations, in-depth interviews with 15 MSME actors, and analysis of relevant documents and literature. The findings show that the university contributes through business training, student internships, mentoring programs, and market access facilitation. Concretely, 73.3% of respondents reported increased monthly income by 15–25% after engaging in campus-supported activities. From an Islamic law standpoint, these efforts reflect the values of *ta'awun* (mutual assistance) and *maslahah* (public benefit), while from the perspective of positive law, they align with the *tri dharma* of higher education, particularly community service. In conclusion, UIN SATU's active role in MSME empowerment is well-grounded in both Islamic and national legal frameworks and significantly contributes to local economic resilience

## How to cite:

Indah Febriana, N., & Nanda Putri Pangestu, K. (2025). The Contribution of UIN SATU Tulungagung to MSME Welfare in Plosokandang Village: An Islamic and Positive Law Perspective . El-Kahfi | Journal of Islamic Economics, 6(01), 157-170. <https://doi.org/10.58958/elkahfi.v6i01.480>

## E-ISSN:

2722 – 6557

## Published by:

Manna wa Salwa College of Islamic Economics, Tanah Datar, West Sumatra, Indonesia

## INTRODUCTION

The rapid development driven by infrastructure expansion not only reshapes the social environment but also significantly contributes to the welfare of surrounding communities. In Indonesia, the establishment of state universities (PTNs) often sparks the creation of new residential areas and stimulates local economic growth. As student populations grow, so does the economic activity around campuses, evident in the rise of micro, small, and medium enterprises (MSMEs) such as food stalls, student boarding houses, and property-related businesses.

The education sector, especially universities, acts both as a symbol of regional identity and as a key economic catalyst. A university's presence positively influences human resource development and the welfare of the local population, who often take advantage of this growth by launching MSMEs. These enterprises not only generate employment but also increase income levels, enabling residents to meet their primary and secondary needs. As Sudharto notes, universities are “wanted facilities” because their student populations create steady and substantial opportunities for MSME actors. Students have daily consumption needs, offering a consistent and promising market for local businesses.

MSMEs thus play a vital role in enhancing community welfare by addressing critical issues such as poverty, employment, income generation, healthcare access, housing, and connectivity—including access to communication technologies. According to the Central Statistics Agency (BPS), welfare is achieved when individuals can meet both physical and spiritual needs. It is measured through the fulfillment of basic human necessities like food, clothing, and shelter, along with indicators such as employment, income, education, health, housing, environmental quality, and other social dimensions (Rohman, 2022).

To achieve welfare, individuals often require the support of others, as described by Ibn Khaldun in his *Muqaddimah*, emphasizing that humans are social beings who rely on one another. This also applies to entrepreneurs who depend on workers to produce goods for sale. Furthermore, Allah SWT promises sustenance to all living beings, as stated in Surah Hud verse 6:

﴿٦﴾ مُبِينٌ كُتِبَ فِي كُلِّ ۖ وَهُمْ يُسْتَوَدَعُهَا مُسْتَقَرًّا وَيَعْلَمُ رِزْقُهَا اللَّهُ عَلَىٰ إِلَّا الْأَرْضُ فِي دَابَّةٍ مِنْ وَمَا ﴿٦﴾

Artinya : “And there is no creature on earth but that upon Allah is its provision, and He knows its place of dwelling and place of storage. All is in a clear record”

The term "contribution" comes from the English word "contribute," meaning to provide support either through material resources or actions. Material contributions include tangible aids such as goods or funds, while action-based contributions involve participation that can have positive or negative effects on others. Generally, contributions reflect active cooperation influencing social and economic dynamics. In economic terms, contributions refer to inputs from individuals or institutions that aim to achieve specific goals. Nur Fatin in *Kampus Ekonomi* defines contribution as any input that positively impacts another party.

Education is a structured process to develop individual potential, intelligence, and skills for societal engagement, as outlined in Law No. 20 of 2003 on the National Education System. Higher education includes various levels of study from Diploma to Doctoral programs. According to Supandi, students are central to university life, driving the social and economic dynamics of their surroundings. Their growing numbers generate demand for services in accommodation, food, transportation, and more. Lecturers and staff also contribute by facilitating knowledge and enhancing human resource quality, thus stimulating local consumption. A strategically located university can enhance these

contributions through improved access and increased economic mobility. Ayuningsih explains that a university fosters social interactions between students and the local community, strengthening socio-economic networks (Ayuningsih, 2023).

One visible impact of universities is the growth of MSMEs. These enterprises play a vital role in national development by stimulating local economies, creating employment, and adapting to changing economic conditions. MSMEs provide essential goods and services, meeting daily needs and offering job alternatives in rural areas, which helps reduce urban migration. By utilizing local resources, MSMEs promote regional productivity and showcase cultural identity, which enhances Indonesia's global image (Aqila, 2022, pp. 18–19).

Previous studies support this research on the "Contribution of UIN SATU Tulungagung to the Welfare of MSMEs." Danu Tirta Fauzi examined Universitas Islam Riau's influence on nearby MSMEs, noting a rise in cafes and restaurants with 53 stalls emerging within a 200-meter radius (Fauzi, 2019). Uswatun Hasanah analyzed MSMEs in Banyuwangi, focusing on UD Mekar Jaya Kerupuk, and found that MSMEs improved welfare, especially in food, health, and education (Hasanah, 2023). Other studies by Mailizar, Sesi Enjel, and Fanni Febrianti also emphasized MSMEs' role in improving welfare through employment, income, and meeting basic needs, while facing challenges like raw material access and labor shortages (Ejel, 2019; Febrianti, 2021; Mailizar, 2022). These findings align with UIN SATU's role in contributing to MSME welfare through its presence and support. The increase in student enrollment and MSME activities in the campus vicinity is a clear indicator of the university's influence on local business development..

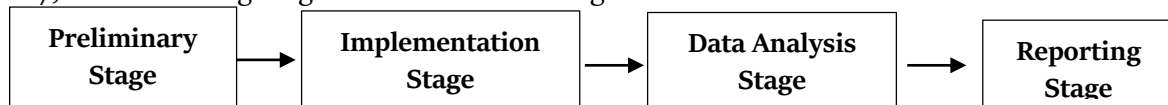
Based on this background, the researcher finds it necessary to further examine the extent of UIN SATU Tulungagung's contribution to the welfare of MSME actors in its vicinity, particularly in Plosokandang Village. Hence, this study is titled: "The Contribution of UIN SATU Tulungagung to MSME Welfare in Plosokandang Village: An Islamic and Positive Law Perspective".

## METHODS

The research method employed in this study is field research with a qualitative approach, aiming to explore phenomena directly within the community and to gain a comprehensive and holistic understanding. This method involves the systematic collection of descriptive data through interpretation, resulting in a meaningful research report (Sugiyono, 2019 Febrianti, 2021, p. 116; Ibrahim, 2015, p. 52). The study was conducted in Plosokandang Village, within a 300-meter radius of the UIN SATU Tulungagung campus, chosen for its relevance to the focus on MSME (Micro, Small, and Medium Enterprises) welfare. As the main instrument in qualitative research, the researcher engaged directly with the field, collecting data through observation and interviews with MSME actors and stakeholders such as officials from the Central Statistics Agency. The study used various techniques including direct observation, interviews, literature reviews, and documentation—drawing from books, journals, official documents, and field photographs to support the primary data.

Both primary and secondary data were utilized. Primary data came from interviews and observations involving MSME actors and BPS officials, while secondary data included information from journals, websites, and other documents. Data analysis followed Miles and Huberman's model: data condensation (summarizing key information), data display

(organizing it into descriptive narratives), and conclusion drawing (interpreting findings to address the research questions) (Sugiyono, 2019). To ensure validity, triangulation was applied through source and method verification—comparing experiences of MSME actors before and after campus development and cross-checking data from different techniques using the same informants. Supporting photos and documents further strengthened credibility (Haryoko, 2020, pp. 409–422; Suparman, 2020, p. 94). The research followed Lexy J. Moleong’s framework, involving four stages: pre-field (instrument development and site selection), fieldwork (data collection), analysis (during and post-fieldwork), and reporting (compiling findings into a structured report) (Moleong & Surjaman, 1989, p. 127). The following diagram illustrates the stages undertaken in this research:



## RESULT AND DISCUSSION

### RESULT

The development of UIN Sayyid Ali Rahmatullah Tulungagung (UIN SATU Tulungagung) represents a major investment in higher education within Tulungagung Regency and has brought clear socioeconomic benefits, particularly to micro, small, and medium enterprises (MSMEs). The university’s presence has stimulated business activity, especially along the main access roads to the campus. Many MSMEs have emerged in these areas most notably in the food and beverage sector responding to the essential human need for sustenance.

To document this impact, the researcher conducted direct field observations and identified 37 food and beverage, related MSMEs operating around the campus. These manual observations aimed to provide concrete and accurate data on MSME presence and distribution. To validate the data, interviews were conducted with several business owners who had been active since before the transition from a State Institute for Islamic Studies (STAIN) to a university (UIN). The interviews focused on MSMEs located within a 300-meter radius of the campus, prioritizing those established in 2017 or earlier and still operating. Around 12 long-standing MSMEs were identified. Using a snowball sampling method, the researcher began with a prominent local MSME owner who then referred other participants, allowing for gradual and focused respondent selection. The following are highlights from several interviewed MSMEs:

#### **Pentol Sekawan Group**

Mrs. Lia has been running the Pentol Sekawan Group since 2014. Initially, she sold vegetables but switched to meatballs due to insufficient income, while her husband continued the vegetable business.

“Alhamdulillah, I’ve been here since 2014—around 9 to 10 years now. This is my main job to support our daily needs,” she explained. According to Mrs. Lia, the number of vendors near the campus has grown significantly. “At first, there were only a few vendors along the road, but now it has become more crowded.” Her daily net income ranges from IDR 100,000 to 150,000, just enough to meet basic needs. “Compared to when I first started, my earnings have increased.” Her income also helps with health and education expenses. “My children are both in school one in vocational high school and the other in elementary school.”

Mrs. Lia does not pay rent for her stall. “I’ve been here since before it got crowded, and I don’t rent this place.” She lives with her in-laws in a well-facilitated house. “For promotions, I usually post on WhatsApp status, although not frequently.” She has never attended MSME training but received government aid during the pandemic. “I once applied for a government-backed microloan (KUR) but was rejected, so I turned to a non bank institution and got a loan using my motorcycle’s registration as collateral.”

#### **Warung Mbah Akad**

Mrs. Erni Lestari has operated Warung Mbah Akad for about eight years, selling rice meals, drinks, and running a small grocery next door.

“This is my main source of income and supports our daily needs.” Campus development has positively impacted her income, which is around IDR 1,000,000 daily, with expenses of IDR 500,000. “My income has increased compared to previous years.” Mrs. Erni is a vocational school graduate and has two children. “For health issues, I visit a private clinic even though it’s quite far.”

She lives with her in-laws and runs her business on family-owned land. “I use an Android phone, but I rarely promote the business on social media. I just rely on word-of-mouth among students.” She has never received training or assistance and only applied for KUR in the early stages of her business. “Now the business has grown enough to sustain our needs.”

#### **Es Jeruk dan Es Tebu Ibu Yuni**

Mrs. Yuni has sold iced orange and sugarcane juice for approximately nine years, serving as the main income source for her family. “Daily net earnings are around IDR 70,000, with expenses of IDR 50,000. This is enough for daily necessities.” Her income has improved since the campus was upgraded to UIN. “For health, I now go to the clinic, and thankfully, the income is sufficient.”

She has two children, one of whom is in junior high school. “School costs are high now, but as a parent, I have to do my best.” She owns her home with basic facilities and uses an Android phone for communication. “I’ve never used social media for promotion, nor received any government aid.” She is currently using a KUR loan to expand her business.

#### **Penjual Pentol Kuah dan Pentol Goreng**

Mr. Maryoko and his wife have been selling meatball soup and fried meatballs since 2015. “This is our main source of income, especially after losing other jobs during the pandemic.” He earns around IDR 1,000,000 in gross income daily, with net earnings of about IDR 350,000. “Before COVID-19, I could earn that much just by noon, but now it takes all day.” Daily household expenses are around IDR 70,000, with variability depending on needs. “For health, I buy medicine at pharmacies, and thankfully, the income is now enough.” Though he only completed primary school, he prioritizes his children’s education. He owns his house with complete facilities and uses an Android phone, but only for communication, not promotion. “I’ve never joined any MSME training or received government aid.” He has not applied for KUR, choosing instead to grow his business using personal capital.

#### **Penjual Ayam Goreng**

Mrs. Tiwik has run a fried chicken business near the campus since 2018 with her husband. “At first, we brought only 2–3 chickens daily; now we bring 20 and usually sell out.” Her daily net income ranges from IDR 200,000 to 350,000, with daily expenses of IDR 50,000. “For clothes, I usually only buy new ones for Eid.” Previously, they could only

afford medicine from small shops, but now they can visit the public health center (Puskesmas). “She completed junior high school and has two children—one is married and the other in vocational high school.” They rent the business space for IDR 350,000/month but live in their own home with adequate facilities. They use Android phones and home Wi-Fi for communication. She has never received training or aid but has applied for KUR to support business growth.

No	Business Type	Owner's Name	Age	Year Started	Daily Net Income (IDR)
1	Pentol Sekawan Grup	Ibu Lia	40	2014	150.000
2	Warung Mbah Akad	Ibu Erni Lestari	34	2016	450.000
3	Es Jeruk dan Es Tebu Ibu Yuni	Ibu Yuni	42	2015	70.000
4	Pentol Kuah dan Pentol Goreng	Bapak Maryoko	38	2015	350.000
5	Ayam Goreng	Ibu Tiwik	53	2018	200.000

## DISCUSSION

### The Contribution of UIN SATU Tulungagung Campus to the Welfare of Micro, Small, and Medium Enterprises from the Perspective of Positive Law

According to Law Number 11 of 2009 concerning Social Welfare, welfare in society is described as a condition in which material, spiritual, and social needs are adequately fulfilled. In accordance with this law, it can be understood that a person's level of welfare can be estimated based on their ability to meet material, spiritual, and social needs. The fulfillment of material needs may be represented by one's ability to meet basic living requirements such as employment to earn income, access to health services, adequate housing conditions, a conducive environment, and access to or mastery of technology (Kadeni & Srijani, 2020). Meanwhile, spiritual well-being can be linked to a person's ability to build a connection with themselves, with others, with nature, and with God. Spiritual welfare reflects a positive relationship between humans and their Creator, which is manifested through acts of worship. Social welfare, on the other hand, can be seen in one's ability to enhance their social interactions within society, such as through access to education (Narmiyati et al., 2021).

Based on the research conducted, the fulfillment of material, spiritual, and social needs as described in Article 1, Paragraph 1 of Law Number 11 of 2009 concerning Social Welfare has been met by MSME actors around the campus, particularly in terms of material needs. These include the fulfillment of daily necessities through employment that generates income, access to health, housing, employment opportunities, and social services. Further explanation regarding the fulfillment of material needs among MSME actors surrounding the campus is presented as follows:

#### Fulfillment of Material Needs

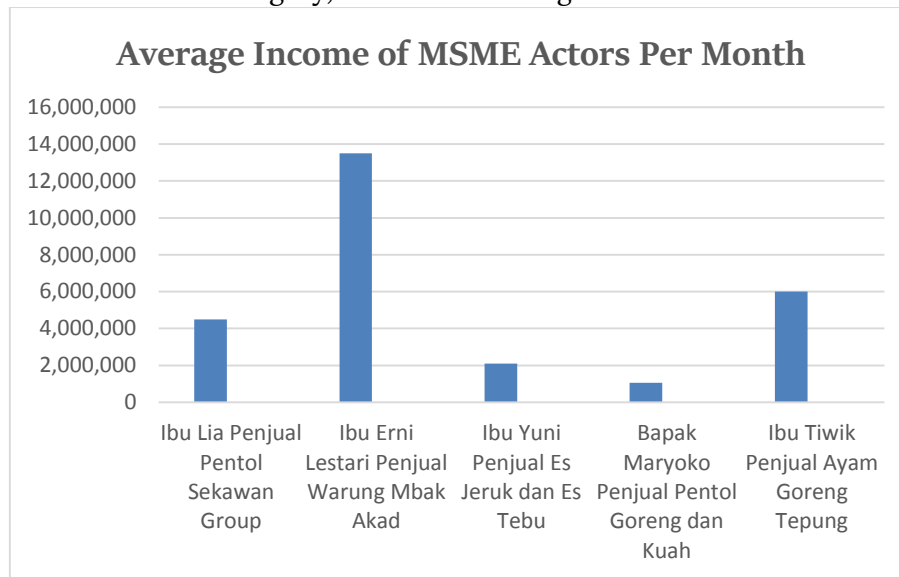
##### Employment and Income

The findings of this study indicate that MSME (Micro, Small, and Medium Enterprises) actors around UIN SATU Tulungagung have experienced improvements in meeting their material needs, particularly in terms of employment and income. The presence of the university has served as a key driver for the emergence of various micro-enterprises managed by the local community. Many of these individuals were previously

unemployed, housewives without income, or workers with insufficient earnings to meet daily necessities.

For example, Mrs. Lia previously sold vegetables with her husband, earning an unstable income. After establishing a business near the campus, she acknowledged that her income became more stable and now helps meet her household needs on a daily basis. In general, the income of MSME actors, which was initially considered low, has gradually improved since they started and developed businesses around the campus. This income has helped them consistently meet basic daily needs. Moreover, their daily expenses tend to be moderate, which supports their economic resilience.

Based on the interviews conducted, the average net monthly income of MSME actors falls within the moderate category, with the following details:



Referring to income indicators provided by the Indonesian Central Bureau of Statistics (BPS), the average income of MSME actors around UIN SATU Tulungagung falls into the moderate to high category. According to BPS, household income is classified as follows:

- High income: > IDR 5,000,000 per month
- Moderate income: IDR 1,000,000 – 5,000,000 per month
- Low income: < IDR 1,000,000 per month

Therefore, it can be concluded that the economic activities surrounding the university have positively contributed to the creation of job opportunities and increased income among local residents, which in turn has enhanced their overall welfare.

### Health

Health is a critical pillar of welfare, as defined by the Central Bureau of Statistics (BPS). It reflects whether individuals can access and afford proper medical treatment. In the context of UMKM (Micro, Small, and Medium Enterprises) around UIN SATU Tulungagung, health-related welfare has shown considerable improvement. Initially, many entrepreneurs struggled with healthcare access due to limited income, making it difficult to afford medicine or administrative fees at clinics, pharmacies, or hospitals.

However, with the establishment of businesses near the campus, their increasing income has enabled better access to healthcare services. Respondents reported being able to afford treatment when needed, even if the nearest facilities were some distance from their homes. As highlighted by Ibu Tiwik, the improvement in income has allowed her to

meet medical needs despite the local clinic being relatively far. Thus, the ability to finance healthcare is no longer a major barrier, indicating an enhancement in their health-related welfare.

### **Housing and Environment**

Housing quality and access to basic amenities are indicators of welfare, as outlined by BPS. Adequate housing includes not only permanent structures but also access to clean water, proper sanitation, electricity, and safe living environments. From the interviews conducted, most UMKM owners have homes equipped with essential facilities like electronic appliances, clean water (both boiled and bottled), adequate bathrooms, and reliable electricity.

However, homeownership remains a challenge for some. While some have permanent homes, others still live with extended family due to financial constraints. For instance, Ibu Lia and Ibu Erni Lestari continue to live with in-laws as they cannot yet afford to rent or build a house. This indicates that while their living environment is sufficient, full housing independence, a key welfare benchmark according to BPS is yet to be achieved by all.

### **Other Social Aspects**

In modern contexts, social welfare is increasingly linked to digital literacy and access to information and communication technologies (ICT). BPS includes ICT use as a welfare indicator, as it reflects individuals' access to information, entertainment, and economic opportunities. Among UMKM actors around UIN SATU Tulungagung, however, technological utilization remains limited.

While most possess smartphones and use them for basic communication, few leverage them for business development or marketing. As exemplified by Pak Maryoko, many have never promoted their products online. Ibu Lia has occasionally advertised via WhatsApp, but without consistency. Their limited digital engagement stems from a lack of knowledge about effective marketing techniques. Hence, although technology access is present, its potential to enhance welfare through economic empowerment remains underutilized.

### **Fulfillment of Spiritual Needs**

According to Article 1(1) of Law No. 11 of 2009 on Social Welfare, spiritual well-being the harmony between self, others, nature, and God is an integral aspect of overall welfare (Narmiyati et al., 2021). Among UMKM actors around UIN SATU Tulungagung, this dimension is notably fulfilled. Many engage in acts of charity, such as donating to mosques or distributing food to the needy, particularly on Fridays.

For example, Pak Maryoko regularly shares meals with neighbors and those in need, accompanied by his wife and children. These practices reflect a spiritual awareness and gratitude for their economic progress, indicating that spiritual welfare is both valued and realized within this community.

### **Fulfillment of Social Needs**

Social needs the human requirement for connection, belonging, and community are classified by Maslow as essential to overall wellbeing (Leni, 2022). One indicator of fulfilling these needs is educational attainment. Higher education often enables better job prospects and higher income, contributing to improved social status.

Although many UMKM owners have low to medium educational backgrounds (mostly SD to SMA graduates), they strive to provide better education for their children. Interviews revealed that all children of respondents are attending school, with some at the



TK, SD, SMP, SMA, or SMK level. While none are yet in higher education, parents like Pak Maryoko, a primary school graduate himself, are committed to ensuring their children achieve more.

Based on BPS indicators, these families fall within the lower to middle educational welfare categories. Nevertheless, their efforts to invest in their children's education signal upward social mobility and a strong commitment to fulfilling social welfare through education

### **The Contribution of UIN SATU Tulungagung Campus to the Welfare of Micro, Small, and Medium Enterprises (MSMEs) from the Perspective of Islamic Law**

Human welfare is not only measured by the fulfillment of material aspects such as food and housing but also includes spiritual well-being, such as peace and comfort of the heart. In terms of *maslahah* (public interest), the existence of UIN SATU Tulungagung, which opens opportunities for MSMEs, brings benefits to the surrounding community in fulfilling religious practices, food, drink, employment, housing, and similar needs as part of preserving the lives of individuals in the community.

#### **Spiritual Welfare: Worship as a Foundation of Prosperity**

According to Surah Quraysh (verses 3–4), spiritual well-being is foundational to human welfare, emphasizing worship of the Lord of the Ka'bah as a means to inner peace. This aligns with the first objective of *maqāṣid al-sharī'ah*: *ḥifẓ al-dīn* (protection of religion). As stressed by Al-Raysuni, ensuring the ability to practice religion is essential to public interest (*maṣlaḥah*). Field data shows that MSME actors near UIN SATU Tulungagung value this aspect deeply. They adjust their business operations to prioritize daily prayers, supported by public prayer spaces around their stalls. This religious freedom, sustained by a safe environment, demonstrates that the university's presence supports spiritual flourishing (Nur et al., 2020).

While Law No. 11 of 2009 defines welfare through material, spiritual, and social fulfillment, it does not explicitly prioritize spiritual needs as Islam does. From an Islamic perspective, a person's devotion to God is inseparable from their welfare status. The spiritual practices of MSME actors, such as giving alms (*ṣadaqah*), reflect their acknowledgment of divine providence and their gratitude through charitable acts—fulfilling both their duty to God and social responsibility (*ḥifẓ al-dīn* and *ḥifẓ al-māl*). This is a contrast to secular frameworks, which typically assess welfare more through material indicators.

#### **Economic Welfare: Food and Income Security**

Islamic economic principles assert that the elimination of hunger is a critical component of welfare, supporting the *maqāṣid* objective of *ḥifẓ al-naḥs* (protection of life). As Leni notes, the ethical dimension of consumption in Islam obliges individuals to meet basic needs without extravagance (Leni, 2022). Research shows that MSME actors near UIN SATU Tulungagung have improved income stability through campus-related businesses, enabling them to meet food and clothing needs. Their consumption remains modest, aligning with Islamic teachings against *isrāf* (excess).

Law No. 11 of 2009 also recognizes material needs as a welfare indicator, but it does so from a rights-based perspective, focusing on economic sufficiency. In comparison, Islam ties income and consumption to moral obligations and gratitude. Imam Al-Syaibani (Mubarak & Witro, 2022) emphasized lawful earnings as a condition for welfare. The MSME actors, such as Mrs. Lia and Mr. Maryoko, engage in halal trade, fulfilling both material sufficiency and ethical economic conduct. Thus, the Islamic legal lens not only

affirms the improvement in income but evaluates it within a framework of moral accountability.

### **Security and Stability: Shelter and Peace of Mind**

The third Quraysh-based welfare indicator is the elimination of fear, which aligns with *ḥifẓ al-nafs* and *ḥifẓ al-'ird* (protection of life and dignity). A safe and peaceful environment contributes to psychological stability, enabling individuals to focus on both spiritual and economic activities. Research indicates that MSME actors around UIN SATU Tulungagung benefit from such security. Many now live in stable homes, either their own or with relatives, and access essential amenities like clean water and electricity. Even when not owning homes, the actors report living in safe and supportive environments.

While Law No. 11 of 2009 includes adequate housing as a component of welfare, it focuses more on structural sufficiency than emotional security. Islam, in contrast, considers inner peace a sign of successful societal design. According to Hibrizie et al., a lack of fear freedom from danger or insecurity is integral to well-being. The surrounding peacefulness, reinforced by the religious atmosphere and mutual community respect, shows that Islamic indicators may capture subjective well-being more fully than legal-economic definitions alone.

### **Work and Productivity: Economic Empowerment through Halal Means**

Work is a key route to welfare in both Islamic and national legal frameworks. Imam Al-Syaibani argued that a person must work to meet basic needs through lawful means, ensuring that the output contributes positively to society (Mubarok & Witro, 2022). Findings from the study reveal that UIN SATU Tulungagung has catalyzed employment and entrepreneurship. Previously unemployed individuals, like housewives and informal laborers, now earn stable incomes by operating businesses around the campus, allowing them to satisfy their families' material needs in a dignified and productive way.

Under Law No. 11 of 2009, employment is a quantitative welfare indicator tied to income levels and consumption patterns. Meanwhile, Islamic law integrates ethical production into its definition. As Islamic economics demands *ḥalāl* and *ṭayyib* (pure) trade, MSME actors' efforts around the campus not only fulfill material standards but also elevate the social ethics of economic activity. This contrast shows how Islamic law adds a moral lens to what the national law defines only in economic terms.

### **Technological Literacy: Social Dimension of Modern Welfare**

Modern interpretations of welfare also include mastery of information and communication technology. Islam recognizes *ḥifẓ al-'aql* (protection of intellect) as one of the key *maqāṣid*, which can be extended to include education and technological literacy. However, findings show that MSME actors have yet to fully leverage ICT tools for business development, primarily due to limited understanding. While smartphones are widely used for communication, their application for marketing remains underutilized. As Mr. Maryoko admitted, he has never promoted his products online, whereas Mrs. Lia tried briefly via WhatsApp but with limited follow-through.

From the perspective of Islamic law, this highlights a missed opportunity to optimize God-given resources for self-improvement and community service. Meanwhile, the state's legal framework (e.g., BPS indicators) measures technological engagement as a proxy for welfare. The Islamic framework calls for purposeful and ethical use of technology to enhance productivity and service to others—blending *ḥifẓ al-'aql* with *ḥifẓ al-māl* (protection of intellect and wealth). Hence, while both perspectives recognize ICT as essential, Islamic thought adds depth by viewing it as a tool for stewardship (*khilāfah*) (Nur

et al., 2020).

## CONCLUSION

UIN Sayyid Ali Rahmatullah (SATU) Tulungagung has significantly contributed to the welfare of local MSMEs by serving not only as an academic institution but also as a driver of economic empowerment. Its influence extends to job creation, improved household income, and better access to education and healthcare, aligning with national welfare goals and Islamic principles, including *maqāṣid al-sharī'ah*. The university's presence thus exemplifies the integration of spiritual values and socio-economic development.

However, the study's scope remains limited due to its localized focus and reliance on qualitative data. To build a more comprehensive understanding, future research should adopt mixed-methods approaches and broader comparative analyses. Strategically, UIN SATU can further strengthen its impact by establishing dedicated MSME support structures, promoting sharia-compliant financing, and deepening community engagement through student involvement and waqf-based initiatives. These efforts could position the university as a national model for integrating Islamic education with sustainable economic empowerment.

## REFERENCES

- Aqila, N. (2022). *Pemberdayaan Potensi Masyarakat Dalam Meningkatkan Ekonomi Di Desa Passeno Kabupaten Sidenreng Rappang (Analisis Ekonomi Syariah)*. Institut Agama Islam Negeri Parepare.
- Ayuningsih, S. (2023). *Analisis Dampak Keberadaan Uin Jakarta Dalam Meningkatkan Peluang Usaha Dan Pendapatan Masyarakat*. Universitas Islam Negeri Syarif Hidayatullah Jakarta.
- Aliyah, A. H. (2022). Peran Usaha Mikro Kecil Dan Menengah (Umkm) Untuk Meningkatkan Kesejahteraan Masyarakat. *Jurnal Ilmu Ekonomi*, 3(1).
- B, H. (2020). *Peran UMKM Dalam Perspektif Ekonomi Islam (Usaha Warung Terapung Desa Pao Kecamatan Malangke Barat*. IAIN Palopo.
- Ejel, S. (2019). *Peran Usaha Mikro Kecil Mengah (UMKM) dalam Meningkatkan Kesejahteraan Masyarakat Menurut Perspektif Ekonomi Islam (Studi Kasus : Agen Kelapa Sawit di Desa Sungai Badak Kecamatan Mesuji*. Universitas Islam Negeri Raden Intan. Lampung.
- Erzal, D. C. (2021). *Analisis Peran Usaha Mikro Kecil Menengah (Umkm) Pada Usaha Pempek 26 Ilir Palembang Untuk Meningkatkan Kesejahteraan Masyarakat Dalam Perspektif Ekonomi Islam*. Universitas Islam Negeri Raden Fatah Palembang.
- Fatmawati, E., Musthofa, M. A., & Daud. (2022). *Monograf Potensi Dan Kontribusi UMKM Terhadap Kesejahteraan Masyarakat Dalam Perspektif Islam*. Tanjung Jabung Timur: Zabags Qu Publish.
- Fauzi, D. T. (2019). *Analisis Dampak Keberadaan Universitas Islam Riau Terhadap Kinerja Usaha UMKM di Sekitar Kampus*. Universitas Islam Riau.
- Fauziah, N. D., Muawanah, & Sundari. (2019). *Etika Bisnis Syariah*. Batu: Literasi Nusantara.
- Febrianti, F. (2021). *Analisis Tingkat Kesejahteraan Masyarakat Kota Medan Berdasarkan Standart Kesejahteraan*. Universitas Islam Negeri Sumatera Utara Medan.
- Fitria, H. A. (2019). *Analisis Dampak Usaha Mikro Kecil Dan Menengah (Umkm) Terhadap Kesejahteraan Masyarakat (Studi Pada Sentra Industri Kecil Roti Desa Kalimalang*

- Kecamatan Sukorejo Kabupaten Ponorogo). IAIN Ponorogo.
- Flantika, F. R. (2022). *Metodologi Penelitian Kualitatif*. Sumatera Barat: PT Global Eksekutif Teknologi.
- Gunawan, N. (2021). *BUMN Sebagai Usaha Pemerintah Menuju Kesejahteraan Rakyat Tinjau Filosofis, Sosiologis, Politis dan Yuridis*. Bandung: Cendekia Press.
- Hanah, N., Muhtar, S., & Muliastari, I. (2020). *Mudah Memahami Usaha Mikro Kecil dan Menengah (UMKM)*. Ponorogo: Uwais Inspirasi Indonesia Redaksi.
- Happy, F., Surur, A. T., Hermawan, H., & Adinugraha. (2021). Prospek Bisnis Dan Pemberdayaan Umkm Dalam Perspektif Ekonomi Islam: Studi Kasus Pada Usaha Permen Jahe Fadhilah. *Jurnal Tamwil*, 7(2).
- Hari, M. F. H. (2020). Kesejahteraan Masyarakat dalam Tinjauan Maqasid Syariah (Studi Kasus di Desa Pojon Kidul Kabupaten Malang. *Jurnal Ilmiah Mahasiswa FEB*, 8(2).
- Hasanah, U. (2023). *Peran Usaha Mikro Kecil Menengah (UMKM) Dalam Meningkatkan Kesejahteraan Masyarakat Menurut Perspektif Ekonomi Islam (Status Kasus UD. Mekar Jaya Kerupuk Banyuwangi)*. Universitas Islam Negeri Kiai Haji Achmad Siddiq.
- Hibrizie, R. A. (2023). Pandangan Islam Tentang Kesejahteraan Hidup Ekonomis. *Student Scientific Creativity Journal*, 1(3).
- Hizbullah, A. (2020). *Studi Komparasi Pemikiran Imam Al-Ghazali Dan Adam Smith Tentang Konsep Kesejahteraan*. Universitas Islam Negeri Alauddin Makassar.
- Jintar, C., Kurnia, S., & Paramita, B. (2023). *Ekonomi Pembangunan*. Sumatera Barat: CV Azka Pustaka.
- Khikmawati, A., Ashlihah, & Mustamim. (2022). Peran Umkm Terhadap Kesejahteraan Masyarakat Perspektif Ekonomi Islam ( Studi Di UMKM Gula Kepala Dusun Rata Benda Kecamatan Karangmoncol Kabupaten Purbalingga ). *Jurnal Kajian, Penelitian Ekonomi Dan Bisnis Islam*, 4(1).
- Kusjuniati. (2019). Kesejahteraan Sosial Islami” Sebuah Pemikiran Ekonomi Islam Imam Al-Ghazali. *Jurnal Ilmu Pendidikan Dan Ekonomi*, 4(2), 450–505.
- Leni, S. (2022). Pengaruh Kebutuhan Aktualisasi Diri Dan Kebutuhan Sosial Terhadap Prestasi Kerja Pegawai Pada Kantor Dinas Kependudukan Dan Pencatatan Sipil Kabupaten Pinrang. *Decision: Jurnal Ekonomi Dan Bisnis*, 3(1).
- Lubis, N. H., Sudiarti, S., & Irham, M. (2023). Analisis Kesejahteraan Masyarakat Dalam Persepektif Maqashid Syariah (Studi Kasus Lingkungan Xvi, Kelurahan Bantan Timur Kecamatan Medan Tembung). *Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah*, 8(2).
- Mailizar. (2022). *Peran Usaha Mikro Dan Menengah (UMKM) Dalam Meningkatkan Kesejahteraan Masyarakat (Studi Pada Desa Alue Sungan Pinang Kabupaten Aceh Barat Daya*. Universitas Islam Negeri Ar-Raniriy.
- Mokalu, T. M., Nayoan, H., & Sampe, S. (2021). Peran Pemerintah Dalam Pemberdayaan Pasar Tradisional Guna Meningkatkan Kesejahteraan Masyarakat (Studi Kasus Di Pasar Langowan Timur Kecamatan Langowan Timur). *Jurnal Governance*, 1(2).
- Narmiyati, K, A., & T, M. A. (2021). Dinamika Nilai-Nilai Spiritual Well Being Pada Wanita Tuna Susila Di Panti, KHIDMAT SOSIAL. *Journal of Social Work and Social Services*, 2(1).
- Nur, I., Adam, S., & Muttaqien, M. N. (2020). Maqāṣid Al-Sharī‘at: The Main Reference and Ethical-Spiritual Foundation for the Dynamization Process of Islamic Law. *Ahkam: Jurnal Ilmu Syariah*, 20(2), 331–360. doi: 10.15408/ajis.v20i2.18333

- Nurmayanti, S. (2021). *Peran Usaha Mikro Kecil Dan Menengah (Ukm) Terhadap Kesejahteraan Masyarakat Menurut Perspektif Ekonomi Syariah (Studi Kasus Rumah Makan Bonena)*. Universitas Muhammadiyah Makasar.
- Oktriawan, W., Adriansah, & Alisa, S. (2022). Kesejahteraan Masyarakat di Desa Campakasari Kecamatan Campaka Kabupaten Purwakarta. *STAI DR. KH. EZ. Muttaqien, Indonesia Muttaqien*, 3(1).
- Paramita, Muhlisin, & Palawa. (2020). Peningkatan Ekonomi Masyarakat Melalui Pemanfaatan Sumber Daya Lokal. *Fakultas Pertanian, Universitas Djuanda Bogor*, 4(1).
- Purba, M. L. B., Hasibuan, R., & Sucipto, T. N. (2023). *Kesejahteraan Keluarga Berbasis Pengembangan UMKM di Masa Pandemic Covid-19*. Pekalongan: Penerbit NEM.
- Rahman, A. D., & Faizah, S. I. (2019). Kesejahteraan Dalam Perspektif Maqashid Syariah Pada Karyawan Badan Amil Zakat Dan Lembaga Amil Zakat Di Kota Surabaya. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 6(12).
- RI, D. A. (2006). *Al-Qur'an dan Terjemahannya*. Jakarta: Departemen Agama RI.
- Saragih, R. (2019). Menelusuri Penyebab Lambannya Perkembangan Ukm Di Desa Baru Dan Dusun Tuntungan Kecamatan Pancur Batu, Kabupaten Deli Serdang. *Jurnal Kewirausahaan*, 5(1).
- Sari, D. H. (2019). *Implementasi Etika Bisnis Islam Pada Pelaku Usaha Mikro Kecil, Dan Menengah (UMKM) Makanan Dan Minuman Di Kabupaten Tuban*. Universitas Brawijaya.
- Silviah, N. M., & Lestari, N. D. (22 C.E.). Pengaruh Etika Bisnis Islam Dalam Meningkatkan UMKM. *Al Iqtishod: Jurnal Pemikiran Dan Penelitian Ekonomi Islam*, 10(1).
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Bandung: Alfabeta.
- Suparman, U. (2020). *Bagaimana Menganalisis Data Kualitatif*. Bandar Lampung: Pusaka Media.
- Tulungagung, B. K. (2022). *Kabupaten Tulungagung Dalam Angka*. Retrieved from <https://tulungagungkab.bps.go.id/3/2022/02/25/9fac7d222feb05cb1b667f88/kabupaten-tulungagung-dalam-angka-2022.html>
- Tulungagung, B. P. S. (2022). *Indikator Kesejahteraan Rakyat Kabupaten Tulungagung 2022*. Retrieved from <https://tulungagungkab.bps.go.id/publication/2022/03/30/33683959eaa906136f8d7002/indikator-kesejahteraan-rakyat-kabupaten-tulungagung-2022.html>
- UINSATU. (n.d.). *Sejarah IAIN TA*. 2023. Retrieved from <https://uinsatu.ac.id/profile/sejarah-uinsatu>
- Undang-Undang Nomor 11 Tahun 2009 Tentang Kesejahteraan Sosial, 2009.
- Undang-Undang Nomor 20 Tahun 2008 tentang UMKM, (2008).
- Wardani, & Faizah. (2019). Kesejahteraan Petani Penggarap Sawah Pada Penerapan Akad Muzara'Ah Dengan Pendekatan Maqashid Syari'Ah Di Tulungagung. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 6(7).
- Warsono, H., Astuti, R. S., & Ardiyansyah. (2022). *Metode Pengolahan Data Kualitatif Menggunakan Atlas.ti*.
- Wisasa, & Faizah. (2020). Penerapan Sistem Muzara'Ah Pada Buruh Tani Sugio Lamongan Perspektif Kesejahteraan Menurut Asy-Syatibi. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 7(1), 1–20.
- Rohman, I. N. (2022). *Peran Usaha Mikro Kecil Dan Menengah Terhadap Peningkatan Kesejahteraan Anggota (Studi Kasus UMKM Omah Susu Di Singolangu Magetan)*.

**Copyright holder:**

© Nina Indah Febriana and Khofifah Nanda Putri Pangestu (2025)

**First publication right:**

El-kahfi: Journal Of Islamics Economics

**This article is licensed under:**

**CC-BY-SA**