

CHAPTER THREE

METHOD OF RESEARCH

A. Type of Research

The type of this research is a normative and empirical legal research with the Indonesian law approach. The source is from secondary data taken from journals, books, etc. The normative legal research is to analyze the law or customary provision prevailing the compliance of products of Baitul Maal wat Tamwil with sharia law while empirical legal research means that research using an empirical fact from interviews and direct observation. In this study, the author focuses on the empirical fact that gathered through an interview.

B. Type of Data

The data used in this research were primary and secondary data. The primary data were obtained from the interview of some respondents. The writer conducted interviews with some respondents who involved directly in the area of Baitul Maal wat Tamwil of Universitas Muhammadiyah Yogyakarta. The secondary data consisted of primary legal material, secondary legal material, and tertiary legal material. The detail of the data are explained below:

- a. Primary legal material consists of regulations as follows:
 - 1) The 1945 Constitution
 - 2) The Law No. 25 of 1992 on Cooperatives
 - 3) The Article 1 of Law number 1 of 2013 on Microfinance Institution

- 4) The Article 39 Law No. 1 of 2013 on Microfinance Institution
 - 5) The Article 15 of the AD / ART of Baitul Maal wat Tamwil
 - 6) The Government Regulation of Republic of Indonesia No. 9 of 1995 on Implementation of Savings and Loan Business Activities by cooperatives
 - 7) The decision of Small and Medium Enterprise Ministry No. 91/Kep/M.KUKM/IX/2004 on Guidelines for Implementing Sharia Financial Services Cooperative Business Activities
 - 8) The Article 2 of the Decision of Cooperatives and Small and Medium Enterprises Ministry of Republic of Indonesia Number: 91/M.KUKM/XI/2004 concerning The Implementation Guidelines of Cooperative Business Activities of Islamic Financial Services
 - 9) The *Fatwa* DSN MUI
 - 10) Interview
 - 11) Other regulations related to the material.
- b. Secondary legal material consists of several documents that related to the primary legal materials as follows:
- 1) Books;
 - 2) Scientific journals;
 - 3) Other legal documents related to the issue;
 - 4) Trusted sites internet; and
 - 5) Other non-legal documents related to this research.
- c. Tertiary legal material, as follows:

- 1) Black's law dictionary;
- 2) English dictionary; and
- 3) Indonesian dictionary.

C. Data Collection

The data were collected through library research by literature learning and interviewing the respondent. The data were taken by reading, analyzing, and making a conclusion from related documents such a convention, law books, legal journals, books, and other related to the main problem as the objects of this research.

D. Data Analysis

The data were analyzed systematically through a descriptive qualitative approach. Systematically means that the researcher analyzed the data based on the Constitution, Legislation, and other theories which are related to the issue on the compliance of products of Baitul Maal wat Tamwil with Sharia law and Small and Medium Enterprise Service.