

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*