

ABSTRACT

Abstract: SME's is a sector that contributes a lot to the economic growth and provide jobs for the community. The samples are focused on the SME field convection and food are making use of labor around the company. The purpose of this study is to know and to explain how Islamic corporate governance implementation and impact to financial performance as measured by ROA and ROE, as well as the impact of the financial performance of the local community welfare is supported by Islamic Corporate governance. The results show that(1) Islamic coporate governance (Siddiq, amanah, tabligh, fathonah, istiqomah andqonaah) effect on financial performance(2) financial performance does not affect the welfare of the community (3) corporate governance of Islamic influence on the local community welfare (4) financial performance supported by Islamic coporate governance affect the local community welfare. This study also demonstrates the role of