

CHAPTER I

INTRODUCTION

1.1 Research Background

Technological advances make many people feel happy with the facilities provided. This can be seen from the increasing number of online-based applications. The online application simplifies people's activities only through a smartphone gadget. Besides, technological advances also make it easier for people to obtain information that is limited by distance. For example, having news with colleagues from different countries no longer needs to spend much money to buy pulses. It is enough with existing data Wi-Fi packages. You can also easily get the latest news on developments in any sector by reading news websites or listening to YouTube, so you do not have to get information on television.

Based on the Indonesian digital data report conducted by HootSuite as a social networking content management service site, it is stated that internet users in Indonesia reached 175.4 million users as of January 2020. This figure has increased by 25 million or around 17% from 2019 to 2020. Penetration internet in Indonesia as of January 2020 has reached 64% of the total population in Indonesia (Kemp, 2020 accessed on 24th October 2020 at 18.24 WIB).

One of the other technological advances in finance made to facilitate human work is a e-wallet. E-wallet is an application that is connected to the internet that stores electronic money nominal. No need for card media, only using smartphones that must be carried by the public today, e-wallets can be used for

various kinds of transactions (Widiyanti, 2020). An e-wallet is very much used in online payment transactions such as e-commerce, so that not only technology connoisseurs are happy and enjoy them but also business people. Many business people feel that technological advances can increase existing income so that society's economic sector will also increase.

E-wallet is very closely related to financial technology because e-wallet can change the financial services industry. Financial technology itself is defined as financial services delivered through digital infrastructure - including cellphones and the internet - with minimal use of cash and traditional bank branches (Harahap, Idham, Kusuma, & Rakhman, 2017).

In the payment system statistics for the sub-category of electronic money on the Bank Indonesia website, it shows that electronic money users in circulation have increased every year, with the latest data in August 2020 amounting to 376,142,547 from 51 electronic money issuers (BI, 2020 accessed on 06th October 2020 17.11 WIB).

With the convenience of the financial services industry by financial technology's objectives through a e-wallet, many new transactions are related to e-commerce. One of them is fundraising efforts that have used the financial transaction method with e-wallet. Fundraising is an activity in the framework of raising funds or other sources that have a social purpose.

Fundraising is a philanthropic effort to care for others engaged in social efforts and not only in the form of funds but also from other sources. Fundraising can come from individuals, organizations, or legal entities. Fundraising is a process

of motivating the community or donors to spend part of their assets for social activities carried out by social institutions through methods that can make donors trust.

Fundraising methods can be done directly or indirectly. The direct method is carried out by involving donors directly so that the fundraising process occurs directly. Meanwhile, the indirect process is carried out with additional techniques for the fundraising process to occur. One of the things that are currently booming is fundraising through an e-wallet. Currently, many social institutions have taken advantage of this convenience.

Fundraising in Islam's teachings is compulsory such as zakat, and *sunnah* such as infaq and alms. Many social institutions have used a e-wallet for zakat, infaq, and alms. Even working together with not only one e-wallet, but it can also be three to four types. One example that has just been implemented is the use of an e-wallet Ovo, Grab, and Tokopedia, which have a "*Patungan Untuk Berbagi*" program and can raise funds of IDR 11.5 billion for one month for the education of orphans in Indonesia (Grab, 2019 accessed on 31st March 2020 at 19.12 WIB).

Zakat means fertility, purity, blessing, and means purifying. It is named zakat because with the assets spent, it is hoped that it will bring fertility both in terms of assets and rewards. Besides, zakat is also purification from sins and a miserly nature (Uyun, 2015). In-Law no. 23 of 2011 concerning Zakat Management, the definition of zakat is stated as assets that must be issued by a Muslim or business entity to be given to those entitled to receive it by Islamic law.

The word comes from the word *anfaqa* which means spend, spend, give or spend wealth. According to the term *fiqh*, the word infaq has the meaning of giving part of the assets owned to people who have been instructed by religion to give them, such as faqirs, poor, orphans, relatives (Uyun, 2015). The donation given is one of the incomes for social funds, which is not bound by the amount and time. Infaq does not recognize *nishab* like zakat, but infaq is issued by every believer, both high- and low-income earners (Nasution, Nisa, Zakaria, & Zakariah, 2018)

As for alms, it is the giving of an object by someone to someone else because they expect the pleasure and reward of Allah SWT and do not expect a reward for service or replacement, or it can also be interpreted as giving something with the intention of getting a reward (Uyun, 2015).

Zakat, infaq, and alms have different meanings from various points of view, but all are summarized in the word alms as in Surah At-Taubah verse 103:

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ

"Take alms out of their riches and thereby cleanse them and bring about their growth (in righteousness), and pray for them. Indeed, your prayer is a source of tranquility for them. Allah is All-Hearing, All-Knowing."

This verse explains the suggestion of Muslims to clean and purify their property through zakat, infaq, and also alms and pray only to Allah, Who is All-Hearing and Knowing.

The sustenance that humans have today is inseparable from the will of Allah SWT, who has arranged everything about each other's sustenance. Described in Surah Al-Ankabut verse 62:

اللَّهُ يَبْسُطُ الرِّزْقَ لِمَنْ يَشَاءُ مِنْ عِبَادِهِ وَيَقْدِرُ لَهُ إِنَّ اللَّهَ بِكُلِّ شَيْءٍ عَلِيمٌ

“Allah enlarges the provision for whom He wills of His servants, and straitens it for those. Verily, Allah is the All-Knowing of everything”.

The verse explains that humans need always to remember that everything that exists and does not exist is Allah's will. One example that has been arranged by Allah is sustenance. Sustenance can be enlarged or narrowed according to Allah's will so that humans need to be aware that there are always other people's rights in the sustenance they receive.

The existence of zakat, infaq, and alms using e-wallet cannot be separated from good management. Management is something to plan, organize, lead and control to achieve results according to the mutual agreement of the related organizations (Kaehler & Grundei, 2019).

In-Law NO. 23 of 2011 concerning Zakat Management, implementing zakat, infaq, and alms management, there are planning, implementation, coordination in collection, distribution, and utilization activities. All of these activities have the ultimate goal of social activities and fulfill obligations as Muslims. From the management of zakat, infaq, and alms, it will be apparent that the use of e-wallet is currently rife, both from the planning stage to utilization.

One of the social institutions that accommodate zakat, infaq, and alms in Indonesia is Baitul Maal Hidayatullah. Baitul Maal Hidayatullah (BMH) is an amil zakat institution engaged in collecting zakat, infaq, alms, waqaf, and grants, including social humanitarian funds, and corporate Social Responsibility (CSR)

companies and distributes through educational, da'wah, social humanity and economic programs National (BMH, 2020 accessed on 31st March 2020 at 19.30).

In December 2015, Baitul Maal Hidayatullah was officially reinstated as LAZNAS by the Indonesian Ministry of Religion with Decree No. 425 of 2015 and according to the Zakat Law No. 23/2011 (BMH, 2020 accessed on 31 March 2020 at 19.30 WIB). Baitul Maal Hidayatullah also received two awards in the 2019 *BAZNAS* Award as the Recipient of the *LAZNAS* Category Award with the Best *ZIS* Distribution and the Recipient of the *LAZNAS* Category Award with the Best Institution and the 2020 *BAZNAS* Award as the *LAZNAS* Recipient with the Best *ZIS* Distribution. Besides, the quality management system has met the requirements of SNI ISO 9001: 2015 and is registered in the MUTU Certification scheme. Scope of Certification of Management of zakat, infaq, and alms funds from the *Komite Akreditasi Nasional* (KAN) (Rubiantoro, 2020).

Baitul Maal Hidayatullah has also used the fundraising method using a e-wallet to manage zakat, infaq, and alms such as OVO, Go-Pay, Dana, and Link-Aja (Rubiantoro, 2020). This shows that currently, an e-wallet has entered the fundraising program and could further increase the community's enthusiasm in paying zakat, infaq, and alms because of the convenience it offers. An e-wallet is also very helpful for people during a pandemic in Indonesia, resulting in reduced mobility. With an e-wallet, people can still practice worship in zakat, infaq, and alms.

From the background above in the management of zakat, infaq, and alms through an e-wallet at Baitul Maal Hidayatullah Representative of East Java, the

researcher raises the research title “Utilization of E-Wallet in Fundraising from A Management Perspective of Zakat, Infaq, And Alms: A Case Study of Baitul Maal Hidayatullah Representative of East Java”.

1.2 Research Problem

Based on the background of the research, the problems that have to be discussed in this research are as follows:

1. How to analyze the use of an e-wallet from the organizer's perspective and the donors of zakat, infaq, and alms at Baitul Maal Hidayatullah Representative of East Java?
2. How is the use of an e-wallet in the management of zakat, infaq, and alms at Baitul Maal Hidayatullah Representative of East Java?

1.3 Research Objective

Based on the problem formulation in this research, the researcher has some objectives as to the following:

1. To find out the analysis of an e-wallet utilization from the organizer's perspective and the donors of zakat, infaq, and alms at Baitul Maal Hidayatullah Representative of East Java.
2. To find out the use of an e-wallet in the management of zakat, infaq, and alms at Baitul Maal Hidayatullah Representative of East Java.

1.4 Research Benefit

By achieving these research objectives, the expected results of the research will be able to provide the following benefits:

1. For Researcher

This research's results can be an insight for researcher about the benefits of an e-wallet in fundraising the perspective of zakat, infaq, and alms management in Baitul Maal Hidayatullah.

2. For Baitul Maal Hidayatullah

This research's results are expected to provide information for internal and external parties Baitul Maal Hidayatullah about the benefits of e-wallet in fundraising and management.

3. For the Society

This research's results can provide information about fundraising that will not be released at any time, especially Muslims, and is expected to be used as a source of previous research for readers and contribute to support future research.

4. For STIE Perbanas Surabaya

This research's results can be used as a reference for other students related to the preparation of the thesis on the use of an e-wallet in Islamic fundraising.

1.5 Systematics of Writing

To simplify the process of writing outline, this thesis has several chapters regarding learning and explanations that are interrelated with one another. These are intended to facilitate the preparation and understanding of systematic research of this research:

CHAPTER I: INTRODUCTION

In this chapter, the researcher discusses the background of the reasons for choosing the title, identify the problem, the purpose of conducting research, the benefits of the research to be carried out, the scope of the research, and the systematic writing.

CHAPTER II: LITERATURE REVIEW

In this chapter it consists of general theories and particular theories, which are the opinions of the theorists, will be discussed, can be used to provide a clear understanding and more in-depth analysis in this research.

CHAPTER III: RESEARCH METHOD

In this chapter, the researcher describes the research design, research boundaries, questionnaires, informants, analytical techniques, and data triangulation.

CHAPTER IV: OVERVIEW OF THE RESEARCH SUBJECT AND DISCUSSION

In this chapter, the researcher describes an overview of the research unit, research results, and discussion of the test results.

CHAPTER V: CLOSING

In this chapter, the researcher describes the conclusions, which contain the answers to the researcher's problems from the research results, and suggestions, which are also addressed to the research results.

