

Review of *Maqashid* Sharia on the implementation of Technology in Islamic Microfinance Institutions (IMFI)

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ABSTRACT

The development of services in Islamic microfinance institutions (IMFI) is currently accompanied by the development of digital services based on information technology. The purpose of this paper is to uncover theoretically a review of *maqashid sharia* from the aspects of *dharuriyat*, *hajiyyat* and *tahsiniyat* in the implementation of technology in IMFI. The increasing business volume of IMFI encourages various innovations in the use of technology to facilitate services. The use of technology has made the scope and speed of IMFI services to customers increased. From the aspect of *maqashid sharia*, technology makes the safeguarding of assets and lives can be realized in real terms. The aim of *maqashid sharia* is to achieve *maslahah*, also can be realized by implementing technology, namely increasing the provision of financing that encourages business improvement and the fulfillment of people's needs. Increased community businesses or businesses will also improve community welfare.

Keywords: Information Technology, IMFI, *Maqashid* Sharia

1. BACKGROUND

The operational activities of financial services have long to make adjustments to address the development of information technology. One was to facilitate the needs of society in economic activity from the use of cash to be non-cash. Financial institutions as service providers and the public as consumers realize the benefits of non-cash transactions in the economy accelerate daily transactions. The advantage there is the value of effectiveness and efficiency. Since its introduction in 2009, non-cash transactions began to appear to rise from year to year. One form of non-cash transactions can be seen from the use of electronic money that the phenomenon is increasing, both in the number of electronic money in circulation as well as the value of the transaction, since 2010 until today. This can be seen in the following diagram:

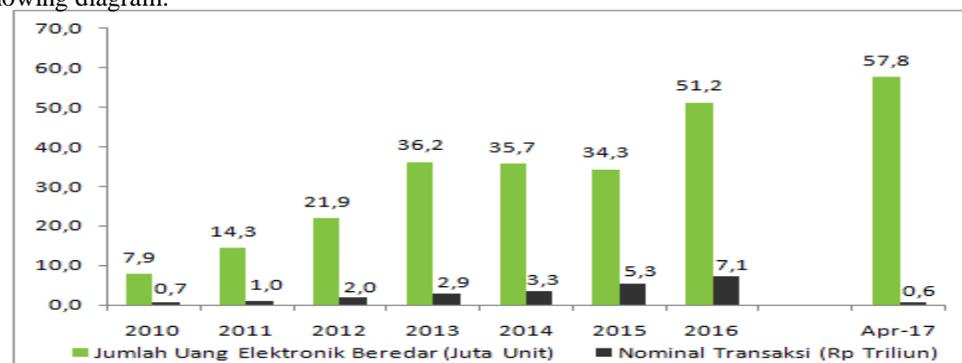


Figure 1.1 Development of the Money Electronics and Nominal Transactions

Source: Bank Indonesia.

The diagram above shows that the paradigm of the public in the use of technology for financial transactions has shifted to the use of electronic media compared to using physical money. It

should be responded to quickly by financial institutions, such as the Islamic Micro Finance Institutions (IMFI). Financial technology development is the impact of the industrial revolution 4.0.

IMFI that in real terms also manages financial services. Therefore IMFI also very sensitive to environmental changes and regulations pertaining to financial aspects. IMFI properly should immediately prepare for the presence of 4.0 of the industrial era.

The development of Islamic microfinance institutions are required to adjust the development of Industry 4.0. In the industrial era 4.0 companies will use the infrastructure of internet of things (IOT) to operate. including services and other sectors could also take advantage of the data or artificial intelligence (AI).

Industry 4.0 integrates the digital and physical technology in all areas of business, production, mobility, and communication. The core of the industry is the formation of the Smart factory that contain hundreds or even thousands of smart devices can optimize its own production would lead to the production time and errors are almost zero.

The development of Islamic financial institutions require innovation to ensure the modern financial services industry in balancing the movement of 4.0. The Industrial Revolution 4.0 is projected to result in increased efficiency, reduction of production costs and improvement of production processes. It will have an impact on all sectors, including the financial services industry. Therefore, all financial services should make changes to the spirit of innovation in its products.

2. ISLAMIC MICROFINANCE INSTITUTIONS (IMFI) IN THE INDUSTRIAL ERA 4.0

Every product and services will be able to survive if it can adapt to changes in their environment, especially aspects of the market. IMFI also should immediately adjust the products according to the demands of time. History has proven that the products do not conform with his time will surely disappear from circulation.

The development of the financial industry is starting to be supported by the use of information technology. Information technology is one of the innovations in the modern world that can be used to help various aspects of human life. Huda (2016) states that information technology has many advantages if it can be put to good use, among the advantages of information technology is able to provide value-added, solving the problem. Therefore, if the technology can be put to good information, then the information technology users will be able to feel the benefits arising from the utilization of information technology.

In Indonesia in 2019 there were 143.26 million people who use the internet and 80% of that number is the number of internet users is done via smartphone. This fact becomes an opportunity taken by various parties, including IMFI in the face of the industrial revolution 4.0. It gives the sense that IMFI opportunity to take advantage of the life style of the people is very great. Everyone has a smartphone holder can be detected his preference of any of their activities surfing in cyberspace. Sites that are frequented someone can provide a snapshot of a person's inclination towards things, topic or product that is preferred.

However, the implementation of the use of technology does not necessarily adopted directly, because the technology is only a tool in the service. Therefore, IMFI should implement technology tailored to the mission of the establishment IMFI. The mission of IMFI must be in line with *maqashid* sharia as its basic reference. Because one objective of the Islamic financial system is to free humanity from the financial practices of usury. That means part of the *maqashid* sharia secure element on a person's religion. Various studies in Islamic literature, especially jurisprudence and *Usul Fiqh* found that *maqashid* sharia terms often used in three forms, namely editorial *maqsad al-shar'ī*, *Maqasid al Shariah* and *al-Shari'ah*. All three forms of the editorial staff has the same meaning that is objective and purpose of Sharia (Haddade: 2014, 42)

3. IMPLEMENTATION OF THE TECHNOLOGY WITHIN THE FRAMEWORK OF MAQASHID SHARIA

Maqashid Sharia is the intention or purpose behind the provisions of Islamic law or in simple language is the intent and purpose of the legal compliance. The purpose of lawful observance is for the happiness of human life in this world and the hereafter, by taking what is beneficial and preventing or rejecting the destructive. In other words, the purpose of lawful reconciliation is to achieve the benefit

of human life, both spiritually and physically. As al-Syatibi said that the laws are prescribed for the benefit of the servant. The core of *maqashid* sharia is to realize goodness while avoiding badness, or attracting benefits and rejecting *mudharat* or in other words is to achieve benefit because the purpose of establishing law in Islam is to create benefit in order to maintain the goals of sharia '

And the existence of *maqashid* sharia also to realize the benefit that is good for the human being in the world or in the hereafter that can be achieved with the fulfillment of the five elements, namely the maintenance of *maqashid* sharia are religion, mind, soul, descent and property (Hayati and Sinaga, 2018).

Maqashid sharia theory relevant to dissect urgency as the embodiment of justice IMFI management holistically in various social dimension, especially in ensuring survival. This theory is also very well suited to analyze and explain *maqashid* management with the use of technology as a form of protection against the soul of the members through guaranteed protection of property, as well as establish legal certainty in the form of guarantees accuracy and usefulness of treasures entrusted to IMFI.

In view Syathibi, Allah revealed the Shari'a (law) aims to create welfare and avoid *madharat*, both in this world and hereafter. The rules in the law is not made for sharia itself, but is made for the purpose of the benefit.

With the language easier, the rules of law that God set are for the benefit of man himself. Syathibi then split into three gradations *maqashid* sharia level, namely the necessities as *dharuriyyat* (primary), *hajiyyat* (secondary) and *tahsiniyyat* (tertiary). *Dharuriyyat* is maintaining the needs that are essential for human life. The principal requirements are five, namely: religion (*al-din*), soul (*al-nafs*), descent (*an-nasl*), treasure (*al-maal*) and reason (*al-aql*). In *maqashid* sharia concept, the use of technology in the financial institution is a facility (*al-wasail*) that can be used to protect the property (*hidz al-maal*) owned by the customer.

Chatamarrasjid and Hermansyah (2008) explains that one of the functions of financial institutions is as intermediary so that has most of the data and documents information about the external parties or members. So that the security aspects must be considered well, success in securing funds and data and documents will increase credibility as an institution of public trust (the agent of trust).

The use of information technology in financial recording systems will greatly assist in managing financial data held by financial institutions so that recording will be more detailed and minimize the possibility of errors in recording.

In general it is known that financial affairs are a form of transaction relationship that requires carefulness and special expertise in its implementation, the ability of a financial institution to manage and carry out its functions as a financial management institution must be truly trustworthy and well educated, this can be realized with the implementation a good recording system through the use of information technology.

Thus, it can be said that the use of information technology in a customer's financial recording system is a form of efforts of financial institutions in protecting assets (*hifdz al-Maal*) owned by customers. Because in Islam wealth is one of the core needs in life, where humans will not be able to separate from it. Maintenance of assets includes procedures for ownership of assets and prohibition of taking other people's property in a vanity manner. If the rules are violated then the existence of assets will be threatened.

Urgency treasure and encouragement to maintain the property can be seen in Surah an-Nisa 'verse 29-30 as follows:

يَأْخُذُ الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالِكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا 29 وَمَنْ يَفْعَلْ ذَلِكَ عَدُوًّا وَظَلْمًا فَسَوْفَ نَصَلِيهِ نَارًا وَكَانَ ذَلِكَ عَلَى اللَّهِ يَسِيرًا 30

Meaning: *O ye who believe, do not you eat each others assets you by way of vanity, except by way of commerce applicable to consensual among you. And do not you kill yourselves, Allah is Merciful to you. And those who do so by violating the rights and persecution, then we will soon put it into hell. That is easy for Allah.*

Understanding of the above verse brings tremendous impact for the development of economic activity in Islam. Due to the verse, people will always take into consideration some of the ways he uses to each other to protect the rights themselves and the rights of others. Humans will always avoid ways

that are not good when you want to get a wealth by increasing accuracy in financial recording system through the use of information technology.

As for reviews *maqashid* sharia on the use of information technology systems include financial institutions in an effort to meet the needs of *dharuriyat*. *Dharuriyat* needs encompassing the joints existence of human life that should exist for the benefit of their (Zein, 2009: 233). So in need *dharuriyat*, if this requirement is not met, it will threaten the survival of humanity in this world and in Hereafter (Djazuli, 2003: 397).

So from the above understanding is very necessary financing for the benefit of the people, the financing is expected to help that business people who need budget for investment funds and funds working capital, more and more customers who apply for funding to IMF then the IMF indirectly help government in the growth of various sectors. It ensures the survival and welfare of the people. The provision of financing to facilitate technology-based economic activities such as the purchase of vehicles, purchase of a home, the purchase of gold and other needs. Features technology that facilitates the *hajiyyat* can be a way to facilitate people meet basic needs or substantially.

In the *maqashid* sharia review of the use of information technology using the needs of *hajiyyat* with everything that is highly valued by humans to eliminate the difficulties of resisting any obstacles. That is, the absence of this *hajiyyat* aspect will not be until threatening the existence of human life to be damaged, but only just cause trouble and hardship only (Koto, 2006: 234).

4. CONCLUSION

So with the digitalization of Islamic finance makes it easier for the public to access Islamic financial services and products in general. The technological features in each transaction use a sharia-based system that is a system of supporting the maintenance of one's religion. The use of technology by IMF guarantees that people make a halal transaction in accordance with *maqashid* sharia, so that people can be kept away from transactions that contain elements of *gharar*, *maysir*, *tadlis*, *ikhthikar* and usury.

The ease of technology now helps the public to easily access sharia financial services and products wherever and whenever they need with additional features that are in accordance with *maqashid* sharia. Ease of public access to Islamic finance has a major impact on increasing the inclusion of Islamic finance in Indonesia.

Implementation of technology also increases the market share of Islamic finance, because technology services have very diverse features so the choice to use Islamic financial products and services varies. The use of technology enables IMF to expand its range of services to cover wide service areas as well as variations in social class and age of consumers.

In general, technology supports the achievement of the goal of *maqashid* sharia, which is benefit, because technology makes it easy for someone to access financing both for business development and to meet life's needs. Specifically, technology supports the achievement of *maqashid* sharia in terms of *dharuriyyat*, *hajiyyat* and *tahsiniyyat*, namely the fulfillment of basic, secondary and tertiary needs.

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