STRENGTHENING SHARIA INVESTMENT THROUGH SMART EDUCATION AND INVESTMENT SYSTEM (SEISHI) APPLICATIONS

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ABSTRACT

Indonesia, with its majority Muslim population, is no guarantee of being the center of the development of the Islamic economic system in the world. This can also be seen from the development of halal industry in Indonesia which has not yet grown optimally. One reason is the lack of alternative Islamic financing which has so far only been based on Islamic banking institutions. This study aims to determine Islamic financial financing outside of Islamic banking through an Islamic financing application called Smart Education and Investment System. SEISHI (Smart Education and Investment System) is an innovation concept in the field of technology that can be an alternative funding and investment for the halal industry in Indonesia. The research methodology used is descriptive qualitative method. The results of the study explained that the application of SEISHI was able to bring together important elements in the halal industry cycle, namely halal industry players, Islamic banking, investors and the government as regulators. Through this innovation concept, it is expected to be able to strengthen Islamic funding and investment for halal industry players on an ongoing basis.

Keywords: SEISHI, Sharia Investment, Halal Industry

INTRODUCTION

Goods and Services Tax (GST) is a consumption tax imposed on the sale of goods and services. In some countries it is also called Value Added Tax (VAT). It is a new tax instrument introduced by the Malaysian government soon, estimated in 2012 would be the soonest year of implementation (Customs Department, 2010). The introduction of GST in Malaysia has called many arguments from various parties including academics, professionals and the nation (would become the taxpayers) on how GST affect goods prices-increase or decrease. The onus of GST is to replace the current Sales Tax and Service Tax in line with the government policy of conforming policies of AFTA.

Over the past few years, the development of the Islamic economy globally has continued to experience fantastic growth. This is evidenced by the start of many countries that use the Islamic economic system. Uniquely, this sharia economic development occurs rapidly in non-Muslim countries. The Singapore government is one of the earliest non-Muslim adopters of this system, followed by Britain, Luxembourg and Hong Kong, which issued their first sukuk in 2014. Globally, based on 2017 Global Islamic Economic Indicator data, Indonesia ranks 10th. The development of Islamic economics continues to accelerate its growth. At present Indonesia is ranked 9th in the world in the category of total Islamic financial assets, still far below neighboring Malaysia which is in the 3rd position. As one of the government's efforts to encourage Islamic economic growth is to increase the value of investment in the halal industry in Indonesia.

Investment in Islam is a highly recommended activity. This is explicitly stated in various verses such as QS. Al-Hasyr: 18, QS. Luqman: 34, QS. Al-Baqarah: 261, Qs. Al-Nisa 9. However, not all types of investments are dealt with in Islam. Only investments according to Islamic teachings may be followed by Muslim investors. These principles cover the types of businesses and transactions that must follow Islamic sharia norms. This means that the type of business, product or service provided and the way the issuer is managed is not a business that is prohibited by shariah such as gambling, trade that is prohibited. Likewise, the type of transaction must be carried out with the principle of extreme caution, no speculation may be carried out in which there are elements of gharar, gharar, maysir, dzulm, taddl, and so on. The rise of cases of bulging investment under the guise of investment makes us aware, what exactly is investing in Islam.

In the business world in general and financial institutions in particular, many of us encounter bulging investment cases, it is not clear that there are even some that have a sharia label on the back. Some cases in Jakarta, such as carrying away billions of rupiah in customer money and even carried out by a cleric as the leader of the cooperative are also under the guise of investment. The same thing was done by PT Best Provit Futures committing fraud by carrying away customers' money of 15.5 billion. The mode of inviting customers to invest their money with the lure of 30% profit per month. There is also a company "Rayhan" where one of the victims lost 705 million rupiah with the lure of 2% interest per month. Then there is the case of Berkah Mandiri cooperative customers who give 21% interest annually.

Therefore, Islam provides guidelines or restrictions on investments that are allowed and not allowed to be done by business people such as investors, traders, suppliers and anyone related to this world. Not only that, some things such as knowledge about investing in related sciences need to be deepened so that the investment activities that we do are worth worship, get inner satisfaction and blessings in the world and the hereafter. This results in low literacy and Islamic financial inclusion in the halal industry. In fact, Islamic financial literacy is needed because it will influence someone in carrying out the financial behavior used (Purnomo, et al, 2016).
Investment in the halal industry will not be separated from the literacy of Islamic finance by the public. It can be assumed that literacy of sharia investment can influence one's attitude in determining financial behavior, especially in distinguishing between conventional financing and Islamic financing (Purnomo, et al, 2016). Proven National Literacy and Financial Inclusion Survey conducted by the Financial Services Authority (OJK) in 2016 showed that the sharia financial literacy index of the Indonesian people was at 8.1%. Based on a study directed by Reuters, which examined 250 companies involved in Halal food production, found that many businesses did not implement Islamic financing even though they were involved in the halal food business. This study shows that only 50% of companies pass the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) tests (Purnomo, et. Al, 2016).

For halal industry, all aspects of business management must be in accordance with the halal supply chain (halal supply chain) to ensure the halal of the product to reach consumers (Tieman, 2011). Therefore, the capital that should be applied by halal industry must also be in accordance with Islamic financial principles. Which starts from investment activities, actors in the halal industry must ensure that the business carried out in accordance with the guidance of sharia is free from the elements of usury (interest), maysir (uncertainty), and gharar (gambling) (Awang, Noor, Muhammad, Abdullah, Rahman, & Yahya, 2016). Therefore, halal industry needs a solution. Based on the description above it can be seen that the purpose of this research is to find out whether the application of SEISHI (Smart Education and Investment System) is able to become an investment media that connects investors and halal industry players.

METHOD

The method used by the authors in this study is to use a qualitative approach which is also called naturalistic research and by using descriptive methods. Sugiyono (2005) states that the descriptive method is a method used to describe or analyze a research result but is not used to make broader conclusions. The purpose of this descriptive study is to make a systematic, factual and accurate description, description, or painting of the facts, properties and relationships between the phenomena investigated.

The techniques used in collecting data used in this study are:

a. Documentation Study
   - Study documentation that is looking for sources of written data in the field relating to the problem under study.
   - Documentation studies can be used to test, interpret and even predict.

b. Literature Study
   - Literature study is a data collection tool to reveal various theories that are relevant to the problems being faced or researched as a discussion of research results taken from various books that are considered relevant to the contents of the research.

RESULT AND DISCUSSION

The results and discussion in this study are described as follows:

a. General description of the SEISHI application

The following is an explanation of the application of SEISHI in this study.

Based on the picture shown in Figure 1, the SEISHI application starts with a starting page containing the title of the SEISHI application and 3 main buttons that will lead to another page, the SEISHI Start button to enter the main page (home screen). On the main page there are 3 menus, namely being an investor, needing capital, and a sharia room which contains instructions on using the application.
We can see in Figure 2 (login screen), to be able to enter into the case, we must register first by inputting the initial data and then the user will get a username and password. On the next page we will choose to become an investor or those who need capital (debtor). Our decision to choose the investor menu will give us the opportunity to place funds in the business that will be displayed on the next page. The business that will be displayed is the user entering the application as the party that needs capital. To facilitate investors in determining the business that will become an investment partner, this application will provide various information needed to determine the investment decisions of investors. The following is a display of users as investors and debtors.

When we enter the menu as an investor menu displayed, among others; capital status, see daily data, balances, forums, news and reports. Furthermore, when the user chooses to be a party that needs capital / debtors, the menu that must be done is that they must upload a proposal for submitting funds related to the business that has been run. The proposal submitted by the debtor will later be submitted to the investor. The investor can choose for an attractive and profitable business. In addition, in order to increase investor confidence in fund managers, this application provides periodic reports to investors. Reports that are displayed in the application are financial statements, through this report it is expected that company performance will be known in a certain period.

Investors or the general public, as an initial step in the application of investment through this application, are as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Stage</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Register</td>
<td>The initial stage of SEISHI for investors is to register at the institution, through registration using big-data integration, where the uniqueness of SEISHI is through data that is based on the registered investors, which will be used as big-data and main data in the evaluation of the halal industry in Indonesia by the Ministry.</td>
</tr>
<tr>
<td>2</td>
<td>Investing</td>
<td>After the registration process is done as an investor, the next step will be to know through the application of steps in investing capital, which companies will obtain capital, and will know the conditions of the industry's needs. Select the amount of capital to be invested through the application, as well as the submission of capital to the application through the application, which has been directed with the complete guidelines and documents required.</td>
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</table>
Financial Report

The uniqueness of SEISHI is the technology that is able to report periodically on the period of capital use. Through blockchain technology that is used as a ledger, which is able to display the conditions of capital use in real time through technology that can help the government in monitoring the use of funds only through the application.

b. SEISHI as Sharia Economic Investment media

Complaints to face operational and capital to be better, become a challenge to the halal industry in Indonesia. This shows that efforts to be able to develop Android-based technology that has greatly increased its use and can be utilized in improving the quality of the halal industry are very likely in the business world. In distributing capital from investors to halal industries, so far the government has only cooperated with Islamic banks as fund managers from investors. However, administrative procedures are often the cause of the growth of Islamic banking in supporting the halal industry to be less than optimal.

Increasing the use of technology in the current industrial era and the development of the market share of the halal industry is an opportunity from the application of SEISHI. Through this application, administrative procedures will be cut and the process of meeting between business actors and investors will be easier. Following is the flow of the process of the halal financial industry by the SEISHI application:

1. The public makes investments to Islamic banks online or offline through an account that has been registered by the application, by reading the concept of revenue sharing applied.
2. Funds processing by Islamic banks selected by the public, in the context of strengthening the Islamic financial industry
3. Halal industries make loans through the SEISHI application and get capital recommendations that are suitable for the halal capital requirements of the industry.

In the process of using the application, SEISHI uses media that combines a variety of new technologies, and is able to increase capital through meeting investors with the halal industry or MSMEs. So, when there is an increase in capital that is balanced with a process of quality improvement, it is not risky when SEISHI is used by the halal industries in Indonesia in the use of big-data. The process of revenue streams obtained by applications based on this does not stop at the user base. But it was developed through advertisers, and also products.

SEISHI business opportunities as a smart application of Islamic capital is very broad, considering the halal industry is a sector that contributes to the world's largest halal industry, one of them. With the largest Muslim population in the world, reaching 201 million. With a wide market for the increase in halal products that are very strategic and potential. With the increasing need for the halal industry, mentioning the total population of Indonesia touched 244 million people. Therefore, the government must increase productivity in the halal industrial production sector. Because population growth follows a series of measurements and the majority of Indonesia's population is Muslim, and according to data the number of halal industries is very large.

CONCLUSION

Based on the results and discussion above, the conclusions in this study are as follows:

a. The SEISHI application concept brings together investors and halal industries through applications, with sharia cooperation with a sustainable system so that SEISHI can play a role in providing Islamic financing inclusion for halal industries in Indonesia
b. The SEISHI Implementation Technique uses the identification of business opportunities, business feasibility tests, and analyzes the general picture of a business plan which includes aspects of management, finance, marketing and marketing stages.

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