

FINANCIAL INCLUSION AS AN IMPACT OF THE EFFECTIVENESS OF FUNDRAISING THROUGH DIGITAL PAYMENT SYSTEMS

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ABSTRACT

Purpose: This study aims to investigate the extent to which the effectiveness of the Indonesian Quick Response Code Standard (QRIS) in supporting the increase in the collection of zakat, infaq, and shadaqah (ZIS) funds at Baznas Malang City. **Methods:** The research used a descriptive qualitative design involving three groups of informants, namely administrators, managers, and muzak or community donors; **data analysis:** qualitative data analysis was carried out starting from data collection, reduction, presentation, and inference, **Results, and discussions:** The results showed that overall, the level of effectiveness of collecting ZIS funds through digital QRIS was not optimal. In 2020, the level of effectiveness reached 24%, while in 2021, it still did not reach the expected level of effectiveness, with the title "not effective." **Conclusion:** Furthermore, it is necessary to increase public understanding through massive and programmed literacy and publications about increasing muzak, or public trust in digital QRIS, to increase public trust and awareness in the future.

Keywords: effectiveness, quick response code Indonesia standard, fundraising, financial inclusion

INTRODUCTION

Effectiveness in the collection of ZIS (Zakat, Infaq, and Shadaqah) funds has a very important relevance, given that the funds collected from this source become the main foundation in running humanitarian and social programmes. Research has confirmed that the effectiveness of ZIS fundraising is a crucial factor for zakat institutions in finding sources of funds to support the implementation of their programmes. Therefore, ZIS fund management institutions need to prioritise the implementation of effective strategies in the process of fund collection and utilisation. Through a careful strategy, the institution can ensure that the collected funds can be optimally utilised to achieve the desired humanitarian and social goals. Thus, the success and positive impact of these programmes can be maximally felt by the people in need, thus strengthening the role of zakat institutions in building sustainability and community welfare.

THEORETICAL BASIS

The concept of effectiveness, according to Musdiana (2015), involves the interaction between individuals who carry out tasks and the goals to be achieved. Effectiveness in zakat, infaq and sadaqah institutions has different connotations depending on the context. In the context of fund management, effectiveness means the ability of amil to manage funds appropriately and distribute them according to predetermined targets. This means that the use of funds must be well-planned and efficient to ensure maximum benefits for beneficiaries. According to Jamaludin (2021), there are several indicators of effectiveness measures that can be identified, including goal achievement, integration, and adaptation.

The purpose of fundraising activities for a Zakat Collection Unit (UPZ), as described by Febrianti (2022), includes several main aspects. Among them are raising funds, increasing muzakki, building and improving UPZ's image, and increasing muzakki satisfaction. Indicators of collection according to Amri (2022) are determining the segment and target of muzakki, preparing human resources, building a communication system, and building the right service system.

Zakat has an important role in the concept of social justice and care for others. In the view of Febrianti (2022), the concept of collecting or raising funds related to zakat refers to the process and method of collecting a number of assets that have been obliged by Allah. In Islamic terminology, infaq is defined as the act of setting aside a portion of property or income/income for purposes that contain the benefits and value of property benefits (Uyun, 2015). Sadaqah, according to Ubabuddin & Nasikhah (2021), refers to various forms of virtues that are not only related to the amount and time, but also involve non-material aspects.

QRIS is a QR Code standard that has been developed by Bank Indonesia to facilitate digital payments. This standard can be applied through various platforms, including server-based electronic money applications, electronic wallets, or mobile banking. The existence of QRIS is regulated by Bank Indonesia through the Regulation of the Executive Director of Bank Indonesia No. 21/18/2019 on the Implementation of the QR Code National Standard for payments.

Financial inclusion is how all the facilities of financial products and services are achieved and can be reached by all levels of society, making it easier for someone to carry out financial activities (Widayanti, 2022).

HYPOTHESES

This study formulates the following hypothesis:

H1: Effectiveness has a significant influence on the collection of funds

H2: Raising funds using digital payments has an influence on financial inclusion

METHOD

This research applies a research method with a descriptive qualitative approach, as explained by Sugiyono (2018). This qualitative approach was chosen to measure the level of effectiveness of Baznas Malang City as an amil zakat institution. Meanwhile, the descriptive approach is used to describe and explain the performance of the institution in detail. The qualitative data analysis

process is carried out through four stages, namely 1) Data collection, 2) Data reduction, 3) Data presentation, and 4) Drawing conclusions or verification. The informants of this research consisted of administrators, managers, and muzakki of Baznas Malang City. The selection of informants is based on five requirements, namely 1) full enculturation of the institution's activities, 2) direct involvement in Baznas activities, 3) understanding of unfamiliar culture as a data resource, 4) adequate time availability, and 5) non-analytical attitude in accordance with the conceptual framework promoted by Spradley (1997). Thus, this method is expected to provide in-depth insight into the effectiveness and performance of Baznas Malang City in the collection and distribution of zakat, infaq, and shadaqah.

RESULTS AND DISCUSSION

The collection of Zakat, Infaq, and Shadaqah (ZIS) funds through the utilisation of digital QRIS technology has had a significant impact. The use of this digital solution not only simplifies and accelerates the ZIS payment process, but also improves overall administrative efficiency. In addition, the use of QRIS brings a better level of transparency through real-time transaction monitoring and reporting. Baznas Kota Malang recognises and adopts this positive impact, choosing QRIS as a tool for collecting ZIS funds. This step reflects the commitment of Baznas Malang City to utilise technology to increase effectiveness and transparency in the management of ZIS funds. This alignment can be seen in the statement of Sulthon Hanafi, one of the informants, who stated, "using digital QRIS as a fund collection tool, it is because of its convenience because it only needs to be scanned, and also in terms of administration it is only zero" (Informant, 2023). This decision reflects a progressive step in integrating technological innovation to support the main task of Baznas Malang City in collecting and managing ZIS funds more efficiently.

The utilisation of digital QRIS technology provides tremendous convenience to muzakki in the payment process, which now only requires scanning the QR code. From an administrative point of view, another advantage lies in the zero administrative costs, making QRIS an efficient option. The Collection and Distribution Section of BAZNAS Malang City, through an interview with Imam Muslich as an informant, explained that the use of digital QRIS is directed to cover all circles. Imam Muslich asserted, "in paying ZIS for all groups, because if infaq sadaqah there is no limit or requirement for haul and nisbah, while zakat is of course those who are obliged to pay zakat" (Informant, 2023). This statement illustrates the commitment of Baznas Malang City in ensuring broad and inclusive accessibility to ZIS payment services through the use of digital QRIS technology, creating an easily accessible and efficient process for all individuals, regardless of background or specific requirements.

The collaboration with Bank Syariah Indonesia shows the commitment of Baznas Malang City in bridging digital technology with the Islamic banking sector, presenting payment solutions that are innovative and in accordance with the principles of Islamic finance.



Figure 1: QRIS Baznas Malang City

The QRIS payment service programme was actively introduced and socialised by Baznas Malang City to muzakki and the public through various communication channels. The information dissemination strategy includes the use of the official website, social media such as Instagram, WhatsApp, and Facebook, as well as presence at every bazaar held in Malang City through the opening of a special stand. This approach is in line with the direction of Sulaiman, chairman of Baznas, who explained, "the payment programme through QRIS is socialised and introduced by Baznas Malang to muzakki and the community through various ways. One of them is by publishing it to social media and sending it via chat to muzakki who have already paid zakat at Baznas, through the website, and Instagram, and through radio to be directed to the website. This is part of Baznas' efforts to simplify the zakat payment process and educate the public about the use of QRIS in paying zakat" (Informant, 2023; also see Ghofur & Ichwan, 2020). Through this multichannel approach, Baznas Malang City is trying to reach a wider audience and provide a comprehensive understanding of the ease and benefits of using QRIS in the context of zakat payment.

This statement is reinforced by the experience of Catrina Apriyanti, an informant in 2023, who stated, "I found out about the online payment after getting a WhatsApp message from BAZNAS Malang City, mbak, I was sent a website link." The use of QRIS as a means of payment with QR codes makes it easier for anyone to make digital transactions with a better level of security. Consumer trust has a significant impact on the successful acceptance of the QRIS digital payment system. People believe that QRIS payment technology can be relied upon to maintain the security of consumer transactions. By conveying information and sending links through popular platforms such as WhatsApp, Baznas Malang City succeeded in building public awareness and trust in the ease and security of online payments using QRIS. This approach reflects an effective strategy to introduce and build trust in digital payment innovations among the public.

On the other hand, the use of digital QRIS in collecting Zakat, Infaq, and Shadaqah (ZIS) funds has not been fully optimised, as reflected in two main aspects. First, the level of public knowledge about ZIS payments using QRIS at Baznas Malang City is still relatively low. Second, public trust in the payment of ZIS funds using QRIS has not been fully built, with some muzakki

expressing their distrust that the funds paid will reach Baznas. Catrina Apriyanti, as an informant in 2023, expressed this experience by saying, "I have never made a payment using digital QRIS because I am afraid of being wrong and not understanding. At first I didn't trust using digital QRIS, but after the education from Baznas to the community said that paying zakat using QRIS is very easy, safe and fast, I immediately tried it and it turned out to be true." This statement reflects the importance of education to increase public knowledge and trust in the use of QRIS in zakat payment, confirming that educational measures can be key to overcoming barriers in the adoption of digital payment technology.

Based on the results of interviews with informants above, it can be concluded that there are significant findings regarding the achievement of fundraising goals through digital QRIS in Baznas Malang City. Baznas Malang City's QRIS began operating in 2020, and although it has been introduced since 2019, its use has not yet reached an optimal level because only a small proportion of people use digital QRIS to pay Zakat, Infaq, and Shadaqah (ZIS). This finding shows that there are challenges in introducing and increasing the adoption of digital payment technology, especially QRIS, among the people of Baznas Malang City. Understanding of the advantages and how to use QRIS needs to be improved through more intensive education and socialisation efforts. Nonetheless, steps towards digitalisation of ZIS payment in Baznas Malang City have been initiated, and evaluation will continue to be conducted to ensure the optimisation of QRIS usage in collecting zakat funds in the future.

Digital QRIS makes it easy for all people to pay Zakat, Infaq, and Shadaqah (ZIS) through digital payment applications (e-payment) such as OVO, Gopay, Link Aja, Shopee Pay, and Mobile Banking. The ZIS payment system through digital QRIS aims to make it easier for muzakki to carry out ZIS payment obligations by simply scanning the QR Code. With this system, muzakki do not need to bother coming to the Baznas service office, but can make payments quickly wherever and whenever they want, saving time and providing greater flexibility. This view is reflected in the statement of Mutmainnah, a muzakki as an informant in 2023, who stated, "in my opinion, it is quite easy, it can be done anywhere with many payment options such as Shopee Pay or Mobile Banking. With the current sophisticated era, we don't need to bother coming to Baznas, but just scan the QR Code through our mobile phones." This statement reflects a positive shift in more modern ZIS payment patterns, utilising digital technology to facilitate muzakki and increase efficiency in the ZIS payment process.

The effectiveness of QRIS digital integration in collecting Zakat, Infaq, and Shadaqah (ZIS) funds is measured through two main indicators, namely the socialisation process and procedures that reflect the understanding and application of digital QRIS. In the socialisation process, Mutmainnah, as an informant in 2023, conveyed her experience, "I knew from seeing the bazaar stand at that time and there I saw that there was zakat payment through QRIS." Furthermore, Nur Habibah, an informant in 2023, stated, "I found out from the radio broadcast in the morning, that you can pay zakat at Baznas through transfer and QRIS." This statement shows the variation in

socialisation approaches, including attendance at bazaar events, radio broadcasts and other media to ensure wide dissemination of information. In addition, Imam Muslich, Collection Division, explained Baznas' socialisation procedures, "first, Baznas conducts socialisation to UPZ Baznas, to the community, and to muzakki who often pay zakat on the spot. We also send it through WhatsApp, then make posters, radio, web, and disseminate it through other social media." Thus, Baznas Malang City designed a comprehensive approach by utilising various media to ensure a good understanding of the use of QRIS in zakat payment. This evaluation of the effectiveness of QRIS integration reflects a proactive effort to socialise and support the adoption of digital payment technology among the public as well as provide a more modern and flexible payment alternative.

The picture of the QRIS digital usage procedure above provides a thorough explanation of the flow or procedure that is effective, accountable, and open. The success of this procedure is evident from the availability of Scan QR Code Zakat Baznas Malang City officially and documented on various platforms, including the website, social media, and posters of Baznas Malang City. The use of PIN as a security measure in using QRIS ensures security and effectiveness during the payment process. The display of proof of payment with the status of "Successful Transaction" is the basis for accountability and simplifies the administrative process.

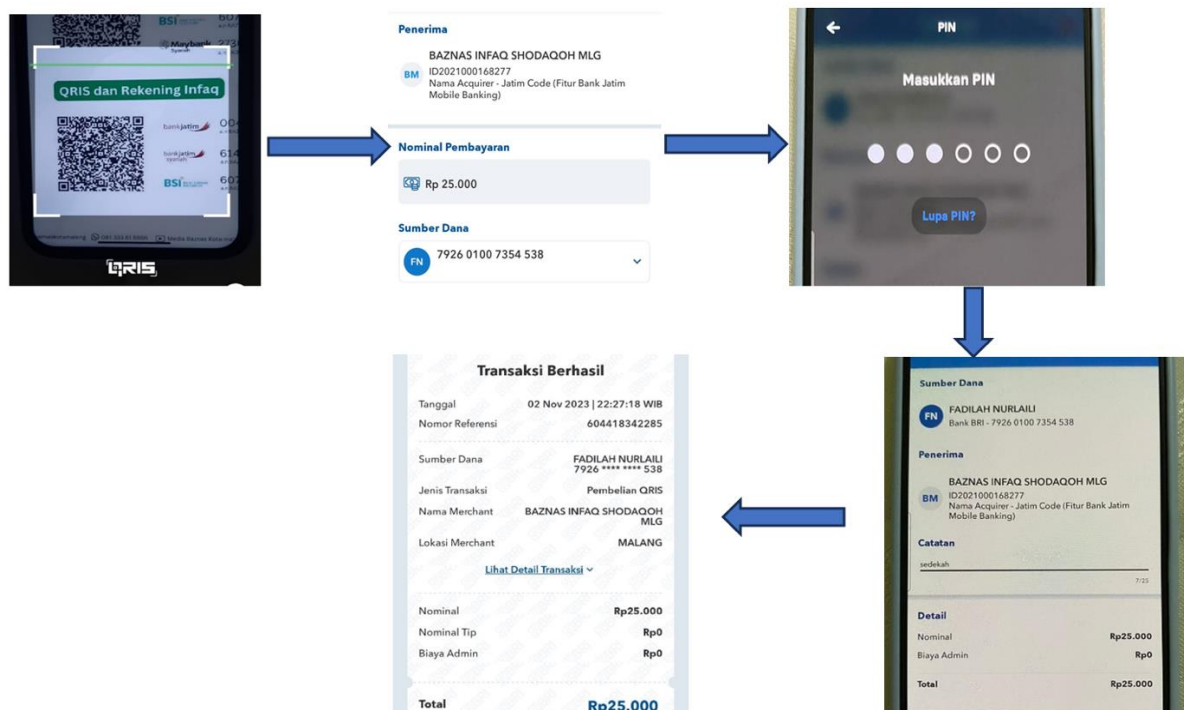


Figure 2: QRIS digital usage procedure

On the other hand, as an additional form of accountability, muzakki confirms and sends a screenshot of the proof of zakat payment that has been made to Baznas Kota Malang through the

WhatsApp instant messaging platform available on the Baznas website. This action strengthens the evidence of transparency and ensures that every ZIS payment transaction through QRIS is well documented and verified. Thus, the description of this procedure not only reflects the effectiveness of using QRIS technology, but also provides confidence in accountability and transparency in the management of zakat funds in Baznas Malang City. The effectiveness of the adaptation of Zakat, Infaq, and Shadaqah (ZIS) payments through the QRIS digital application is related to two main indicators, namely infrastructure and capacity building. Based on observations and interviews with informants, the process of collecting ZIS funds through digital QRIS at Baznas Malang City includes various available payment methods, including cooperation with partners such as ShopeePay, LinkAja, and others. In addition, Baznas Malang City provides services through their official website, baznas.malangkota.go.id, which allows ZIS payments through transfers, mobile banking, and ATM machines.

Sulthon Hanafi, as an informant in 2023, explained, "Baznas opens a wide range of services to the community, by cooperating with other payment instruments to collect zakat funds and opening access to a very large number of zakat payments so that people are easy to pay zakat. Like ShopeePay." This statement shows the commitment of Baznas Malang City in presenting various payment options in collaboration with digital payment partners, creating a framework that facilitates and expands people's access to pay zakat easily and according to their preferences. With a variety of payment methods and cooperation with various partners, Baznas Malang City ensures that zakat receipts through QRIS can continue to increase and provide flexibility for the community to contribute effectively to the collection of zakat funds (Hayatika, Fasa & Suharto, 2021).

The results of interviews with several muzakki informants regarding the services provided by Baznas Malang City show positive feedback. One muzakki informant stated, "it is very beneficial, because it is very easy for such a payment system, I don't need to bother anymore, just scan it, I can give alms even though it is not much, as much as I can." Another informant, Catrina Apriyanti, said that "the service is quite good, starting when we pay zakat or when we want to donate, everything is served well." Likewise, informant Nur Habibah in 2023 stated, "it is quite good, by simply scanning QRIS and then sending the scanned evidence to Baznas." These positive reviews reflect muzakki's satisfaction with the ease and quality of service provided by Baznas Malang City in using QRIS for zakat payment. Muzakki benefit from a simple and efficient process, where they can easily participate in charitable activities without having to involve complicated processes. This positive feedback also reflects the improved service quality of Baznas Malang City in implementing QRIS technology as a payment option, creating a satisfying experience for muzakki and increasing their participation in charity activities (Nurdin, Restiti, & Amalia, 2021; Saputri, 2020).

Shadaqah (ZIS) Baznas Malang City before and after the implementation of digital QRIS (2020 and 2021), using the growth ratio formula, obtained a growth result of 44%. The

interpretation of the growth ratio results according to the commonly used standard states that if the growth range is less than 130%, it can be considered effective ($R > 130\%$: efficient/effective) (Anwar and Malikah, 2021). However, based on the calculation of the growth ratio in 2021, a result of 24% was obtained, indicating that the digital QRIS implementation has not reached the expected level of effectiveness.

QRIS (Quick Response Code Indonesia Standard) payments have a positive impact on financial inclusion, which can be explained as follows:

1. **Increased Accessibility.** QRIS enables cashless transactions easily and quickly. This makes financial services more accessible to people who previously may not have had access to formal financial institutions.
2. **Increased Community Participation.** With QRIS, people can easily participate in the digital financial ecosystem. Even those who previously did not have a bank account or formal means of payment can use QRIS-based payment applications to make transactions.
3. **Reduction of Security Risks and Transaction Costs.** QRIS can enhance transaction security as the information contained in QR codes is dynamic and can be encrypted. In addition, QRIS payments are often cheaper than cash transactions or the use of traditional payment methods, reducing transaction costs that may be a barrier for some communities.
4. **Digital Financial Ecosystem Development.** QRIS is an important component in the development of the digital financial ecosystem. The use of QRIS encourages the development of payment applications and other innovative financial services, which can open the door to wider financial inclusion.
5. **Increased Financial Literacy.** Through the use of QRIS, people can be more familiar with the concept of digital finance. This can stimulate an increase in financial literacy and understanding of the importance of good financial management.

CONCLUSION

The effectiveness of collecting ZIS funds through digital QRIS in general states the achievement of goals, the development of a system that is able to integrate processes properly, a fast and precise adaptation process. The results of measuring the level of effectiveness in 2020 (before using digital QRIS) and in 2021 (after using digital QRIS) the level of effectiveness that was achieved was only 24% so that it was not effective. This shows that the implementation of digital QRIS in Baznas Malang City cannot be said to be effective in its collection due to the lack of understanding and trust of muzakki in digital QRIS. Digital payments through QRIS have an influence on financial inclusion such as accessibility, increasing participation, reducing security risks and transaction costs, building a digital financial ecosystem, and increasing financial literacy. Furthermore, it is necessary to increase public understanding through massive and programmed literacy and publications about increasing muzakki or public trust in digital QRIS, in order to increase public trust and awareness in the future.

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