CROWDFUNDING LITERACY: TRANSITIONING FROM OFFLINE TO ONLINE THROUGH QANUN DONASI SHARIAH APPLICATION IN ACEH

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ABSTRACT
A paradigmatic change in fundraising in Aceh was realized through the Qanun Donasi application, a sharia fintech that utilizes the potential of the internet and adheres to Islamic sharia economic principles. Students, as the main users, are positively exposed to internet access, and Qanun Donasi has become a symbol of the transformation from conventional to digital fundraising models. This research focuses on the role of applications in changing the fundraising paradigm, the extent of compliance with sharia principles, and their impact on student trust and interest. Research methods include literature review, contextual analysis, and application development with an emphasis on real-time transparency. The research results show that Qanun Donasi creates high transparency in the use of funds, stimulates student and community interest in donating, and is an innovative embodiment of digital fundraising in Aceh.
Keywords: *Crowdfunding, Shariah Application, Digital Transformation*

Introduction

In the rapidly developing digital era, fundraising is experiencing a significant paradigmatic change. In 2018, the number of internet users in Indonesia reached 95.2 million, with growth of 13.3% from the previous year. College students, as major internet users, are massively exposed to the positive impact of the internet on their lives and learning.

The Internet is not just a means of communication and entertainment; more than that, it opens the door to access to science, culture and global information. Students, especially millennials aged 19-34 years, are experiencing growth along with the development of the internet. The internet plays a central role in facilitating easier, more practical and affordable learning.

Along with these advances, the concept of the digital economy is accelerating the transformation of the way business and transactions are conducted. Fintech, as a key element of the digital economy, is having a major impact on the financial and fundraising sectors. One of the latest innovations is the Qanun Donasi application, a fintech that carries Islamic sharia economic principles.

Indonesia, which is known for its high level of concern for others, recorded extraordinary achievements in the 2018 CAF World Giving Index. The community, including students, showed a significant level of concern, especially in donating money. Fundraising through crowdfunding is increasingly popular, driven by unlimited internet access. Qanun Donasi, as a crowdfunding platform, is a symbol of a paradigm shift in fundraising, moving from traditional methods to more modern models.

In this context, the value of transparency promoted by the Qanun Donasi application is the main highlight. This application's ability to display directly the movement of donations and the

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person responsible creates a sense of trust and peace of mind for donors. This application is expected to be a trusted choice for fundraising that complies with Islamic sharia principles, by emphasizing that all third parties in this application must be sharia-based to comply with Islamic sharia qanun in Aceh. The problem formulation in this paper is:

1. What is the role of the Qanun Donasi application in facilitating a paradigmatic shift from conventional fundraising to a digital model in Aceh?
2. To what extent does the Donation Qanun application comply with Islamic sharia economic principles in the operation and management of donation funds?
3. What is the level of public trust, especially students, in using the Qanun Donasi application in making donations, taking into account aspects of transparency and compliance with sharia principles?
4. What is the impact of the transformation from the traditional method of collecting donations using cardboard boxes to an online model via the internet using the Qanun Donasi application?
5. To what extent does the transparency value generated by the Qanun Donasi application, such as displaying live donation movements and the person responsible, influence students' interest in donating through the platform?

Purpose of Study

The study aims to comprehensively explore the Qanun Donasi application in Aceh, focusing on several key aspects; first, investigating how the Qanun Donasi application facilitates the transition from conventional fundraising to a digital model in Aceh.

Second, evaluating the application's alignment with Islamic Sharia economic principles in the operation and management of donation funds.

Third, gauging the level of public trust, especially among students, in using the Qanun Donasi application for donations, considering transparency and adherence to Sharia principles as influencing factors.

Fourth, analyzing the consequences of the shift from traditional donation collection methods to an online model via the Qanun Donasi application.

Fifth, investigating how transparency features, such as displaying live donation movements and responsible individuals, affect students' interest in donating through the platform.

Through these inquiries, the study seeks to offer insights into the Qanun Donasi application's role in reshaping fundraising practices in Aceh, its adherence to Islamic principles, impact on public trust, and the influence of transparency on donation behavior, particularly among students.

Crowdfunding Paradigm in Aceh

In facing the transformation of donations in Aceh, steps of change need to be directed towards a more efficient and measurable model. Even though conventional traditions are still strong, there is great potential that can be maximized through digital models. Donation initiatives that move from the street to the lecture hall reflect the rich culture of mutual cooperation, but fundamental challenges still need to be overcome.

The importance of overcoming issues related to the conventionality of donations in Aceh is a central point for future change. The introduction of digital platforms can be a significant step towards overcoming these challenges. This platform allows for a direct connection between donors and beneficiaries, providing transparency and measurability to the donation process.

Intensive efforts are needed to disseminate information regarding the benefits and safety of using digital donation platforms. Education and training to understand how to use online donation platforms can help change the Acehnese's perception of this innovation.

The role of students is a key element in accelerating change towards a more inclusive and effective donation future in Aceh. Through the active involvement of students in campaigning and adopting digital donation models, we can achieve positive transformation more quickly.

Change does not mean to replace traditional values, but rather to increase efficiency and involve more parties. In this way, Aceh can maintain its conventional cultural heritage while opening the door to innovation that has a positive impact on society as a whole.

In this context, the Qanun Donation Application appears as a smart solution to a number of problems generally related to fundraising, especially in Aceh. Some of the problems that this innovation has successfully overcome include uncertainty in the use of donated funds, lack of transparency in fundraising, the risk of fraud in conventional models, and limited public access to sharia-based fundraising.

While the traditional concept of mutual cooperation is still strong, changes in the donation behavior of the Acehnese people are still in the conventional realm. The pattern of donations that occur on the side of the road and move from lecture room to lecture room on campus reflects conventional habits that are still closely adhered to. This transformation requires further understanding and outreach to the public to increase awareness of the benefits and efficiency of digital donation models.

Financial Technology

Financial Technology (Fintech) is an acronym for the words 'finance' and 'technology', namely innovation in an activity involving finance. The innovation offered spreads across all roles, from B2B (Business-to-Business) to B2C (Business-to-Customer). The definition of Fintech according to (OJK, 2017) is an innovation in the financial services industry that utilizes the use of technology. Fintech products usually take the form of a system built to carry out specific financial transaction mechanisms.

Financial technology is a new foundation for the economy by promising 3 things. First, fintech offers new products and solutions that were previously difficult for financial services to do. Second, fintech provides opportunities with new concepts and applications of technology, and has a dynamic nature and is in accordance with the financial realm which is required to always innovate and is required to serve consumers precisely and accurately (Gomber & Koch, 2017). Financial technology also makes it easier for companies to communicate, promises new, more flexible business models, security, efficiency and opportunities in financial services (Lee & Teo, 2015).

According to OJK, the types of Fintech companies developing in Indonesia are as follows:
a. Digital Payments
   Fintech Digital Payment companies provide services in the form of online transaction payments so that the process becomes more practical, faster and cheaper.
b. Financing and Investment
   Fintech Financing and Investment companies include Fintech companies that provide Crowdfunding and Peer-to-Peer Lending (P2P Lending) services.
c. Account Aggregator
   Fintech companies with the Account Aggregator type provide services that can accommodate the needs of consumers who require and use transaction services from various banking accounts via just 1 platform. Users of this platform are given the convenience of verifying transactions because the process is fast and short.

d. Personal Finance
   Fintech Personal Finance companies accommodate people's needs for financial planning. This company, through its platform, can help consumers from making good financial reports to choosing wise fund processing.

Crowdfunding Model

Crowdfunding is an internet-based funding method for realizing initiatives, ideas or projects through contributions distributed online, with nominal amounts that are not too large within a limited time period. Funding for ideas or projects is carried out through open calls using the Internet. There are several alternatives for funders to contribute, namely in the form of: money, pre-orders, loans or investments based on their belief in promises, and/or expectations of getting a certain level of return (Hossain & Oparaocha, 2017).

Crowdfunding is defined as an essentially open call over the internet for the provision of financial resources either in the form of donations or in exchange for some form of gift or voting rights to support an initiative for a specific cause (Schwienbacher & Larralde, 2010). Crowdfunding activities are increasingly being used as an alternative to financing an activity. The process of collecting funds is carried out through the platform, making it possible for those who need funds to connect with a wider range of funders. This platform is a website where founders promote projects that need funding.

Meanwhile, OJK explained that Fintech Crowdfunding is generally a method of raising funds for a project or for raising social funds. In the mechanism, the company will display a proposal for a project, business, event or social activity proposed by a person or party through the Fintech Crowdfunding company's website or application. Fintech companies will invite other parties to become investors or funders. The investor or financier will transfer funds to the company account and then distribute them to the party submitting the application (OJK, 2017).

Aceh Shariah Economic Qanun

The Sharia Economic Qanun in Aceh is an important milestone in regulating economic aspects that are in line with Islamic principles. The implementation of this regulation is implemented through Aceh Qanun Number 11 of 2018 concerning *Lembaga Keuangan Syariah* (LKS), which officially came into effect on January 4 2019. Within a time limit of no later than 3 years from its promulgation, financial institutions in Aceh are required to adapt to the provisions contained in inside.

In the banking sector, this Qanun mandates banks operating in Aceh to comply with sharia provisions. This includes prohibitions against the practice of usury and investment in businesses that are forbidden according to Islamic teachings. Aspects of general financial management, including the budget and allocation of government funds, are also considered to be in line with sharia economic principles.

In trade, this Qanun emphasizes halal business practices and avoiding transactions that involve usury or elements that conflict with Islamic principles. The concept of zakat and infaq is regulated for collection and distribution in accordance with sharia principles, reflecting aspects of social care and fundraising in accordance with Islamic values.

In addition, the Aceh Sharia Economic Qanun extends to various economic sectors, including housing, investment and the real sector. This is done to ensure that economic activities in Aceh are in accordance with Islamic values, creating a fair, transparent and sustainable economic system. As a moral and legal foundation for the people of Aceh, the Sharia Economic Qanun reflects a strong commitment to realizing an economic vision that is in line with Islamic teachings.

Research Methods

Fundraising in Aceh, which largely still follows conventional traditions, is facing a turning point towards a more efficient and measurable digital transformation. In an effort to face this challenge, the birth of the Qanun Donasi Syariah Application is a significant step towards raising funds that are more transparent and in accordance with sharia principles.

This app development methodology includes a series of thorough and in-depth steps. First, a comprehensive research approach was undertaken to understand Islamic sharia principles relevant to fundraising and the unique needs of the people of Aceh. Literature review and contextual analysis form the basis of values that guide application development.

The technology development process involves selecting the latest programming languages and platforms, ensuring security and compliance with application needs. Not only that, close collaboration with sharia experts is an important point to ensure that all aspects of the application comply with sharia principles comprehensively.

The next step is thorough testing and evaluation before launching the application. This stage is vital to ensure the performance, security and ease of use of the application. Only after going through a series of careful trials, the Qanun Donasi Syariah Application is ready to be launched.

The importance of disseminating information regarding the benefits and safety of using digital donation platforms is highlighted in the launch campaign. Active education and training to understand how to use the application provides a better understanding to the people of Aceh.

The role of students in accelerating change towards more inclusive and effective donations in Aceh is a key point. By involving students in campaigning and adopting digital donation models, it is hoped that positive transformation can be achieved more quickly.

The development of the Sharia Qanun Donation Application is a smart answer to a number of problems in fundraising in Aceh. With a focus on sharia principles, this application not only provides innovative solutions but also has a positive impact on the people of Aceh as a whole.

Findings

In the era of transition towards digital fundraising in Aceh, the Qanun Donasi Application emerged as a pioneer of this revolution. To fully understand this paradigmatic shift, an in-depth critique of the app's superior features becomes essential. A careful understanding of these key elements details the role and contribution of the Qanun Donasi Application in shaping a more efficient and reliable Aceh fundraising landscape.

*My Donation Page*
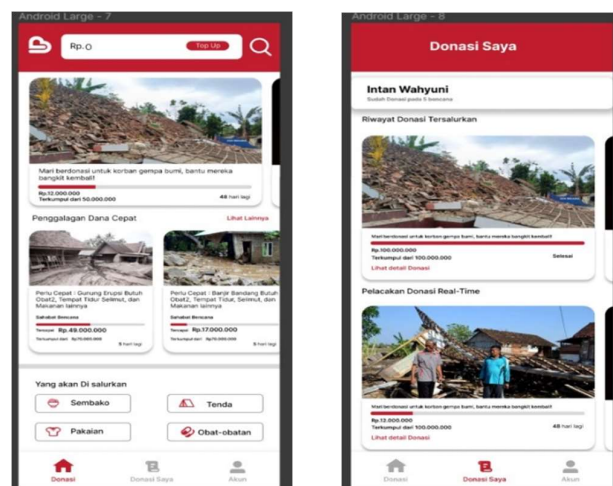
Feature explanation:

1. Fast Fundraising:
- Total Funds Collected: Displays the amount of money that has been collected to date.
- Time Remaining: Provides information about how much longer the fundraising campaign will last.
- Documentation: Provides information in the form of documentation of the latest conditions in areas affected by disasters

2. What will be distributed:
The forms and types of aid that will be distributed are basic necessities, clothing, tents and medicines.
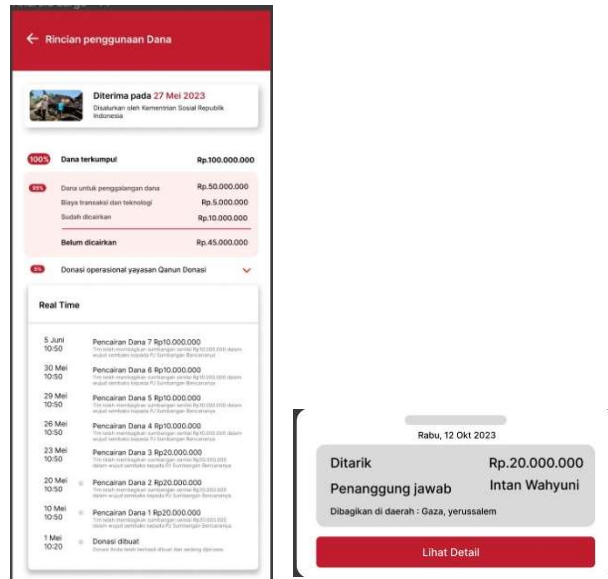
Donation Transaction Page
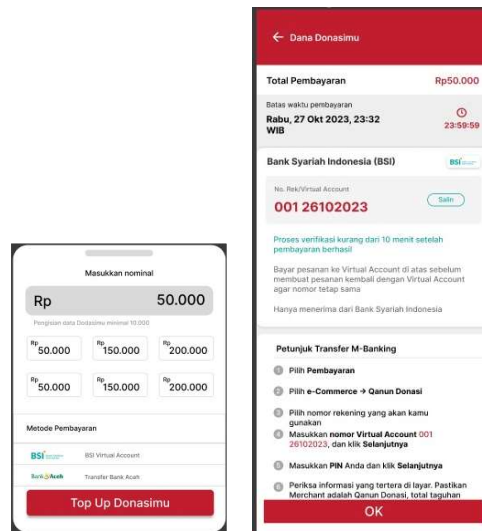
Explanation of the Fund Donasimu feature:
- Payment total: Displays the amount of money to be transferred.
- Remaining Time: Provides information about how long the transfer deadline will last.
- M-Banking transfer instructions: Provides information in the form of steps to transfer donations using a BSI virtual account, for example.
- Enter Nominal: Provides information in the form of nominal value that users often enter when making a donation, and can also type in the nominal amount according to the user's wishes
- Payment Method: Provides information in the form of two sharia banks which are mostly used by the people of Aceh as a form of compliance with Islamic sharia qanun in Aceh.

Fund Use Details Page

Explanation of the Fund Donasimu feature:

- Donation receipt date tracking: Displays the date the donation was received by the person in charge (PJ).
- Financial summary: Provides information about transaction funds that have been collected, transaction and technology costs, and the amount of funds that have not been disbursed.
- Real Time Tracking: Provides information in the form of live tracking of the flow of donation funds along with information on the person responsible if funds are disbursed.

Discussion

Digital transformation has penetrated various aspects of life, and fundraising in Aceh is no exception. In this context, the Sharia Donation Qanun Application appears as an innovative answer to overcome a number of problems that may arise in fundraising , especially in areas that apply Islamic sharia economic principles. The following is an explanation of how this application answers the five problem formulations previously raised.

1. The Role of Qanun Donation Applications in Paradigmatic Change:
   My Donations Feature: Creates a paradigmatic shift by giving donors the ability to track and see in real-time how their funds are being used. This not only addresses the uncertainty of using donated funds but also inspires trust and active participation in the digital fundraising model.

2. Compliance with Islamic Sharia Economic Principles:
   Donation Transaction Features: Provides detailed information about payment methods through two leading sharia banks. By providing M-Banking transfer instructions, the application ensures that every transaction complies with sharia principles, creating trust and engagement in financial activities that comply with Islamic teachings.

3. Level of Public Trust in the Application:
   Fund Usage Details Feature: Offers real-time tracking of donation receipt dates and financial summaries. This creates a high level of transparency and provides clear information about the flow of donated funds . In this way, the level of public trust, especially students, in the application increases, overcoming concerns regarding compliance with sharia principles.

4. Transformational Impact of Traditional Methods:

Rapid Fundraising Feature: Provides a solution for a change from traditional methods by presenting direct information and documentation of the latest conditions of areas in need. This transformation creates a positive impact by leveraging technology to speed up and increase the effectiveness of fundraising.

5. The Influence of Transparency Values on Student Interest:
   Fund Usage Details Feature: By providing live tracking information on the flow of donation funds and the person in charge, this application creates a high level of transparency. This influences students' interest in donating through the platform, because they can clearly see how their funds are making a direct impact.

Further, we can examine the differences between traditional fundraising and the digital paradigm introduced by the Qanun Donasi Syariah Application. This analysis critically assesses the strengths and limitations of both approaches, providing insights into the unique contributions of the Qanun Donasi Syariah Application to the fundraising landscape in Aceh.

1. Conventional fundraising relies on traditional methods, such as physical events and local campaigns. In contrast, digital platforms, exemplified by Qanun Donasi Shariah Application, leverage online channels and social media for a more expansive and global reach.
2. Digital fundraising exhibits superior speed and efficiency compared to traditional methods. Online transactions, instant payment processing, and automated record-keeping contribute to the accelerated pace of fundraising campaigns.
3. Security concerns and transparency issues are often associated with conventional fundraising. Digital platforms prioritize security measures, including encrypted transactions and robust authentication processes. Real-time transparency is a hallmark, with platforms like Qanun Donasi providing donors instant access to fund utilization details.
4. Digital platforms excel in real-time monitoring and reporting capabilities. Donors can track the progress of fundraising campaigns instantly, receiving updates on contributions, milestones, and utilization of funds. In contrast, conventional methods face challenges in providing timely and comprehensive reporting.

These achievements are made possible by adhering to Islamic economic principles, underscoring the application's commitment to ethical and Shariah-compliant financial practices. The integration of Islamic economic values not only contributes to the success of the platform but also aligns with broader societal expectations for responsible and transparent fundraising in Aceh.

Conclusion

This research shows that the Sharia Donation Qanun Application in Aceh has succeeded in bringing about a paradigmatic change in fundraising. With a focus on Islamic sharia economic principles, the application provides high transparency through features such as "My Donations" and "Donation Transactions." Its success in complying with sharia principles is reflected in the payment method through sharia banks.

The positive impact of the transformation from traditional to online fundraising is visible through the "Fast Fundraising" feature, which accelerates and increases the effectiveness of fundraising. Overall, the Qanun Donasi Syariah Application is not only a smart solution for raising funds in Aceh, but also has a positive impact on society through innovation, compliance with sharia principles, and transparency.

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