

CHAPTER I

INTRODUCTION

I.1 Research Background

Indonesia is a developing country. One of the difficult problems is to handle poverty in developing country. Based on the data obtained from the Central Statistics Agency (BPS), Poverty Depth Index (P1) and Poverty Severity Index (P2) tends to increase. In March 2015, the number of poor people (the population with per capita per month is below poverty line) in Indonesia reached 28,59 million votes (11.22 percent), increased by 0.86 million people compared to the condition that at 27 September 2014 , 73 million people (10.96 percent).

The main cause of poverty in Indonesia is unemployment people. According to Saunders (2002), the relationship between unemployment and poverty as follows: There are people who are poor and do not work (1), the working poor, who are classified workers with low income (2), the person who, though not working but not poor (3), and those who are not poor because of work (4). Bureau of Statistics data showed that the decline in unemployment with the number of unemployed amounted to 5.81 percent in February 2015 in comparison with August 2014 amounted to 5.94 percent, and increased compared to February 2014 amounted to 5.70 percent.

The problem of poverty in Indonesia is largely due to the number of unemployed. Based on that fact, micro, small and medium enterprises (SMEs) could be a solution. There are at least three reasons underlying the developing countries in recent stir SME sector (Berry, et al, 2001). The first reason is because the performance of SMEs / SMEs tends to be better in terms of generating productive employment. Secondly, as part of dynamics, SMBs / SMEs often achieves increased productivity through investment and technological change. The third, because of believe that SMBs / SMEs have advantages in terms of flexibility than large businesses. SMEs as one of

the poverty rate deduction is also evidenced by the number of business units contributed to the 998% of the total business in Indonesia, absorbing 99.44%.

Table I.1 Data of SME Development in Indonesia (by Departemen Koperasi dan UKM, 2014)

No	Indicator	Unit	Total (2012)	Total (2014)	The Difference of 2012-2014
1	SME (Small Medium Enterprise)	(unit)	56,5 million	57,9 million	1,4 million
2	Employee	(person)	110 million	118 million	8 million
3	PDB of SME	(billion)	4,869	6,492	1,623

The data table above, shows that the absorptive capacity of SMEs to employment is very large. Apart from the large role of SMEs in the economic development of Indonesia, according to the World Bank (World Bank) SMEs in Indonesia is very difficult to get investment. Financiers or financial institution to protect credit risk, demanding their business activities undertaken by the principles of modern management, the official business license as well as a guarantee (collateral). Banking institutions as a source of optimal capital still can not help the problems faced by SMEs (Rahayu, 2005).

Indonesia as a country with a population of the largest Muslim communities have great potential for financing productive zakat, infaq, sadaqah and waqf (ZISWAF) that can be used for the eradication of poverty. The potential is directly proportional

to the demographic bonus Indonesia 2020. The demographic bonus is a phenomenon where the development side get benefit because the number of productive age population larger than the others. The large number of productive age can promote Indonesia on the development of quality human resources.

Human resource development can be supported by moral and material provisioning. These briefing became one of the functions of the ZISWAF Organization do the coaching and disbursement of funds.

There are two types ZISWAF distribution: funds by consumptive and productive like the one in Figure I-1 below. Consumptive fund is used by the recipient to get the live and spent in subsistence in the scope of health, education, and social. Productive fund is kind of one given to the recipient for the development of SMEs and the Community, this fund could be a solution to the problems of investment SMEs. Businesses that receive disbursements prolific builder of institutions ZISWAF is micro enterprise category. Micro Enterprise is a business that has the property of artisans but does not have entrepreneurship skills that need to be nurtured by the agency ZISWAF builder.

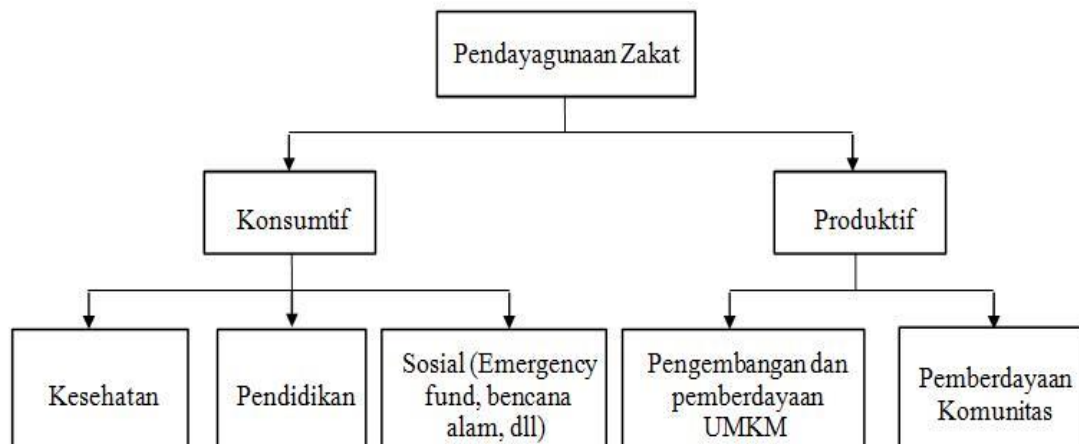


Figure I.1 The Ziswaf Category (Nana,dkk, 2012)

In addition , Islamic banks (Islamic Banking) can be a contributor ZISWAF builder

institutions in the provision of capital to the Islamic principles. According to article 1, paragraph (13) of Law No. 10 of 1998, Islamic principles can be interpreted as treaty rules based on Islamic law between the bank and other parties to deposit funds and or finance business activities or other activities stated in accordance with sharia, anara other financing based on the principle of profit sharing (mudharabah), financing is based on the principle of equity (musharakan), the principle of buying and selling goods with profit (murabaha), or the financing of capital goods with the principle of the lease pure without selection (ijara), or with the selection of the transfer of ownership of goods leased from the bank by another party (ijara waiqtina). Bank Syariah has a function as an intermediary institution is the institution with the function of collecting funds from the public and to channel these funds back to the people who need it in the form of financing. Financing or financing, the financing provided by one party to another to support the planned investment, either by themselves or institution. In other words, funding is funding that has been issued to support the planned investment (Muhammad, 2005).

Islamic banks offers a variety of financing products, such as murabaha financing or sale of goods with the original price plus a profit margin that has been agreed. This facilitates the purchase of SME registered as a customer not to pay in cash. The financing of the management and control using a formula that is 5 C character, capital, capacity, control, and condition in order to minimize financing problems (Muhammad, 2002).

According Muharani (2013) some of the factors causing the financial problems that the lack of internal controls, lack of information prospective customers, the lack of cost analysis, and the absence of good I'tikad of customers.

Based on the factors above, necessary supervision of SME financing in the form of funds from ZISWAF organization, while the focus of funding under the supervision of Muharani (2013) includes the financial audit, operational audit, and audit management or policy. The purpose of the supervision of the financing according to

Arifin (2006), among others: (a) In order for SMEs to do business can be run in accordance with a predetermined plan together with Bank Syariah. (b) In order to estimate the advantage over businesses that are financed can be achieved with good so that will have an impact on one of them for the results to be received by Bank Syariah. (c) So that the wealth of Islamic Bank will always be monitored and avoid their misuse by unscrupulous either from internal or external Islamic Bank. (d) Ensure the accuracy and correctness of the data from the administration in the field of finance. (e) And so forth.

Seen from the perspective of SMEs, as for the problems currently faced by SMEs in Indonesia, according Winarni (2006) Situmorang (2008), among others: (a) lack of capital, (b) the difficulty of marketing, (c) does not have the financial statements, the poor quality of the technology. Those problems resulted in SMEs is difficult to get funding from investors. According Suryomurti (2012), prior to financing of SMEs especially micro enterprise, generally Islamic banks require analysis that is fast and has a frequency of transactions is relatively higher, so the banks potentially exposed to credit risk is higher if not establish mitigating risk which memadai. Berdasarkan data needs by the bank, then the accounting mem adai the SME entrepreneurs can meet the requirements in the credit application, such as the creation of financial statements (Warsono 2009). However, implementation of such bookkeeping is difficult for SMEs due to limited knowledge of accounting, the complexity of the accounting process, and the assumption that the financial statements is not important for SMEs (Said, 2009). Teak et al. (2004) stated that at this point most SMEs do not keep books of accounting and reporting properly. Murniati (2002) found that employers were mostly lower formal education did not have the preparation and use of adequate accounting information than employers who have formal higher education.

ZISWAF organization as the distributor and capital creator fund micro enterprises that work in cooperation with Islamic banks (Islamic banking) gives the beneficiary obligation to report on some indicators of their business development on a daily basis

or within a specific time period. The report will be deposited into a system called Micro Monitoring System, so the development of micro-businesses (micro enterprise) can be monitored directly by Islamic banks as potential investors through Micro Monitoring System as a Decision Support System. Financial reporting modules contained in Micro Monitoring System, enables role of SMEs assisted ZISWAF institution builder. After efforts to get investment, further efforts will still be monitored by the bank through the financial statements that are stored in the Micro Monitoring System (Pratiwi, 2015).

According Pratama (2015), Micro Monitoring System is a system that has functions to establish communication, interaction and transparency between funders and some business sectors built as an effort to increase its capacity. This system also serves as a facility assessment of the performance of business-funded.

From the previous description it can be concluded that the ZISWAF Organization has a role in the eradication of poverty by unemployment people transform people into employment or an entrepreneur engaged in micro industries.

Reporting Module by SMEs becomes an important component of the Micro Monitoring System. So, this final project entitled “Developing Reporting in Micro Monitoring System for SMEs using Iterative Incremental Method and Laravel Framework”.

I.1 Problem Definition

Based on the above, the following issues will be discussed in the manufacture of modules reporting (reporting):

1. How does the reporting system can be a solution of SMEs problems to get funding?
2. How to increase ZISWAF Productive Funding by people?

3. How to increase the trustable of SMEs Business to receive ZISWAF Productive?

I.3 Research Objectives

Based on the background described above, the purpose of this final project was to design a reporting module using iterative and incremental development as well as the Framework laravel for ZISWAF productive receiver in this section described the research objectives as follows:

1. Identify the system requirements of the reporting module in Micro Monitoring System.
2. Make a reporting system that has the features according to system requirements. Using that features will increase ZISWAF Funding by People
3. Make a feature that can generate report output that corresponds to the needs of Islamic Banking and ZISWAF Organization. Using that features will increase the trustable of SMES who receive the funding. Indicator can showed by total comparing current and the next project.

Make a reporting system that takes input data from other modules and produces output to be the resources for other modules.

I.4 Research Limitations

The limitations in this project as follows:

1. Develop the system in prototype stage.
2. This module is based on the prevailing Islamic scientific and legal basis applicable in Indonesia.
3. The main objective of this study is meet the needs of the SME business report that Bank Syariah compliant.

4. Platform-based on websites for mobile desktop display.
5. The application still requires validation of the accuracy of data, using direct field observation by Ziswaf Organization.

I.5 Benefit of Research

The benefits from research of this Final Project are:

I.5.1 Benefits for users

This system is focus in support people and ZISWAF to build and growth the trust using business reporting.

1. Receiver as organization, this system will be used to monitor the ZISWAF Funding. Manage member performance in the business.
2. Receiver as person, this system support person get Islamic Bank funding by report record.

I.5.2 Benefits for authors

Research Thesis is intended to give you a real example for authors in terms of channeling funds ZISWAF. As Islamic banking in the exercise of its role as an agent of social and financial intermediaries with the road of realizing comprehensive integration between the Islamic banking community, the giver and the recipient charity funds (which can be expanded to community recipients of Government assistance or CSR), the financial services authority (which can be expanded into related government institutions, community economic development such as the Ministry of Cooperatives, the Ministry of trade, Ministry of industry, local government, and the Ministry of Finance) , as well as the body of the *amil zakat*. With an integrated system that is supported by adequate information technologies to record, monitor and analyze the success of the giving of zakat/government grant/CSR in the form of economic empowerment for the communities, are expected to provide

the means for the development of a productive economy which led to a sustainable economic development.

I.6 Systematics Of Writing

The research was elaborated with the Systematics of writing as follows:

CHAPTER I Introduction

This chapter contains a description about the background research, problem formulation, research objectives, limitations of the study, the benefits of systematic research and writing.

CHAPTER II Literature Review

This chapter contains basic literature and relevant theory of the problem examined from different sources to support the research.

CHAPTER III Research Methodology

This chapter contains information on related conceptual methods into an overview of the application against information systems web portal to be created and systematic measures that will be used to complete the research from beginning to end.

CHAPTER IV Analysis and design

This chapter discusses the stages of identification of problems and solutions to the features that will be used on applications in achieving the target of research. Any analysis and design that is made will be documented

with each iteration stage on the attachment.

CHAPTER V Implementation and Testing

This chapter discusses the stages of software development to implement applications that are already designed and conducted Testing to test the feasibility of the application. Each implementation and Testing that is created will be documented with each stage of iteration on the attachment.

CHAPTER VI Conclusion

In this chapter contains conclusions and suggestions towards this research as well as suggestions that can support the development of this final task.