

THE URGENCY OF SHARIA FINTECH IN SOLVING CREATING A DIGITAL-BASED MANDIRI VILLAGE IN MUARA HARAPAN VILLAGE

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Abstract

In addition to impacting the health sector, COVID-19 also affects the economy. Based on data quoted from CNN Indonesia, Indonesia's economic growth was minus 2.2% in 2020. According to the authors, the most impactful are rural communities due to three things: First, The skills and education level of the community are still low. Second, specialized facilities in the village are still minimal. Last, half of the village funds were diverted specifically to handle COVID-19. In contrast to the above, the development of digital technology has accelerated sharply. Based on data from Jawa Pos, the founder of the Institute of Social Economic Digital (ISED), Sri Adiningsih said Indonesia takes about ten more years to transform digitally, and currently, more than 74% of activities from home. However, the development of digital technology, especially Fintek, is still focused on the JABODETABEK area. This is an opportunity for Syari'ah Fintech, which is still minimal compared to Conventional Fintech, to expand its wings due to two things, namely because there are not many competitors and there is still a lot of potentials that can be developed to create digital-based independent villages, especially in Muara Harapan village. Based on this urgency, this research was conducted. This research aims to be a solution solving village community problems, increasing the potential of towns that have declined due to COVID-19 and digital-based independent villages.

Key Words: "Sharia Fintech, Covid-19, Digital Based Independent Village"

INTRODUCTION

Indonesia is a developing country but has great potential to become a developed country. In the RPJMN (National Medium-Term Development Plan), President Joko Widodo targets economic growth in 2020 to be at 8%. However, this hope was dashed due to the COVID-19 pandemic. Based on data quoted from CNNIndonesia, Indonesia's economic growth was minus 2.2% in 2020. This will hurt all economical sectors and all community groups, especially rural communities.(CNN, n.d.).

Villages are the most affected community groups due to 3 things. First, the skills and education levels of rural communities are still low. Second, technological facilities in the

village are still minimal, and market share is growing towards digital. Third, half of the total village funds, the only particular budget from the central government on an annual basis, are diverted specifically for handling COVID-19 as stipulated in Presidential Regulation 54 concerning Posture and Details of the State Revenue and Expenditure Budget for Fiscal Year 2020(Dheo, n.d.-a). Long before that, the utilization of village potential is still not maximal. The principle of village independence, as referred to in Law Number 6 of 2014(Pemerintah Pusat Republik Indonesia, 2020), has not been fully implemented, and the management of village funds is still not productive. If these three things can be adequately handled, villages will have a significant role in improving the Indonesian economy and fighting against the crisis due to the Covid-19 pandemic.

In contrast to some of the problems above, technological developments are progressing rapidly. Based on data quoted from Jawa Pos, the Institute of Social Economic Digital (ISED) founder(Jawa Pos, n.d.), Sri Adiningsih, said Indonesia takes about ten more years to transform digitally and has now reached that figure. More than 74% do activities from home. In line with this, when banking financial services fluctuated, liquidity and NPF (Non-Performing Finance), which hurt banks, increased. The development of Fintech increased. Based on data quoted from the Financial Services Authority(OJK, 2021) on February 23, 2021, the number of Finteks in Indonesia that are licensed and registered in 148 platforms, with details of 11 Fintech that use sharia and 137 established companies with a total number of financial transactions reaching more than 600 trillion, a rapid increase compared to the previous year. 2017 which is only 217 trillion.

The existence of Sharia Fintech, which is still a little bit, should be a stepping stone to see more explicit opportunities than Conventional Fintech. One of these opportunities can be seen from the development of Conventional Fintech, which is only crowded in big cities on the island of Java, especially the JABODETABEK area. Currently, Conventional Fintech focuses on developing its company in urban areas only. Syari'ah fintech should enter the villages looking for new market share. Syari'ah Fintech has an excellent opportunity to expand its business in rural areas due to the lack of competitors in the village, the urgent needs of rural communities, and there are still many village potentials that have not been appropriately developed. Syari'ah Fintech, which offers the principle of profit sharing to achieve mutual benefits, can be a solution for rural communities facing crises. Consumptive and productive loans that do not only prioritize profit are expected to improve the village economy or overcome problems during the COVID-19 pandemic. In addition, Syari'ah Fintech can also increase village community resources through training, and socialization in using technology productively. In the end, the goal of Shari'ahi Fintech is to create an independent digital-based village as referred to in Law no. 6 of 2014 concerning Villages, especially Muara Harapan Village, Muara Enim Regency, South Sumatra Province.

Muara Harapan Village has an excellent opportunity to improve the economy by utilizing the tourism sector, MSMEs, etc. This opportunity is also supported by the strategic geographical location of the village with adequate internet access. Syari'ah Fintech in Muara Harapan Village helps help run the various potentials, which are still not appropriately utilized, mainly because the village community's resources are still low. This fintech is expected to be a solution in solving economic problems in the village, especially during a pandemic like now.

Many previous studies related to Sharia Fintech, such as Rahmawati(Arifin & Fadlan, 2021) discussing the benefits of Sharia Fintech for home-based businesses in general,

Wahyuni(Wahyuni, 2019) discussing the development of Islamic economics in Indonesia through the implementation of Sharia Fintech, Hiyanti(Hiyanti et al., 2019) discussing the roles and challenges of Sharia Fintech. In Indonesia, Saripudin(Saripudin et al., 2021) regarding the efforts of Sharia Fintech to accelerate the growth of small businesses in Indonesia, Yudhira(Suyatna, 2019) & (Rahmawati, 2020) regarding the development of Sharia Fintech during the Covid-19 pandemic, and others. However, from the various kinds of research above and other research that the author has encountered, there is not a single study that collaborates with Islamic Fintech with a village in improving the human resources of rural communities, the village economy, and creating digital-based independent villages. Therefore, this study aims to collaborate on these matters in the village of Muara Harapan, South Sumatra

LITERATURE REVIEW

Definition of Fintech

There are several definitions of Financial Technology which are more popular with the term fintech. The National Digital Research Center defines fintech as an innovation in the use of technology in the financial sector that uses an online-based system. In line with this, Pricewaterhouse Coopers defines fintech as a dynamic segment in the financial and technology services sector that focuses on start-ups that innovate in the product and service industry. Fintech Weekly explained that fintech is a part of a software-based business line that supports financial services(Dinar, n.d.).

Type of Fintech

Hsueh in Sudaryo mentions that there are three types of financial technology, including: a) Third-party payment systems, namely payment systems through third parties. Examples of these payment systems include online-to-offline, mobile payment systems, and payment platforms that provide services such as bank payments and transfers.b) Peer-to-Peer (P2P) Lending, namely platforms that provide credit and risk management mechanisms where lenders and borrowers meet via the internet. This platform helps meet the needs of lenders and borrowers and makes efficient use of money.c) Crowdfunding, which is a type of fintech where a concept or product such as a design, program, content, and creative work is publicly published. Then people who have an interest and want to support the concept or product can provide financial support.

Crowdfunding aims to reduce the financial need for entrepreneurs and predict market demand. Crowdfunding is divided into 4 types, namely First, equity-based crowdfunding where borrowers/investors obtain shares (equity) from the companies or projects they fund. Second, lending-based crowdfunding where investors receive returns (yield) from the money they lend within a certain agreed time just a thank you. And fourth,donation-based Crowdfunding/social crwodfunding or donation-based crowdfunding where donors do not expect any compensation for the money they give.The difference with fintech syar'ah lies in the principles of syari'ah which are based on the basic concept of muamalah including *al-adalah(justice)*, *al-musawah (equal)*, and *an taradhin (sincere)*.(Sudaryo, 2020)

Definition of Village

Based on Law Number 8 of 2014 (Bender, 2016) concerning Villages, Villages are villages and customary villages or what are referred to by other names, hereinafter referred to as Villages, are legal community units that have territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on initiatives community, origin rights, and/or traditional rights that are recognized and respected within the system of government of the Unitary State of the

Republic of Indonesia. This means that the village has the authority to carry out development which is managed by the village government as long as it does not conflict with the constitution.

Type of Village

In the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia number 2 of 2016 (Kementerian Desa Pembangunan Daerah Tertinggal dan Transmigrasi, 2016) concerning the Membangun Village Index, the types of villages are divided into 5, namely: a) Independent Village. An Independent Village, or it can be referred to as a Sembada Village, is an Advanced Village that has the ability to carry out Village development to improve the quality of life and life as much as possible for the welfare of the Village community with social resilience, economic resilience, and ecological resilience in a sustainable manner. b) Advanced Village. Maju Village or can be referred to as Pre-Sembada Village is a Village that has potential social, economic and ecological resources, as well as the ability to manage them to improve the welfare of the Village community, quality of human life, and overcome poverty. c) Developing Village. Developing Villages, or can be referred to as Madya Villages, are Villages with the potential to become Advanced Villages, which have potential social, economic and ecological resources but have not managed them optimally to improve the welfare of the Village community, the quality of human life and alleviating poverty. d) Disadvantaged Villages. Disadvantaged Villages, or can be referred to as Pre-Madya Villages, are Villages that have potential social, economic and ecological resources but have not, or have not managed them enough in an effort to improve the welfare of the Village community, the quality of human life and experience poverty in its various forms. e) Very Underdeveloped Villages Very Disadvantaged Villages, or can be referred to as Primary Villages, or can be referred to as Primary Villages, are Villages that experience vulnerability due to natural disasters, economic shocks, and social conflicts so that they are unable to manage potential social, economic, and ecological resources, and experience poverty in its various forms.

Village Development Component

Village Administration is the implementation of government affairs and the interests of the local community within the government system of the Unitary State of the Republic of Indonesia. The main task carried out by the village government is how to create a democratic life, provide good social services so that it can bring its citizens to a prosperous, peaceful and just life. In order to realize this task, the village government is required to make "radical" changes, both in terms of leadership and bureaucratic performance that are oriented towards village services, so that it actually increasingly leads to good governance practices and not bad governance. Governance mapping in the village consists of four main elements, namely the state (village government), political society (Village Representative Body), civil society (social institutions and organizations), and economic society (economic community organizations, arenas of production and distribution by actors and organizations village economy).

In its implementation, the democratic function of the village begins after the BPD determines and announces the village head. After being elected and the ranks of the village administration have been fulfilled, the village government, BPD, and community representatives (usually represented by the hamlet head who has held hamlet meetings, traditional leaders, religious leaders, educational leaders, farmer groups, fishermen groups, and so on) carry out the MUSDES activities (Village Conference). A number of consensus were created covering village management and planning (village work programs), village cooperation, village investment plans, adding and disposing of village

assets, and solutions regarding village outbreaks/conflicts. In implementing this, mature collaboration and solidarity are needed between executive, legislative, participant, and community economic components in order to improve the village economy and transform it from a very underdeveloped village to an independent village. In line with the development of digital technology, the independent village is meant to be a digital-based independent village that has social resilience, economic resilience, ecological resilience in a sustainable manner beyond ordinary independent villages. Of course, to achieve this, qualified human resources are needed to fill each of the 4 components above.

RESEARCH METHOD

According to its type, this research uses an exploratory qualitative approach to understand an event, ensure the validity of the data, categorize the data, and construct phenomena that occur (Sugiyono, 2019). In this case, there is a phenomenon of village community problems affected by Covid-19, village potentials that have not been appropriately developed, and opportunities for Islamic Fintech to expand its wings in rural areas because the development of Conventional Fintech is focused on big cities in JABODETABEK. The types of data used are primary and secondary data. Primary data is from interviews with regents, village officials, cooperative management, and village community representatives. Secondary data includes village monographs, BPS data, word books, laws, scientific journals, and electronic news from trusted official websites.

The data analysis technique used in this study uses two approaches, the first interactive model and SWOT analysis. According to Siswantoro (Hiyanti et al., 2019), the interactive model is a process of selecting, focusing, abstracting, and transforming temporary data from recorded data. Thus, in this data reduction activity, the researcher selects and selects data according to the concepts that have been mastered. After the data is reduced, the next step is to present the data so that the data that has been selected can be presented in the best possible way. The data presentation technique is the process of collecting all the information obtained and then compiled to draw conclusions and take action on the results of the data presented. The last data analysis technique that the researcher uses is the conclusion-drawing technique because the researcher wants to review research on the urgency of fintech to be applied in Muara Harapan Village. Drawing conclusions is a form of reviewing the results of the data to obtain certainty about the truth of the primary data by matching the suitability between the findings in the fiction with the concept. The results of the interactive model will be presented in the form of a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats).

RESULT

Potential and Problems of Muara Harapan Village During the Covid-19 Pandemic

Muara Harapan village has enormous potential to be developed into an independent village due to 4 things. The first is the geographical advantage which is only 8 km from the district capital. Second, almost every family owns 1 hectare of oil palm land. Third, having qualified infrastructure such as good roads and adequate internet networks, several places can be developed into tourist attractions and places of business, such as large dams. These four villages are safe because, in the past year, there has never been a theft (Dheo, n.d.-d).

Muara Harapan Village is classified as a self-sufficient village/independent village. This means that rural communities can utilize existing natural resources quite well. In particular, regarding the planting and distribution of oil palm to the market. This can be seen from the average resident's houses made of stone/permanent buildings 297 units, 100 units of stone/semi-permanent buildings, and only 85 units of wooden houses. This means that for the most part, rural communities can develop their economy well (Desa, n.d.).

It has the Largest Number of Traditional Markets in South Sumatra

Muara Enim Regency is a district with the most significant number of markets in South Sumatra Province. Based on data from BPS on Statistics of Village Potential, South Sumatra Province, Muara Enim Regency has 109 market units with buildings and 55 market units without buildings, more than 16 other cities/regencies, including provincial capitals such as Palembang city and other big cities such as Lubuk Linggau, Prabumulih, and Lahat. This means that Muara Harapan Village, which is located only 8 km from the district city center, has an extensive market in distributing basic needs, which are the livelihoods of the village community, especially salted eggs.

TABEL 09.3
BANYAKNYA DESA/KELURAHAN MENURUT KEBERADAAN KELOMPOK PERTOKOAN, PASAR, DAN KIOS SARANA PRODUKSI PERTANIAN (SAPROTAN)
NUMBER OF VILLAGES /SUB-DISTRICTS BY AVAILABILITY OF SHOPPING COMPLEX, MARKET, AND AGRICULTURAL PRODUCTION STALL.

Kabupaten/Kota Regency/Municipality	Kelompok Pertokoan Shopping Complex	Pasar dengan Bangunan Market in Permanent Building	Pasar tanpa Bangunan Market without Permanent Building	Tidak Ada Kelompok Pertokoan dan Pasar No Shopping Complex and Market
(1)	(2)	(3)	(4)	(5)
Ogan Komering Ulu	10	33	24	99
Ogan Komering Ilir	43	117	44	189
Muara Enim	21	109	55	106
Lahat	13	39	70	276
Musi Rawas	13	48	19	136
Musi Banyuasin	37	85	20	142
Banyu Asin	30	104	32	168
Ogan Komering Ulu Selatan	5	59	12	191
Ogan Komering Ulu Timur	18	79	10	246
Ogan Ilir	16	42	55	149
Empat Lawang	8	19	22	118
Penukal Abab Lematang Ilir	5	28	15	36
Musi Rawas Utara	3	23	12	56
Palembang	68	39	32	27
Prabumulih	12	17	7	8
Pagar Alam	8	5	5	22
Lubuklinggau	24	6	1	47
SUMATERA SELATAN	334	852	435	2 016

Picture 1.1 The picture above shows the data on the number of traditional markets in South Sumatra (BPS, 2018).

Dam that has not been used well

Another potential that this village has is the Dam which has the potential to be used as a tourist spot. Dams that only contain water with a bottom layer and the edges of the soil are only used as fishing grounds. If the Dam is used as a tourist spot such as a water park, it has the potential to be crowded with visitors. Currently there is only one waterboom in Muara Enim Regency, namely the Amri Rales waterboom, and even then, it is far from the center of Muara Enim Regency. The distance is around 117 km with a short distance of 2 hours 30 minutes. Geographically, if the Dam is used as a water boom, it is more profitable because it is only 8 km from the district capital and the travel time is only 15 minutes(Dheo, n.d.-b).



Picture 1.2 Picture of the DAM in the village of Muara Harapan that has not been used properly



Picture 1.3 The water boom is the result of the creativity of the village of Peunaga Pati

Peunaga Pati village made use of a place that was not useful at first into a good place. The existence of a water boom in Peunaga Pati village can increase PAD (Village Original Income). Peunaga Pati village utilizes village funds of 380 million to build a water boom and is projected to return the investment in the first year. Innovations and bright ideas can elevate the village and help others. Currently, the existence of the water boom in Muara Harapan village is only on the concept plain, and the main obstacle is capital because it is not possible to use village funds to build a waterboom because half of the funds are diverted for Covid-19, and the rest to support the economy of the village community in surviving. (Dheo, n.d.-b)

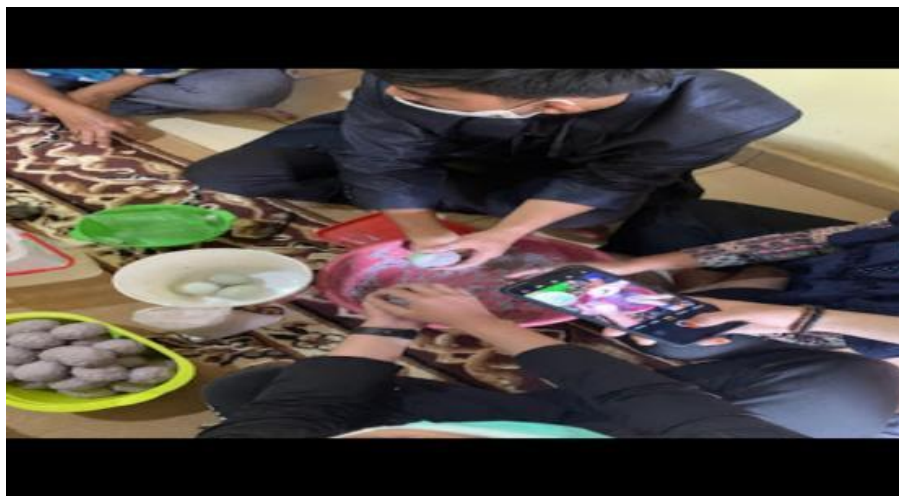
The Market for Palm Oil Distribution is Still Minimal

In addition to using dams, this village also has problems distributing palm oil. The results of the author's interview with the management of the "Subur Makmur" Village Unit Cooperative and one of the villagers of Muara Harapan, so far, the distribution of palm oil uses two systems. Namely, it is distributed collectively through

the KUD fertile prosperous and personally by the villagers. The cooperative, consisting of 375 family cards, can generate sales of up to 300 tons with an average selling price of 4 thousand rupiahs per kilo in one month. So the total produced by the prosperous fertile KUD reaches 1.2 billion rupiahs with the obligation to pay 5% as mandatory savings. However, this figure fluctuates depending on the amount of palm oil distributed collectively by cooperative members. In fact, for several months, the "Subur Makmur" Village Unit Cooperative did not distribute palm oil to the market for sale because the villagers preferred to distribute it privately. According to Udin, one of the villagers in Muara Harapan said, Villagers choose to distribute palm oil to the market privately because the cooperative partners are still in the same realm. If we see a higher bargaining price personally, we choose to sell privately. In addition, the disbursement of proceeds from sales is faster than through cooperatives. (Dheo, n.d.-c)

Karang Taruna and PKK Prduct That Haven't been Integrated

In other findings, the potential of this village has not been managed and developed optimally. Such as empowering youth organizations, increasing the PKK salted egg business, and empowering KWT. This village youth organization has not been appropriately managed because, in one year, this youth group did not have any activities based on cadre development, only village women who routinely did volleyball exercises and participated in district-level volleyball championships. KWT has a salted egg business, but this business is also limited to a personal business and has not been integrated by the village government(Dheo, n.d.-d).



Picturer 1.4 PKK JasmineSalted Egg Making Practice

Human Resources are still low, and the planned development is still consumptive

In the development design contained in the Muara Harapan Village Deliberation (MUSDES), which the author attended, development has only relied on one source of funds in the form of village funds, and even then, half of it was allocated for handling the Covid-19 outbreak. Educationally the average community of Muara Harapan village is still in the area. Equivalent high school level. So that the results of the Village Deliberation every year only revolve around consumptive development, namely the construction of siring, bridges, and so on. In addition, the presence of Covid-19 has added

to the burden on the people of the Muara Harapan village because the selling prices of essential goods and commodities (palm, rice, and salted eggs) have fallen, partners have decreased, consumers have declined, and aid has been minimal.

Half of the Village Funds Are Allocated for Handling the Covid-19 Outbreak

Article 1 paragraph 4 letter b and article 2 paragraph 2 PER PRES (Presidential Regulation) Number 54 concerning Posture and Details of the State Revenue and Expenditure Budget for the Fiscal Year 2020 (Pemerintah Pusat Republik Indonesia, 2020) that the transfer budget to the Regions and Village Funds is estimated at Rp. 762. 718. 869. 080.000,00 (seven hundred sixty-two trillion seven eighteen billion eight hundred sixty-nine million and eighty thousand rupiahs), which is used for two needs for social safety nets in the village in the form of direct cash assistance to the poor in the village and handling activities Covid-19 outbreak. The funds were initially used for village development and community empowerment but were transferred to handling the Covid-19 outbreak. Of course, this hurts the development of the village of Muara Harapan.

DISCUSSION

The Urgency of Sharia Fintech in Resolving Village Community Problems, Increasing Village Potential and Creating Digital-Based Independent Villages in Muara Harapan Village During the Covid-19 Pandemic

The urgency of Sharia Fintech in Resolving Village Community Problems and Increasing Village Potential

Based on some of the explanations above, the cause of the potential that exists in Muara Harapan village has not been able to be adequately developed because there is no long-term development vision that is productive, and sources of funds that only come from village funds have been cut in half for confectionery for the Covid-19 outbreak. The concept of Syari'ah Fintech is different from other financial service institutions in terms of lending and borrowing. Syari'ah Fintech brings together investors/several lenders and lenders to make one understanding. Of course, to get a big loan. In this case, the village community must convince investors with a mature concept. (Saripudin et al., 2021).

This is evidenced in the procedure when borrowing from Shariah Fintech: 1). On the website available, the borrower submits a loan application. 2). The borrower's identity file is sent through the website. 3). Sending required documents according to financing needs. 4). The purpose of sending this document is to support the goals of service providers in helping fund Small Business entrepreneurs. However, for individual businesses that do not have business documents, it is usually only in the form of a salary slip or a photocopy of a savings account. 5). An analysis of the feasibility of providing loans by service providers to borrowers is carried out in terms of the period and the borrower's ability to repay. 6). After releasing the results of the analysis and being categorized as eligible for a loan, the organizer provides information to the lender that there are parties who apply loans that are eligible for loans and are ready to carry out lending and borrowing agreements. 7). The financing contract is carried out between the loan recipient and the lender with an al qardh scheme. The lender provides a loan for the bill, followed by a wakalah bil ujah contract. The lender represents the service provider to help manage the bills given by the borrower. *Al - qard and wakalah bil ujah* contracts are carried out online through the service provider's website. You can also use the Musyarakah contract

for specific segmentation. 8). The loan recipient provides collateral in the form of bills and current accounts according to the loan maturity date. The lender can ask for other guarantees for individual loans according to the parties' agreement. 9). The loan is disbursed through the virtual account of the loan recipient at a bank that has been appointed and in collaboration with service providers (Alwi, 2018).

The concept of borrowing and borrowing above forces the village community to have a clear concept. In the author's opinion, if the village community unites their minds to produce long-term productive development, such as the construction of a water boom, it can have good implications for PAD (Village Original Income) income by explaining the strategic geographical condition of the village (only 8 km from the city center) and Muara Enim district only there is a water boom which is very far from the city center, which is a strong argument for rural communities to get an injection of funds for rural communities in the form of loans with monthly installments or the form of collaboration with investors through Syari'ah Fintech as a mediator with the concept of profit sharing.

In addition, Syari'ah Fintech can provide loans for PKK Melati salted egg home-based businesses and capital in distributing palm oil to the Subur Makmur KUD in Muara Harapan village. Syari'ah Fintech can also educate the public about online market share, how to market goods digitally, and participate in product promotion and product development. The Syari'ah Fintech criteria are required to not contain gharar (fraud), must not cause harm to the user, and there must be clarity (sarih) in the contract to be the initial capital for Syari'ah Fintech to ignite the village community to open the door as wide as possible to welcome the presence of Fintech Sharia. In addition, in Syari'ah Fintech also recognize that the terms al-musawah (equality), al-adalah (justice), and inter-taradin (mutually willing in transactions) can erode the public's doubts in making their choice in Syari'ah Fintech.

In the village, not many Fintech companies have entered. Fintech development is only focused on big cities on the island of Java, especially in JABODETABEK (Jakarta, Bogor, Depok, and Bekasi). Whereas in terms of needs, it is clear that rural communities need them more because they are far from other financial service institutions. By spreading its wings to the countryside, Syari'ah Fintek can increase its market share and make Fintek bigger. As is the case, PT Amarta Mikro Fintek is the largest Fintech company in Indonesia. One of the ways PT Amarta Mikro Fintek achieves its success is by expanding its wings to the countryside. Currently, PT Amarta Mikro Fintek can reach 4,100 villages out of 71,074 villages in Indonesia. This means that only 2.9% of the total villages in Indonesia, including the village of Muara Harapan .

The step of Syari'ah Fintech to enter villages is supported by the rapid development of Fintech during the Covid-19 epidemic. Based on data quoted from Jawa , the Institute of Social Economic Digital (ISED) founder, Sri Adiningsih, said that Indonesia basically takes about ten more years to transform digitally, and more than 74% do activities from home. In line with this, when banking financial services fluctuated, liquidity and NPF (Non-Performing Finance) increased, and the development of Fintech increased. Based on data quoted from the Financial Services Authority on February 23, 2021, the number of FINTECH in Indonesia that are licensed and registered in 148 platforms with details of 11 Fintech that use sharia and 137 conventional companies with a total number of financial transactions reaching more than 600 trillion, a rapid increase compared to 2017 which only 217 trillion.

Fintek also has a system that is easy to audit. One of the obstacles in utilizing village funds is that there is still no sound system for supervision. So this has an impact on corruption. Indonesia Corruption Watch noted 169 corruption cases during the first semester of 2020.(Bayu, n.d.) Of these, corruption in village funds was the most common corruption cluster, with 44 cases. An easy-to-audit system and data transparency owned by Fintek Syari'ah can reduce cases of corruption in village funds, including one in Muara Harapan village.

Not only productive loans, but Sharia Fintech also provide consumptive loans. What is meant by consumptive loans here are loans in the form of peer-to-peer lending that are given to households (whether rural communities or urban communities that are the target market for villages/consumable components of the consumptive economic community) only for consumption activities. What is meant by loans in the form of crowdfunding? Both equity crowdfunding, lending crowdfunding, and reward crowdfunding are productive. Here are loans to business units in villages such as KUD, PKK, and KWT to improve village development. In addition, Fintek also recognizes the social crowdfunding system, namely collecting donations/assistance funds from the internet, which is channeled for social needs without expecting any assistance. In addition to natural disaster assistance, these donations should be channeled for building village facilities, training for empowering village communities, etc.

In addition to cash for financing, Syari'ah Fintech can also assist in the form of smartphones and training on how to use them in village communities as CEO Amaritha Andi Taufan said, "We will expand our products and launch programs to improve literacy and financial inclusion in villages. One of them is through the smartphone program to enter the village"(Pratiwi, n.d.).

The urgency of Sharia Fintech in Creating Digital-Based Independent Villages in Muara Harapan Village During the Covid-19 Pandemic

According to Law Number 8 of 2014 concerning Villages, Villages are villages and traditional villages or what is called by another name, from now on referred to as VillageVillage, is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, interests local communities based on community initiatives, origin rights, and traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. Meanwhile, an independent village is or can be referred to as a self-sufficient village, which is an advanced village that can carry out village development to improve the quality of life and life as much as possible for the welfare of the village community with social resilience, economic resilience, and ecological resilience in a sustainable manner. Although currently, Muara Harapan village is an independent village. However, the presence of Covid-19 seems to have degraded the status of this VillageVillage into a developing village.

The Chinese government first coined the term digital village in Taobao Village, which changed analog/manual infrastructure into digital. The digital village is a concept that applies a system of government services, community services, and digital-based community empowerment. Digital village development is not easily influenced by several factors, namely First, the education level of the Indonesian people, especially those in villages. If their education improves, this can also make them more "information technology literate". Theoretically, to get to the stage of information technology literacy, it must first begin with what is called "information literacy".(Bakt & Muhammad, 2017)

Therefore, the state of information technology literacy places education as the primary (essential) factor. Second, access to information technology. Currently, information technology has become something familiar, which tends to be easily accessed (reached) and learned by some community members. Third, the seriousness of the government's efforts to further introduce information technology to the public, will lead to nothing but efforts to realize good governance based on information technology (good e-government)(Wijaya et al., 2013).

Although the average Muara Harapan village community has an average high school education level, in terms of experience in interacting, the village community has been accustomed to using smartphones. The most important thing remains, education to use smartphones for productive things supported by internet access in this village is quite adequate, and there is evidence of the seriousness of the village community. This can be proven by the production of salted eggs from the jasmine PKK home business and the collective and massive distribution of palm oil by the prosperous fertile KUD in a market that is not too large. Just imagine if they have a big market and can distribute more of their products with much profit it will increase the seriousness of the local population

As was done by the village of Tanjungtirt(Samudra, 2019), who promoted their products on the digital village market website, the people of Muara Harapan village can also follow the example. If they cannot start further, the public should be able to promote on well-known platforms by collaborating with well-known local influencers. However, it is miserable that these things have not been able to be done by the village of Muara Harapan because it does not receive support from the local government. Village funds are only distributed without any specific clause for their use.

This is where the role of Sharia Fintech is needed. The concept of shari'ah which does not exploit the local community but produces benefits, there should be no gharar, upholds the principles of justice (*al-musawah*) and (*al-'adalah*), and is always based on the concept of being willing to cooperate (*an-taradin*) can be a mediator in creating a digital-based independent village. This is in line with (Hiyanti et al., 2019), (Suyatna, 2019), & (Rahmawati, 2020) .The status of the estuary of Harapan village, which is an independent village and adequate internet access, can be collaborated with the digital concept owned by Syari'ah Fintek to create this village into a digital-based independent village. It is hoped that Syari'ah Fintech can help villages by having a website that all elements of the village community can access, has digital-based administrative services (management of poor letters, ID cards, BLT, etc.), has applications for promoting home-based business products, has large accounts on well-known platforms, having online holding companies, and turning unusable/profitable joint assets (dams/dew) into helpful/good places (*water boom*) solely to increase PAD. In the end, this village community will thrive and prosper according to the name of the cooperative and no longer depend on village funds.

In line with this, the author carried out a SWOT analysis on Syari'ah Fintech to enter the village of Muara Harapan and the readiness of Muara Marapan to transform into a digital-based independent village.

Table 1.1 Describing SWOT Analysis on Sharia Fintech

Strengts	Weaknes	Oportunities	Threats
Growing	It takes	Creating new	Loss

fast	quite a while	market share	
Easy to audit		The needs of Fintech and the village community are in line	Default
Few competitors			
More flexible			

Table 1.2 Describes a SWOT analysis of the readiness of Muara Harapan village to become a digital-based independent village

Strengts	Weaknes	Oportunities	Threats
Strateguc Location	It takes quite a while	MCreating PAD (Pendapatan Asli Desa)	Loss
Good internet acces		Kebutuhan Fintecht and the village comunity are in line	Default
Safe Location		Tranformation to a digital village	
Have a good potential		Improving the economy of rural	
Have a good infrastrucre		Improving village human resources	

From some of the explanations and analyzes above, the author realizes that the presence of Syari'ah Fintech in Muara Harapan village has challenges and threats, namely that the human resources of the village community are still low, which has the potential to create defaults between village communities and Fintech companies. However, these potential problems are not proportional to the needs of the village community, the large number of village potentials that have not been appropriately developed, and the impact of Covid-19 on the village of Muara Harapan. These problems can be anticipated through socialization and humanist approaches from Syari'ah Fintech companies. Islamic-style fintech that upholds the concept of *al-'adalah* (justice, al-musawah (equality), and *an-taradin* (mutually willing in transactions) support the existence of Islamic fintech at the mouth of hope in improving rural community human resources, improving the village economy, and create a digital-based independent village.

CONCLUSION

Muara Harapan Village has several potentials that can be developed into a digital-based independent village, such as a strategic location, good internet access, and qualified

infrastructure. Several can be developed into tourist attractions, namely dams/dew into water booms. Due to the existence of Covid-19, the village, which is classified as independent, has experienced many problems individually, the village community or collectively in the Melati PKK and the prosperous fertile KUD in the distribution of palm oil, the development of home-based businesses for PKK women, and the activation of youth organizations which causes the village community to walk on the street. . In addition, half of the village funds are allocated for handling Covid-19. Sharia fintech, which is proliferating, is expected to be a hero in providing loans to PKK jasmine home businesses through peer-to-peer products, capital financing in the distribution of palm oil, and financing for water boom development through crowdfunding products, as well as socializing and increasing rural community literacy in business development. And the use of digital technology. In the end, Syaria'ah Fintech is expected to be able to transform Maura Harapan village into a digital-based independent village by having digital-based administrative services (managing ID cards, poor letters, etc.), having a digital website market, having their own application, and having a large account. On well-known platforms, it is owning a holding company online and converting shared assets that are not yet useful/profitable (dam/dew) into a place that is functional/profitable (water boom) solely to increase PAD. In the end, this village community will thrive and prosper according to the name of the cooperative and no longer depend on village funds.

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