

# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

The rapid advancement of technology provides great opportunities in the economic world to continue, to compete and carry out its activities, especially in the sphere of consumption. Consumption is a human activity as social being in fulfilling their needs in terms of materials, symbolic goods and services to achieve satisfaction.<sup>1</sup> In conducting consumption between individuals is not the same due to the needs of each individual are diverse, depending on the needs necessary in meeting the needs of their life.

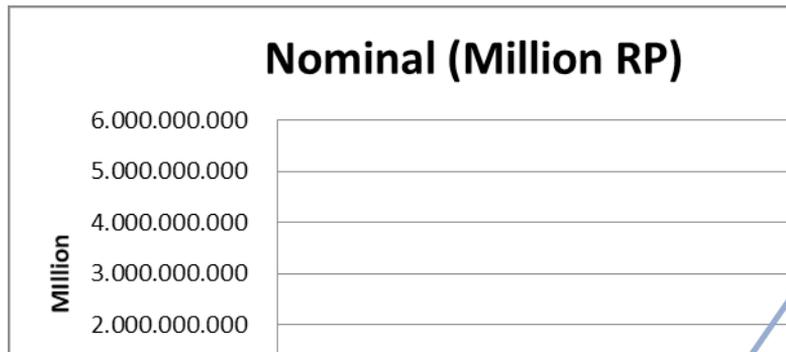
Non-cash payments is a payment system that utilize information and communication technologies such as Integrated circuit (IC), Cryptography, and communication networks as payment media.<sup>2</sup> The development of information technology encourages the banking or non-banking sectors to be more innovative in providing various alternatives, namely non-cash payment services in the form of transfer systems and also other electronic card payments that have been relatively secure, fast, and much more efficient and global.<sup>3</sup> Some non-cash payments have been widely used by the public such as ATM/debit cards, credit cards, and electronic money.

---

<sup>1</sup> Deni Putra, et al, "Prinsip konsumsi 4k + 1M dalam perspektif Islam" , *Asy-syari'iyah Jurnal Ilmu syari'ah dan perbankan Islam*, Vol 4, No 1, 2019. p. 5

<sup>2</sup> Bambang Pramono and Tri Yanuarti, et al, "Dampak Pembayaran Non Tunai terhadap Perekonomian dan Kebijakan Moneter", *Working Paper*, No. 11, Bank Indonesia 2006, p. 12

<sup>3</sup> *Ibid*, p. 6



**Figure 1. Electronic money transaction data in Indonesia 4**

Source: *bi.co.id* (The data is processed by the Researcher)

The above data explains that the number of transactions of Indonesian people tends to increase from year to year. It's happened by rising in the consumer price index annually.<sup>5</sup> The convenience offered by technology is currently a factor to change consumption habit, because it is easier for people to make transactions by on line, such as mobile applications and ATM/Credit cards that can be accessed through online media.<sup>6</sup>

Based on data from the Central Statistics Agency (BPS), the consumption rate in the second quarter of 2019 that basis on the year (yoy) reached 5,17 %. This number is only a slight difference with the consumption rate in the previous period, that reach 5,16%. Besides that, Household consumption growth increased compared to 5,02% in the first quarter of 2018.<sup>7</sup>

<sup>4</sup> Bank Indonesia, *Data Transaksi Uang Elektronik di Indonesia 2011-2019*, at [2:05] <<https://www.bi.go.id>>, viewed on 1 oktober 2020.

<sup>5</sup> Badan Pusat Statistik (BPS), *Inflasi 0,39 % pada Januari 2020*, at [2:14] <<https://databoks.katadata.co.id>>, viewed on 1 oktober 2020.

<sup>6</sup> Kata Data, *Transaksi digital ubah pola konsumsi masyarakat*, at [6:03] <<https://katadata.co.id>> viewed on 1 oktober 2020.

<sup>7</sup> Danang Sugianto, *Masyarakat RI masih doyan belanja nih buktinya*, at [14:17] <<https://finance.detik.com>> Viewed on 28 Februari 2019.

Hartono said that “*One of the areas that has contributed in helping the process of achieving economic development is Madiun City.*”<sup>8</sup> Madiun city is a developing city with 210,245 population.<sup>9</sup> The area of Madiun city reached 33.23 Km<sup>2</sup> consisting of three sub-districts namely Manguharjo, Taman and Kartoharjo.<sup>10</sup> Madiun city is known as the city of GADIS which means the city of trade and industry, Besides having a relatively consumptive society, the level economic in Madiun city can be considered although it’s economic development is not the same with the capital economy development.<sup>11</sup>

The people of Madiun city are called people whose economy is a consumptive lifestyle. The Economists even estimate 95% of Madiun society income was used for consumption.<sup>12</sup> This is evidenced by the growth number of cafe, restaurant, mall and other shopping centers in Madiun City.

---

<sup>8</sup> Yudi Hartono, et al, Pengembangan Kota Madiun sebagai kota GADIS Tahun 2000-2013, *Jurnal Agastya*, Vol 04 No 02 2014. p.76

<sup>9</sup> Dinas kependudukan dan pencatatan sipil Kota Madiun, *Jumlah penduduk Kota Madiun per Maret 2020*, at [6:50] <<https://capil.madiunkota.go.id>> viewed on 1 Oktober 2020.

<sup>10</sup> Badan Pusat Statistika (BPS) Kota Madiun, 2020, *Madiun dalam Angka 2020*, Publikasi Madiun dalam angka Badan Pusat Statistika kota Madiun, p.33

<sup>11</sup> Yudi Hartono, et al, Pengembangan Kota Madiun sebagai kota GADIS.....p.76

<sup>12</sup> Rahmat Wibisono, Gaya Hidup, *Wow tingkat konsumsi warga madiun*, at [09:59] <<https://www.madiunpos.com>> viewed on 14 April 2020.

**Table 1. CPI Growth in Madiun City 2019<sup>13</sup>**

Expenditure group	CPI June 2016	CPI Dec 2018	CPI June 2019	% Change to May 2019 <sup>*1)</sup>	Calendar Year 2019 <sup>*2)</sup>	YoY year of year <sup>*3)</sup>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>General</b>	131,14	132,09	134,24	0,22	1,63	2,36
<b>Food material</b>	132,13	130,34	134,61	-0,78	3,28	1,88
<b>Food, Beverages, Cigarettes and Tobacco</b>	138,64	140,71	144,64	0,63	2,79	4,33
<b>Housing, Water, Electricity, Gas and Fuel</b>	131,69	133,71	133,40	0,02	-0,23	1,30
<b>Clothing</b>	121,66	121,77	124,55	0,40	2,28	2,38
<b>Health</b>	123,61	125,88	127,84	-0,5	1,56	3,42
<b>Education, Recreation and Sports</b>	125,83	128,35	130,24	0,00	1,47	3,50
<b>Transport, Communication and Financial Services</b>	129,99	130,33	131,68	1,30	1,04	1,30

- 1) Percentage of changes in the CPI June 2019 to the previous month's CPI
  - 2) Percentage of changes in the June 2019 CPI to the December 2018 CPI
  - 3) 3) Percentage of changes in the June 2019 CPI to the June 2018 CPI
- Source: BPS Madun City 2019*

According to Madiun City Report in 2020, the consumption of Madiun City people towards non-food consumption is greater than food

<sup>13</sup> BPS Kota Madiun, *Index harga Konsumen 2019*, at [9:35] <<https://madiunkota.bps.go.id>> viewed on 31 August 2020.

consumption, namely 44.40% for the type of food, while 56.% for non-food.<sup>14</sup> Indeed, in 2020 states that the majority of Madiun's society are muslims, namely 190,919 people or about 91% of the total number.<sup>15</sup> As a Muslim, people should be able to apply Islamic value in the consumption, namely based on Maqashid syari'ah by being moderate in spending, not reducing the circulation of wealth and also not weakening the economy of other communities.<sup>16</sup> Yusuf Qardhawi also mentioned that as a Muslim must consume in accordance with islamic consumption rules such as by being modest and fighting the actions of mubadzir.<sup>17</sup> Therefore, the Researchers make consumption patterns as an independent variable (variable Y).

Based on BPS data of Madiun City in 2019, the financial service institutions are one of the roles in the of Madiun City's Income 10.15%.<sup>18</sup> Therefore, it can be ascertained that the majority of the people of Madiun city are users of financial services. And the Researchers make Debit Cards, Credit Cards, and E-money as the dependent variable (variable X). A large number of shopping centers in Madiun City, such as supermarkets and large urban markets, currently the majority of shopping centers use non-cash payment methods such as credit cards, debit cards, or e-money. This is very helpful and makes it easier for people to buy their needs, both food and non-food needs.

For several reasons that have been explained above, the Researcher considers research to be very suitable for the study to measure how much influence non-cash transactions have on the consumption of the Muslim

---

<sup>14</sup> Badan Pusat Statistika (BPS) Kota Madiun, 2020, *Madiun dalam Angka 2020*, Publikasi Madiun dalam angka Badan Pusat Statistika kota Madiun, p. 187

<sup>15</sup> *Ibid*, p.125

<sup>16</sup> Miftahul huda,. "Indikator perilaku konsumen dalam memnuhi kebutuhan primer", *Islmaic Economics Journal*. Universitas Darussalam Gontor, Vol.3, No.2 Desember 2017. p.212

<sup>17</sup> Yusuf Qardhawi, *Norma dan Etika Ekonomi Islam*, Cet. 3 (Jakarta:Gema Insani,2018).p.132

<sup>18</sup> Badan Pusat Statistika (BPS) Kota Madiun, 2020, *Madiun dalam Angka 2020*, Publikasi Madiun dalam angka Badan Pusat Statistika kota Madiun, p.187 .

society in Madiun City with the maqashid Shari'ah approach. In addition, this research had literature to review Miftahu Rizqa and Edy Gunawan's research entitled "Analysis of the Use of Card-Based Payment Instruments and E-Money on Public Consumption in Banda Aceh". The variables such as debit card, credit card and E-money variables have a positive effect on public consumption, while the religiosity variable has a negative effect on public consumption. Therefore, the Researcher wants to review the research by using Madiun City as the research object with maqashid shari'ah as a measure of people's Islamic consumption.

## **1.2 Problem Formulation**

- 1.2.1 How does non-cash transactions affect to the consumption of the Muslim society in Madiun City perspective *Maqashid Shari'ah*?
- 1.2.2 How the consumption of the Muslim society in Madiun city perspective *Maqashid Shari'ah*?

## **1.3 Research Objectives**

- 1.3.1 To analyze how much influence Non-cash transactions have on the consumption of Muslim societies in Madiun City.
- 1.3.2 To analyze how the consumption of the Muslim society in Madiun city

## 1.4 Research Scopes and Limitation

- 1.3.1 This study discusses the effect of non-cash transactions on consumption of the Madiun society approach and to find out how the application of Islamic values (*Maqashid Syari'ah*) in consumption.
- 1.3.2 The method used quantitative with multiple linear regression (E-views)
- 1.3.3 The non-cash types studied were various types of debit cards, credit cards and E-Money (ovo and go-pay).
- 1.3.4 The indicators used in variable X are only convenience and benefits
- 1.3.5 The indicators used in variable Y only concern attitudes and behaviors

## 1.5 Research Benefit

### 1.3.6 Academic Benefit:

The results of this study are expected to provide benefits for academics, namely *first*, it can provide knowledge for further Researchers in providing information, especially about the effect of non-cash transactions on the consumption of Muslim societies in Madiun City. *Second*, it makes it easy for further Researchers to continue new research.

### 1.3.7 Practical Benefit:

The results of this study are expected to provide benefits for practitioners, namely *Firstly*, it can providing information to practitioners about the effect of non-cash transactions on the consumption of Muslim societies in Madiun City. *Secondly*, helping the government to measure how much the use of non-cash transactions among Muslim societies in Madiun City. *Thirdly*, increasing literacy

to the public regarding non-cash transactions and literacy that relate to consumption theory and can provide the information to the public about the influence non-cash transactions on consumption.