

HOUSEHOLD ACCOUNTING IN THE WAHDAH ISLAMYAH MOSLEM COMMUNITY

Husniar

Department of accounting, Hasanuddin University, Makassar, Indonesia
* husniarazis279@gmail.com

Ratna Ayu Damayanti

Department of accounting, Hasanuddin University, Makassar, Indonesia
* damayantiss@gmail.com

Andi Kusumawati

Department of accounting, Hasanuddin University, Makassar, Indonesia
* andiuma88@gmail.com

ABSTRACT

This study aims to explore the phenomenon of household accounting in the Wahdah Islamiyah community using a phenomenological approach by interpreting Surah An-Anisa on the accounting of households. The data in this study were obtained by conducting deep interviews and analyzing documents or literatures. The informants in this study were members of Wahdah Islamiyah households in West Sulawesi. The results show that the informants implement accounting management in the household, but for reporting specifically it has not been carried out. Implementing accounting in the household based on the Sharia perspective is important on the rationale that the wealth or income obtained will feel a blessing by making more directed expenditures. Asset management based on an Islamic perspective sourced from the Qur'an and Sunnah will be beneficial because it makes them strong with piety and trust.

Keywords: Household Accounting, Accounting Practices, Sharia

INTRODUCTION

Research in accounting is applicable to study the phenomena that occur today so that accounting can be aligned with other social institutions such as family, religion, work, education, art, and literature as well as knowledge and technology. Accounting and household are one unit in carrying out life in the world. The family is an entity in the household that has a purpose.

Research conducted by Bogan (2013), Gray et al., (2014), and Li, et al., (2013) revealed that the inability to manage finances will have an impact on difficulties, anxiety, and illness. This was also expressed by researchers Ramli and Apriyanto (2020) related to financial management in the household that money is so important in modern human civilization, so that money can make people happy and can also be a source of the disaster until many families break up and fall apart because of money problems.

According to research by Ramli and Apriyanto (2020), Yazid et al., (2014), Mulyani and Budiman (2018) said that the continuity of family life towards harmony is a necessity for the realization of a sakinah family. Among the important supporting factors is the family's understanding of proper financial management. Research conducted by Larrimore (2014) and Raharjo and Kamayanti (2015) shows that household accounting practices are also used as a means of accountability to God. Li (2018) found that household accounting is used to determine the amount of zakat that must be paid. Meanwhile, How and Alawattage (2012) found that household accounting practices carried out by conjugal and extended families are full of religious values (not redundant and halal).

Based on data from the Religious Courts Agency of the Supreme Court, the divorce rate for Indonesian families is increasing from time to time. In 2017 (Indonesian statistical center) the divorce rate reached 18.8% of the 1.9 million marriages. Economic factors are the most common cause and what is unique is that 70% of those who file for divorce are wives because their husbands cannot fulfill the family's economic needs. Financial limitations can cause stress and low self-confidence, and even for some families this

condition can lead to divorce (Krishna et al., 2010). In this study, researchers focus on household accounting on Moslem community called Wahda Islamiyah who adhere to the Qur'an and Sunnah.

LITERATURE REVIEW

Accounting Theory

Accounting theory in general divides accounting into two major groups, financial accounting and management accounting. Accounting is not only numbers that reflect economic reality alone, but also a moral and discursive practice. As a moral practice, accounting is ideally built and practiced based on ethical values, so that the information transmitted is also ethical, and ultimately economic decisions made based on ethics encourage the creation of ethical economic and business realities. As a discursive practice, accounting is seen as a tool that influences the behavior of users (Muljono, 2015).

According to Khaddafi et al., (2017), Shariah accounting is socially oriented accounting. This means that accounting is not only a tool for translating economic phenomena in the form of monetary measures but also as a method of explaining how economic phenomena work in Islamic society. In general, the objectives of sharia accounting include: (1) helping to achieve socio-economic justice (Al Falah) and (2) fully recognizing obligations to God, society, individuals concerning parties involved in economic activities (Khaddafi et al., 2017).

Sharia Accounting Principles

Principles are the basis for starting something and as a reference in the process to reach the truth. According to Khaddafi (2017), the principles that need to be adhered to in applying sharia accounting consist of several things, namely: 1) Accountability, which is a concept that is not foreign to the Muslim community. Accountability is always related to the concept of trust; 2) The Principle of Justice according to the interpretation of the Qur'an Surah Al-Baqarah verse 282 contained the principle of justice which is an important value in the ethics of social and business life, and the inherent value inherent in human nature; and 3) the principle of truth, this principle cannot be separated from the principle of justice. For example, in accounting, we are always faced with the problem of recognition, measurement of reports.

Sharia Accounting-Based Family Financial Management

Financial management is not only a form of responsibility to the husband but also a responsibility to Him regarding the income and expenses of our wealth in the world. This has been recorded in Q.S Al-Baqarah Verse 282:

"For you who believe, if you do mu'amalah not in cash for a specified time, then you should write it down, and let a writer among you write it correctly. Then let the writer not be reluctant to write it down as Allah taught him, so let him write, and let him fear Allah his Lord, and let him not reduce anything from his debt. If the debtor is a weak person, the debtor is implying (what is to be written), and wants to or is weak (his situation) or he is unable to do it himself, then his guardian should be honest about it..."

There are seven principles of Islamic financial planning introduced by the Hijrah Strategic Advisory Group (Fauzi, 2015). If these principles are implemented to plan for family needs, welfare will undoubtedly be achieved, including 1) Income in Islam is a source that must be owned by Muslim households; 2) Public expenditure requires good planning in the form of a financial budget; 3) Long-term planning needs to be done in household life; 4) Insurance is a form of protection for ourselves and our property; 5) Islam allows its people to make debts for urgent needs, but it is not permissible if the debt contains elements of usury; 6) Muslims are allowed to invest, to utilize the excess funds they have; and 7) Zakat is the last pillar of Islam that is obligatory for Muslims if the nisab is sufficient. The purpose of zakat is to purify possessions and to help fellow human beings.

Household Concept in Surah An-Nisa

In building a household in the concept of Islam, the Qur'an and Sunnah are the main foundation. In principle, women in Islam have the same degree as men. In terms of managing assets in the household, it is also clear in Surah An-Nisa Paragraph 29 which reads that:

" For you who believe, do not eat your brother's property in a vanity way, unless it is obtained through trade, for which there is mutual consent between you. And do not kill yourselves, for indeed Allah is Most Merciful to you."

Surah an-Nisa verse 29 is a strict prohibition on consuming other people's property or their property falsely. To eat one's wealth through vanity is to spend one's wealth sinfully. There are various ways to eat other people's property utilizing vanity, such as Suddi's opinion, eating it through usury, gambling, cheating, and molesting. Also included in this canceled road are all buying and selling that is prohibited by syara' (Syekh. H. Abdul Halim Hasan Binjai, 2006: 258). Wahbah Az-Zuhaili (AzZuhaili Wahbah, 1997: 84) interprets the verse with the sentence, do not take other people's property by illegal means in buying and selling, (nor do) with usury, gambling, looting, and fraud. However, it is permissible for you to take property other than yourself through trade which is born from the pleasure and sincerity of heart between the two parties and in the corridor of shari'a'. *Tijarah* is an attempt to make a profit through buying and selling. *Taradhi* (mutually willing) is an agreement that appears between the two parties to the transaction, buying and selling without any element of fraud.

RESEARCH METHODS

This research is qualitative using an interpretive phenomenological analysis approach as an analysis tool. The approach focuses on a detailed description of a person or experiences that have personal significance, such as events in his life. According to Kahija (2017), that research participants will interpret their own experiences and researchers will interpret from participants' interpretations. According to Smith (2009), Interpretive phenomenological analysis is a method to understand "what" from the participant's point of view to be in the participant's position.

The Data sources are from nature, society, agencies, individuals, archives, and libraries. Informants in this study were set on the goals to be achieved by referring to two of the five criteria set by Spradley (1997; 62-70) cited by Rismawati (2006), namely: (1) direct involvement, meaning that someone who will be used as an informant is become part of the context and the text to be studied. (2) sufficient time, to dig up data properly from informants should not be limited by the available time, but usually, this kind of research will be a separate problem if it collided with time.

The data analysis technique used in this study is interpretative phenomenological analysis.

According to Smith quoted by Bayir and Limas (2016), there are several stages in interpretative phenomenological analysis, namely: (1) reading and re-reading, (2) initial noting, (3) developing emergent themes, (4) searching for connections across emergent themes. , (5) moving the next cases, and (6) looking for patterns across cases. Interpretative Phenomenological Analysis is a method for understanding "what" from the participant's point of view to be in the participant's position. This analysis also seeks to "understand" something, the context of understanding has two meanings, namely understanding interpretation in the sense of identifying or empathizing and understanding in the sense of interpreting.

RESULTS AND DISCUSSION

The results of this study describe the phenomenon of household accounting in the Wahdah Islamiyah Muslim Community. From several informants, the process of exploring meaning was carried out through analysis of data sourced from interviews, researcher's field notes, and relevant documents. In the household accounting phenomenon in the Muslim community, Wahdah Islamiyah adheres to sharia accounting principles based on the Qur'an and Sunnah, including Right margins should be justified, not ragged. Tables and figures should be incorporated into the text.

PRINCIPLE OF ACCOUNTABILITY

Accountability is always related to the concept of trust. For Moslems, the issue of trust is the result of human transactions with the Creator starting from the womb. Humans are burdened by Allah SWT. To carry out the function of the caliphate on earth, accountability to God is related to the nature of trust. Trust is a behavior that must be owned by human life. This behavior is also the highest teaching in Islam. Amanah in the context of accounting practice is interpreted as accountability, and those who hold the mandate must be

accountable to shareholders, implementers, society, and the creator. Whereas in the case of the household, the creator and husband are where we account for the mandate that has been given to us in managing finances.

PRINCIPLE OF JUSTICE

The Principle of Justice According to the interpretation of the Qur'an, Surah Al-Baqarah verse 282 contains the principle of justice which is an important value in the ethics of social and business life, and the inherent value inherent in human nature. Justice is a balanced recognition and treatment of rights and obligations. Justice lies in the harmony of demanding rights and carrying out obligations. The concept of fairness in managing household finances, is fair in earning a living without forgetting to worship as Muslims.

Principle of Truth.

There is no truth, apart from the Divine. This principle is clear in the view of Muslims, that the best truth is from Allah. Islam has arranged everything on earth as well as possible, and the Qur'an and Sunnah are guidelines in carrying out the truth. In the case of household accounting, the meaning of truth is very broad, because the truth is not only about the evidence of recording a number, but as a form of obedience to the Divine. Right in God's eyes is the way to Heaven. In the household itself, in terms of managing household accounting, it does not start with recording alone. Rather it departs from the intention between husband and wife in earning a living, the halal way is the key to the truth in carrying out household accounting.

There are interesting things applied by some informants for expenditure in a house which like religious obligatory, donation, Alms, pay debts, save, then routine shopping. Household spending is in the last order because it has been directed every month. If spending is placed at the beginning, then what happens is an unconscious waste. The table in their income and expenses is drawn as follows:

Table 1 Estimated Balance Sheet for Muslim Household Accounting

Information	Month					
	Jan	Feb	March	April	May	June
A INCOME						
- Basic Income						
- Side Income						
- Unexpected Income						
TOTAL INCOME						
B SPENDING						
- Primary Expenditure						
- Secondary Expenditure						
- Donation						
- Development Expenditure						
- Unexpected Expenses						
TOTAL EXPENDITURE						
C INCOME AND EXPENDITURE DIFFERENCE						
- Excess Funds						
- Lack of funds						

Source: processed

The table above shows a concept from several informants who have been researched regarding their income and expenses even though they have not fully made a written record, where their income consists of a clear basic income each month, side income where they have other jobs and unexpected income. According to them, from the results of the interview, it was concluded that the important thing as a form of gratitude for the blessings of sustenance in the form of wealth given by God was paying attention to expenses in household accounting.

CONCLUSIONS AND SUGGESTIONS

Household accounting is a pattern of accountability, truth and justice as the principle of trust to Allah Subhana Wata'ala because the auditor in life in this world is Allah Subhana Wata'ala. All activities in life are always supervised by Allah and will be held accountable.

The management of household finance is also inseparable from the principle of piety. The concept of the principle of piety in managing finances is to pay attention to income in their family, which is to stay away from things that are haram. This is based on the principle of piety in which the Qur'an is the guide for life on Allah's Earth. In this case the meaning of household accounting management in Surah An Nisa verse 29 confirms that the prohibition of consuming wealth, both by obtaining and using it, can be emphasized that assets are managed properly will affect our life on Earth.

For theoretical and practical purposes, suggestions that may be useful in the future are as follows: 1) this research can make a theoretical contribution to the development of science in the field of household accounting in the view of Moslems; 2) this research can inspire the next researcher to be more creative in building a concept so that the concept of household accounting in the Muslim community that is produced is more varied which of course is still in religious rules.

LIMITATIONS

- 1) Informants in this study are still very lacking, and it takes several informants with different backgrounds.
- 2) The explanation in this study regarding the management of household accounting in Moslem communities is still very lack, where the explanation is still not colored by an established interpretation study.
- 3) In the midst of the COVID-19 pandemic, it is increasingly clear that the limitations of this study are only few informants can meet face to face.

REFERENCES

- 1) Abd al-Rahmân Isâ, *al-Mu'âmalat al-Haditsah wa Ahkamuha*, (Egypt: al-Mukhaimir, tt), p. 8.
- 2) Abdul Fatah Idris, Abu Ahmadi, *Concise Translation of Complete Islamic Fiqh*. [In Indonesia]. Jakarta, Rineka Cipta, 1990
- 3) Al-Quran Translation. 2015. Ministry of Religion of the Republic of Indonesia. Bandung: CV Darus Sunnah.
- 4) Babyr, Aidan and Tim Lomas. 2016. Difficulties Generating Self-compassion: An Interpretative Phenomenological Analysis. *The Journal of Happiness & Well-Being*, Vol. 4 No. 1. Pg. 15— 33
- 5) Bogan, VL (2013). Household investment decisions and offspring gender: Parental accounting. *Applied Economics*, 45(31), 4429–4442. <https://doi.org/10.1080/00036846.2013.788782>
- 6) Gray, R., A. Brennan, dan J. Malpas. 2014. “New Accounts: Toward a Reframing of Social Accounting”. *Accounting Forum*, Vol. 38, hlm 258-273
- 7) How, SM, & Alawattage, C. (2012). Accounting Decoupled: A Case Study of Accounting Regime Change in a Malaysian Company. *Critical Perspectives on Accounting*, 23(6), 403-419. <https://doi.org/10.1016/j.cpa.2012.04.007>
- 8) Kahija, YF. (2017). *Phenomenological Research: The Way to Make Life Meaningful*. [In Indonesia]. Yogyakarta: Kanisius.
- 9) Kamayanti, A. (2015). “Qualitative” Research Method (A Letter To God). *Research Methods Workshop*, Mercu Buana University, 25–27.
- 10) Khaddafi, M., Siregar, S., Noch, M. Y., Nurlaila, S. A., Harmain, S. H., Sumartono, P., Editor, A., & Ikhsan, A. (2017). *Islamic Accounting Putting Islamic Sharia Values in Accounting Science*. Medan: CV. Madenatera
- 11) Larrimore, J. (2014). Accounting for United States household income inequality trends: The changing importance of household structure and male and female labor earnings inequality. *Review of Income and Wealth*, 60(4), 683–701. <https://doi.org/10.1111/roiw.12043>
- 12) Li, S., Whalley, J., & Zhao, X. (2013). Hous-ing Price and Household Savings Rates: Evidence from China. *Journal of Chinese Economic and Business Studies*, 11(3), 197-217. <https://doi.org/10.1080/14765284.2013.814461>

- 13) Li, S., Whalley, J., & Zhao, X. (2013). Housing prices and household savings rates: Evidence from China. *Journal of Chinese Economic and Business Studies*, 11(3), 197–217. <https://doi.org/10.1080/14765284.2013.814461>
- 14) Muljono, Djoko. 2015. *Sharia Banking and Financial Institutions*. [In Indonesia]. Yogyakarta: ANDI.
- 15) Mulyani, S., & Budiman, NA (2018). The Importance of Household Accounting in Improving Islamic Life. *Equilibrium: [In Indonesia]*. *Journal of Islamic Economics*, 6(2), 206. <https://doi.org/10.21043/equilibrium.v6i2.3707>
- 16) Ramli, M., & Apriyanto, M. (2020). Financial Management to Improve the Family Economy During the Covid-19 Pandemic. [In Indonesia]. *Sellodang Mayang*, 6(3), 145–152.
- 17) Sidharta, TK (2016). Household Accounting: Responsibilities In Recording, Decision Making And Long Term Planning. [In Indonesia]. *Business And Technology*, 3(1), 15–22.
- 18) Susilowati, L. (2017). Responsibility, Fairness and Truth of Sharia Accounting. [In Indonesia]. *An-Nisbah: Journal of Islamic Economics*, 3(2). <https://doi.org/10.21274/an.2017.3.2.295-320>