

Business Ethics in Fintech and Missappropriation of Donation Funds: A Case Study of Kitabisa.com Crowdfunding Platform

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ABSTRACT

The misuse of funds on the Kitabisa.com crowdfunding platform highlights major challenges in maintaining public trust, accountability, and business ethics within Indonesia's fintech ecosystem. While the platform has facilitated social solidarity by connecting donors and recipients, cases of fund misuse indicate gaps in governance and oversight. This issue is particularly significant given the increasing popularity of crowdfunding-based fintech in Indonesia as part of digital financial innovation influenced by digital capitalism. This study aims to analyze the causes of fund misuse through the lenses of moral judgment, moral identity, and applicable regulations, while addressing the exploitative aspects of digital capitalism. This research employs a qualitative method with a case study approach. Data were collected through document analysis, including news articles, media reports, and academic literature. The findings reveal that weaknesses in recipients' moral judgment and moral identity, a lack of strict reporting mechanisms, and the pressures of digital capitalism are key factors contributing to fund misuse. Furthermore, Indonesia's crowdfunding regulation fails to provide adequate oversight of fund recipients, focusing more on platform operators, which opens opportunities for misuse by recipients. This study offers practical recommendations, including regulatory reinforcement, stricter sanctions, the development of moral education programs for recipients, and the integration of blockchain technology to ensure transparency. These findings are relevant for policymakers, platform developers, and the public in building a more ethical, transparent, and sustainable fintech ecosystem.

Keywords: Fintech ethics, transparency, digital capitalism, morality, regulation.

ABSTRAK

Penyalahgunaan dana di platform crowdfunding Kitabisa.com menyoroti tantangan besar dalam menjaga kepercayaan publik, akuntabilitas, dan penerapan etika bisnis di ekosistem fintech Indonesia. Meskipun platform ini telah memfasilitasi solidaritas sosial dengan menghubungkan donatur dan penerima dana, kasus penyalahgunaan dana mengindikasikan adanya celah dalam tata kelola dan pengawasan. Hal ini menjadi isu yang penting, mengingat fintech berbasis crowdfunding semakin populer di Indonesia sebagai bagian dari inovasi keuangan digital yang dipengaruhi oleh kapitalisme digital. Penelitian ini bertujuan untuk menganalisis penyebab penyalahgunaan dana dari sudut pandang moral judgment, moral identity, serta regulasi yang berlaku, dengan mempertimbangkan aspek eksploitasi dalam kapitalisme digital. Metode penelitian yang digunakan adalah kualitatif dengan pendekatan studi kasus. Data dikumpulkan melalui analisis dokumen dari artikel berita, laporan media, dan literatur akademik. Temuan menunjukkan bahwa kelemahan dalam moral judgment dan moral identity penerima dana, kurangnya mekanisme pelaporan yang ketat, serta tekanan kapitalisme digital menjadi faktor utama penyalahgunaan dana. Selain itu, regulasi crowdfunding di Indonesia belum memberikan pengawasan memadai terhadap penerima dana. Regulasi ini lebih menitikberatkan pada platform penyelenggara, sehingga membuka peluang bagi penyalahgunaan oleh penerima. Penelitian ini memberikan rekomendasi praktis, termasuk penguatan regulasi, penerapan sanksi yang lebih tegas, pengembangan program edukasi moral bagi penerima dana, serta integrasi teknologi seperti blockchain untuk memastikan transparansi. Temuan ini relevan bagi pembuat kebijakan, pengembang platform, dan masyarakat umum dalam membangun ekosistem fintech yang lebih etis, transparan, dan berkelanjutan.

Kata Kunci: Etika fintech, transparansi, kapitalisme digital, moralitas, regulasi.

1. Introduction

Financial technology (fintech) has revolutionized the global financial landscape by introducing technology-driven solutions to address various societal needs. In Indonesia, one rapidly growing fintech segment is crowdfunding, particularly donation-based platforms like Kitabisa.com. These platforms enable

individuals or groups to raise funds using digital technology, offering efficiency, accessibility, and convenience to both donors and recipients. Given Indonesia's strong tradition of mutual cooperation (gotong royong) and its high levels of philanthropy, Kitabisa.com has played a significant role in facilitating online charitable activities (Sidiq et al., 2021).

The social solidarity fostered through Kitabisa.com is organic, built on mutual needs and trust among individuals. However, despite its success in connecting people for social causes, instances of fund misuse have introduced new challenges. One notable example involves the use of donation funds for personal expenses by recipients, contrary to the campaign's original purpose. Such incidents raise significant concerns regarding business ethics, transparency, and accountability in crowdfunding fintech (Diputra & Ningrum, 2022).

A recent case of alleged donation misuse by Singgih Sahara on Kitabisa.com exemplifies the ethical and accountability challenges within the crowdfunding ecosystem. Although initial verification confirmed the validity of the medical conditions cited for fundraising, subsequent findings revealed instances of unaccounted fund usage. In response, Kitabisa took firm action by closing Singgih's fundraising account, reallocating unused funds to other beneficiaries, and offering reimbursement options to affected donors.

In the fintech ecosystem, trust is a fundamental element. Misuse of funds, as seen in the Kitabisa.com case, not only undermines donor trust but also exposes gaps in ethical oversight and existing regulations. While regulations such as Indonesia's POJK No. 37/POJK.04/2018 provide a legal framework, they fall short in effectively monitoring fund usage by recipients (Ariyanti et al., 2020).

Several studies have examined ethical issues in fintech crowdfunding (Akbar, 2019). For instance, platforms like Kitabisa.com often face a tension between their social objectives and the influence of digital capitalism, where administrative fees and digital exploitation of users may lead to imbalances. (Sidiq et al., 2021) highlighted how virtual solidarity is formed on crowdfunding platforms but cautioned that fund misuse could disrupt the social bonds built through these interactions.

This study aims to address gaps in existing research, which often focus on individual aspects like regulations or moral judgment. By adopting a holistic approach that integrates analyses of business ethics, moral identity, and digital capitalism, this research provides practical recommendations for improving the governance of crowdfunding platforms in Indonesia.

The research presents a fresh perspective by integrating multi-faceted analyses rarely explored in Indonesian fintech crowdfunding ethics studies. Unlike previous research that often emphasizes a single aspect, such as platform regulations or transparency, this article underscores the importance of recipients' moral judgment and moral identity in preventing fund misuse. It also highlights the paradox between maintaining social solidarity and achieving profitability. Furthermore, this study identifies regulatory gaps in Indonesia's crowdfunding framework, particularly regarding oversight of fund recipients, and proposes recommendations to strengthen ethical governance in the fintech crowdfunding ecosystem. With this holistic

approach, the study offers not only theoretical insights but also practical solutions for similar platforms to uphold public trust and ensure sustainable operations.

2. Theoretical Framework

Business Ethics in Fintech Crowdfunding

Business ethics encompass principles and values that guide an organization's operations to ensure their actions align with society's moral expectations. According to (Reardon, 2020), the primary dimensions of business ethics include economic, legal, ethical, and philanthropic responsibilities. In the context of fintech crowdfunding platforms like Kitabisa.com, the core responsibility is to manage donation funds transparently and in accordance with the original purposes communicated to donors.

Sidiq et al. (2021) examined the social solidarity formed on Kitabisa.com, concluding that, despite being conducted virtually, trust and social responsibility remain the primary drivers of donation activities. However, the study emphasized that the risk of fund misuse can undermine this virtual solidarity. Focusing solely on social solidarity is insufficient without a strong commitment to economic and ethical responsibilities. Platforms like Kitabisa.com face the pressure to remain profitable, particularly given rising operational costs. This creates an ethical paradox where administrative fees deducted from donations may generate negative perceptions, especially if their allocation lacks transparency (Akbar, 2019).

Similarly, (Widyaningrum, 2021) explored the capitalist dynamics in crowdfunding platforms, where profit often takes precedence over social missions. This raises significant concerns about maintaining the philanthropic essence of donation platforms. Thus, business ethics in fintech must ensure that the social mission of platforms does not conflict with their capitalistic needs.

In practice, violations of business ethics in fintech occur not only on donation platforms but also in peer-to-peer (P2P) lending platforms, both legal and illegal, in Indonesia. These violations include intimidation, dissemination of personal data, and physical or psychological abuse of borrowers. This article applies the Theory of Reasoned Action (TRA) to explain individual behavior in borrowing from illegal fintech lending platforms. Similarly, the case of Kitabisa, where a recipient used funds for personal purposes, represents a breach of business ethics. While the contexts differ, the ethical principles violated—fund misuse and breach of trust—are comparable (Diputra & Ningrum, 2022).

The misuse of funds can lead to material losses for donors and intangible damage, such as a loss of trust in donation platforms. Additionally, psychological impacts are not only felt by borrowers in illegal fintech lending but also by donors who feel betrayed, potentially experiencing negative psychological effects.

Data quality analysis, business ethics, and cyber risk management are crucial for the operational performance and sustainability of fintech companies,

including crowdfunding and P2P lending platforms in Indonesia. (Purnamasari, 2020) highlighted the importance of these factors in ensuring successful and ethical operations in fintech enterprises. Business ethics play a critical role in sustaining trust and achieving long-term success.

In cases of fund misuse, the application of business ethics weakens when transparency in fund utilization is not enforced. The absence of audits or periodic reporting to donors creates opportunities for recipients to misuse funds without facing clear consequences.

Moral Judgment dan Moral Identity

Moral judgment refers to an individual's ability to distinguish between right and wrong actions based on moral principles (Zhang et al., 2023). In the context of Kitabisa, moral judgment plays a critical role in recipients' decisions to use funds in alignment with the stated campaign objectives. Recipients with strong moral judgment are more likely to feel responsible for using the funds ethically and in line with donors' expectations (Kusmaeni & Syahrenny, 2024).

For example, when a recipient on Kitabisa uses donation funds for personal purposes, it reflects a lack of moral judgment. This may indicate a failure to fully understand or value the moral responsibility owed to donors.

Moral elevation is a positive feeling that arises when someone witnesses an extraordinary moral act, inspiring them to act more virtuously themselves (Rullo et al., 2022). On Kitabisa, moral elevation occurs when donors see the positive impacts of their donations, such as helping those in need or supporting meaningful social projects. However, when recipients misuse funds unethically, it undermines the donors' sense of moral elevation (Wright et al., 2019). This can lead to disappointment and demotivation among donors, as they feel their contributions did not achieve the expected positive outcomes.

Moral identity, as described by Aquino & Americus (2002), refers to the extent to which individuals integrate moral values into their sense of self. Those with a strong moral identity tend to adhere to ethical principles because they consider these values integral to their identity. Moral identity highlights the degree to which moral values become an essential part of a person's self-concept. Individuals with strong moral identity are likely to act according to their moral principles because they see these values as fundamental to who they are.

In the context of Kitabisa, recipients with a robust moral identity are driven to use funds ethically as it aligns with their moral identity. If a recipient uses funds for personal needs, it indicates that their moral identity may not be strong enough to deter unethical behavior. Such individuals may not regard ethical fund usage as a significant aspect of their self-identity.

(Konstantinou & Jones, 2022) found that younger generations, particularly Gen Z, are more inclined to engage in online donations when they perceive such actions to align with their moral identity. However, the

lack of moral education for recipients creates a critical gap in this system. Studies by (Diputra & Ningrum, 2022; Windiasari & Hidayat, 2024) using the Theory of Reasoned Action (TRA) demonstrate how subjective norms influence individual behaviors in fintech contexts. In Kitabisa's case, social pressures to showcase the success of donation campaigns may drive recipients to use funds for personal purposes.

The absence of moral education among recipients is a root cause of fund misuse. This highlights the need for Kitabisa.com to incorporate ethics training as a part of the selection and campaign management process (Hansen, 2023).

Crowdfunding Regulations in Indonesia

Crowdfunding in Indonesia is regulated under POJK No. 37/POJK.04/2018, later refined by POJK No. 57/POJK.04/2020, which outlines the obligations of platform operators to ensure transparency, data security, and dispute resolution. However, in practice, the implementation of these regulations often encounters challenges, particularly in monitoring fund recipients (OJK - Otoritas Jasa Keuangan, 2018, 2020).

OJK Regulation No. 57/POJK.04/2020 on Equity Crowdfunding via Technology-Based Platforms provides a clear legal framework for protecting investors on crowdfunding platforms. This regulation mandates platform operators to guarantee transparency, reliability, and data security, as well as to facilitate swift and affordable dispute resolution.

In cases of fund misuse, such as those seen on Kitabisa, it is critical to examine how these regulations can be applied to safeguard donors. For example, Kitabisa must ensure that all donation campaigns adhere to principles of transparency and provide detailed reports on fund usage. In instances of misuse, the platform must establish effective dispute resolution mechanisms to restore donor trust.

OJK regulations require crowdfunding operators to promote financial literacy and inclusion while presenting clear and non-misleading information on their websites. Operators are also held accountable for losses arising from their errors or negligence. Kitabisa must ensure that all information about donation campaigns is presented accurately and transparently. Furthermore, they must assume responsibility for any misuse of funds by recipients and implement measures to prevent future occurrences.

OJK imposes administrative sanctions on operators who violate regulations, including written warnings, fines, restrictions on business activities, suspension of operations, license revocations, and/or registration cancellations. If Kitabisa fails to comply with regulations and fund misuse occurs, it could face administrative penalties from OJK. This underscores the importance of regulatory compliance to maintain the integrity and trust of crowdfunding platforms (Ariyanti et al., 2020).

Ariyanti et al. (2020) highlight that legal protections for donors in Indonesia remain weak, particularly in cases of fund misuse. (Wulandari &

Ibrahim, 2023) found that fintech regulations in Indonesia are often reactive rather than proactive, focusing more on risk mitigation after violations occur.

Current regulations do not explicitly provide legal protections for donors on crowdfunding platforms like Kitabisa.com. This underscores the need for robust internal mechanisms to address fund misuse before regulatory updates are made.

Virtual Solidarity and Changes in Charitable Behavior

The advancement of communication technology and the internet era has significantly transformed people's donation behaviors. Indonesia, known for its generosity, has seen platforms like Kitabisa.com leverage technology to facilitate online donations. However, this article critiques whether this convenience is essentially a form of digital capitalism disguised as charity (Akbar, 2019).

Users of platforms like Kitabisa.com unknowingly become part of a digital capitalist system. They create and disseminate content without receiving financial compensation, while the platform profits from their activities. Technological developments have altered how people engage in charitable giving. Previously conducted directly and face-to-face, donations can now be made online through platforms like Kitabisa.com, establishing new standards and values in charitable practices.

Virtual solidarity is a concept that describes the social bonds formed through online interactions, based on a sense of togetherness despite the absence of face-to-face communication. Technology has enabled a shift in charitable behavior from direct to online donations, creating new social norms in this practice (Sidiq et al., 2021).

Sidiq et al. (2021) found that virtual solidarity on Kitabisa.com is organic but fragile. Instances of fund misuse can quickly dismantle this solidarity. (Akbar, 2019) emphasized that trust systems built in the virtual world require strengthening through transparency and accountability. When virtual solidarity is disrupted due to fund misuse, donors lose trust and motivation to contribute. This underscores the importance of Kitabisa.com adopting more transparent reporting mechanisms.

3. Methodology

This research employs a qualitative approach with a case study method to explore the phenomenon of fund misuse on the Kitabisa.com platform. The case study approach was chosen as it allows for an in-depth exploration of specific contexts, providing a richer understanding of complex issues such as business ethics, moral judgment, digital capitalism, and regulations in fintech crowdfunding (Sroka & Szántó, 2018).

3.1 Data

Data for this research was collected through document analysis, including news articles, media reports, as well as legal and regulatory documents related

to crowdfunding in Indonesia. One primary source is media coverage of the fund misuse case involving Singgih Sahara on Kitabisa.com, which provides empirical insights into how funds were utilized and the platform's response to the incident. Academic articles and literature were also analyzed to establish a comprehensive theoretical framework concerning moral judgment, moral identity, and crowdfunding regulations.

3.2 Analysis Method

The data analysis process was conducted using a descriptive-qualitative approach with several steps. First, data was classified based on main themes such as business ethics, transparency, and regulations. Second, the data was analyzed by comparing empirical findings from the Kitabisa.com case with relevant theories. Third, the results of the analysis were synthesized to develop practical recommendations for improving ethical governance on crowdfunding platforms.

Each category was analyzed to identify key themes relevant to the research problems. Data from various sources was then compared to ensure the validity and consistency of findings. Finally, the data was contextualized within broader social and technological frameworks to understand how the incident at Kitabisa.com reflects larger challenges in the fintech crowdfunding ecosystem.

This study acknowledges several limitations. First, the data primarily relies on secondary sources such as news articles and media reports, which may carry editorial biases. The absence of direct interviews with Kitabisa.com representatives or fund recipients limits deeper insights into their motivations and internal perspectives. Second, the scope of the research focuses solely on one specific case, namely the Singgih Sahara case, meaning the findings may not fully represent the dynamics of the entire crowdfunding ecosystem in Indonesia. Third, time and resource constraints impacted the depth of analysis, particularly in accessing additional data that could provide a more holistic perspective.

4. Result and Discussion

The suspected donation fraud case involving Singgih Sahara on Kitabisa.com highlights issues of transparency and accountability within the crowdfunding ecosystem. Using medical reasons as justification, Singgih raised funds to treat his mother, who had kidney failure, and his child, who had speech disorders, successfully collecting IDR 86 million since 2021. While most of the funds were used appropriately—for therapy, rent, and other necessary expenses—Kitabisa discovered a portion of the funds that could not be accounted for. These funds were allegedly used for personal purposes outside the campaign's scope, with the justification that receipts were lost.

In response, Kitabisa took decisive action by closing Singgih's account, reallocating the remaining funds to other beneficiaries, and requiring a notarized statement for the return of the funds, witnessed by local authorities. The platform also offered a refund

mechanism for donors who felt wronged, aiming to preserve the trust that underpins the sustainability of crowdfunding (Puspapertiwi, E.W. Nugroho, 2024).

Holistic Perspective: Integrating Ethics into Crowdfunding

The case of fund misuse on Kitabisa.com reflects the multifaceted challenges faced by fintech crowdfunding platforms. From a virtual solidarity perspective, this incident underscores the importance of transparency in maintaining trust. From a digital capitalism standpoint, it highlights the need to balance social missions with profitability (Bannykh & Kostina, 2022).

The primary paradox of digital capitalism on platforms like Kitabisa.com lies in balancing social missions and the need for profitability. On one hand, the platform aims to facilitate philanthropic activities, but on the other, it must sustain operations by charging administrative fees. This creates negative perceptions among donors, especially when the transparency of these fees' allocation is unclear (Akbar, 2019). Such mistrust can hinder the platform's social mission and reduce donor interest in participating.

Digital capitalism enables platforms like Kitabisa.com to monetize user data for operational gains. User activities, including clicks, comments, and donations, become digital assets utilized for behavioral analysis or targeted marketing. This raises ethical dilemmas, as users are not always aware that their activities are being leveraged as part of the platform's business model (Reardon, 2020). Platforms must prioritize transparency in managing user data to mitigate perceptions of exploitation.

Kitabisa.com must implement a more detailed and accessible fund usage reporting system for donors. Each campaign should include information on the total funds raised, a breakdown of fund usage, including transaction proofs, and periodic updates on the campaign's progress. Technologies like blockchain can be employed to create a transparent reporting system that is difficult to manipulate. Blockchain ensures that every transaction is recorded permanently and can be independently verified by third parties. This can enhance donor trust by providing assurances that funds are used as intended.

In addition to technology-based solutions, implementing business ethics is a critical element in addressing the challenges of digital capitalism in fintech crowdfunding. Platforms like Kitabisa.com must maintain transparency in managing operational costs, including openly disclosing the proportion of donations allocated for administrative purposes to the public. By doing so, the platform can mitigate negative perceptions often associated with operational fees perceived as burdensome to donations (Putra et al., 2022). Business ethics also require platforms to establish oversight systems involving independent parties to periodically validate fund usage.

Routine audits by independent auditors are essential to ensure donation funds are managed accountably. The

audit results should be published on Kitabisa.com's website to provide maximum transparency to donors and the wider public. High levels of transparency are not only crucial for ensuring that funds are used as intended but also for building trust between donors and beneficiaries.

Kitabisa.com could develop a rating system based on donor reviews to evaluate the trustworthiness of donation campaigns. Campaigns with positive track records would receive higher ratings, providing incentives for recipients to act ethically. To protect the personal data of donors and recipients, Kitabisa.com must enhance cybersecurity measures by implementing stronger data encryption, enforcing two-factor authentication (2FA) for all users, and conducting regular audits of digital security systems.

Additionally, Kitabisa.com can create a campaign rating system based on donor feedback. This system would help assess the credibility of campaigns based on past performance and donor satisfaction, encouraging recipients to behave ethically. Moreover, Kitabisa.com should strengthen cybersecurity measures, including improved data encryption, two-factor authentication, and regular security audits, to safeguard the personal data of both donors and recipients.

Moral Judgment and Identity in Fund Recipients' Behavior

Moral judgment refers to an individual's ability to determine whether an action is right or wrong based on prevailing moral values (Zhang et al., 2023). In the case of Kitabisa.com, Singgih Sahara's decision to use donation funds for personal purposes highlights a weakness in moral judgment. While he likely understood that such use contradicted the campaign's objectives, economic pressures or personal factors seemed to outweigh his moral considerations. This decision illustrates how breaches of trust can undermine the credibility of a crowdfunding platform.

Conversely, moral identity relates to the extent to which a person integrates moral values into their sense of self (Aquino & Americus, 2002). Individuals with a strong moral identity are compelled to act according to moral principles because these values are integral to their identity. In this case, Singgih's failure to adhere to the campaign's original objectives demonstrates that his moral identity had not been deeply internalized. This underscores the importance of fostering moral awareness through ethics education, particularly in a crowdfunding ecosystem heavily reliant on public trust.

Fund misuse by recipients not only reflects individual moral judgment failures but also creates a ripple effect on donor trust (Kusmaeni & Syahrenny, 2024). Betrayed donors are more likely to question the credibility of the entire platform. This shows that individual behavior significantly impacts the collective reputation of the platform.

To address weaknesses in moral identity, moral education programs for fund recipients are essential. Such programs should include practical training in fund

management and simulations of ethical scenarios designed to enhance decision-making skills grounded in moral values. Research indicates that developing soft skills such as integrity and accountability supports individual and organizational performance in navigating ethical challenges (Samodra, 2024).

These programs could encompass training on moral responsibility by emphasizing that donation funds are a trust that must be used in line with campaign objectives. Additionally, introducing the legal consequences of fund misuse would provide recipients with a clearer understanding of the serious legal and social implications of unethical actions.

Moral education is a vital step in raising fund recipients' moral awareness while strengthening donor literacy. For fund recipients, Kitabisa.com could organize ethics education programs to improve their understanding of moral responsibilities. These programs could include online training on ethical fund use, enhancing moral judgment by explaining the negative impacts of fund misuse on donors and society, and case simulations illustrating the legal and social consequences of ethical violations.

To address this issue, Kitabisa.com can develop a moral education program specifically designed for fund recipients. This program could include three main steps:

1. Before receiving funds, prospective recipients should complete an online training module focusing on moral responsibility and accountability. This training can include real-life case studies and simulations of the consequences of fund misuse, helping recipients understand the social and psychological impacts of their actions.
2. Fund recipients should be required to sign a notarized commitment statement binding them to use the funds in accordance with the campaign's stated objectives. This agreement serves as a reminder of the moral and legal responsibilities they carry.
3. Recipients managing large campaigns could be paired with an ethics mentor who provides periodic guidance on fund usage. This mentorship aims to ensure transparency and strengthen moral integrity throughout the campaign (Hansen, 2023).

Education should also be extended to donors to help them understand the risks of online donations. Kitabisa.com could provide guides covering how to verify the legitimacy of donation campaigns, explanations of donors' rights and responsibilities, and information on measures Kitabisa.com takes to protect donors. With this education, donors can become more vigilant and confident in supporting campaigns on the platform.

By implementing these measures, Kitabisa.com can enhance accountability while fostering a more ethical and sustainable ecosystem. Continuous moral education will help fund recipients recognize that the funds they

manage are a trust that must be used responsibly and transparently.

Crowdfunding Regulations in Indonesia: Kekuatan dan Kelemahan

Crowdfunding regulations in Indonesia are governed by the Financial Services Authority (OJK) under POJK No. 37/POJK.04/2018 and later refined through POJK No. 57/POJK.04/2020, which regulate technology-based funding services. These regulations emphasize the importance of transparency, data security, and investor protection. However, they primarily focus on platform operators rather than monitoring fund recipients. A major weakness is the lack of requirements for recipients to provide regular reports on fund usage to donors. The regulations only mandate platforms to provide adequate information but do not specify how recipients should detail their fund usage (Ariyanti et al., 2020).

This gap opens opportunities for potential fund misuse, as evidenced in the Kitabisa.com case. Fund recipients without detailed reporting obligations risk using donations inappropriately without facing immediate consequences. This highlights the need for stricter regulations overseeing fund recipients, not just the platform operators.

In a global context, crowdfunding regulations in the United States and the United Kingdom demonstrate stricter oversight compared to Indonesia. In the U.S., the Jumpstart Our Business Startups Act (JOBS Act) requires fund recipients to provide regular reports on fund usage, including independent audits to ensure transparency (de la Viña & Black, 2018; Stemler, 2013). Meanwhile, in the U.K., the Financial Conduct Authority (FCA) mandates crowdfunding recipients to detail their fund usage with audit-ready documentation. In cases of misuse, the FCA has the authority to impose severe penalties, including fines or barring access to platforms (Fanea-Ivanovici, 2018). Regulations in these countries emphasize balanced oversight between platform operators and fund recipients, a feature lacking in Indonesia's framework.

To enhance accountability, Indonesia needs to establish stricter regulations overseeing crowdfunding recipients. Recipients proven to misuse funds should face serious sanctions that are not only financial but also moral and legal. One potential approach is to mandate the repayment of misused funds to donors or reallocate the funds to other social campaigns. Furthermore, recipients who violate ethical standards could be barred from accessing all crowdfunding platforms, with their names placed on a blacklist managed by OJK, preventing future access to similar services.

Progressive financial penalties could also be implemented, with the fine amounts increasing based on the severity of the misused funds. More significantly, severe fund misuse could be classified as criminal fraud, subject to appropriate legal sanctions, including potential imprisonment. These measures aim not only to punish violators but also to create a strong deterrent effect,

thereby reinforcing public trust in Indonesia's crowdfunding ecosystem. Alongside strict law enforcement, preventative measures are equally important.

Kitabisa.com should adopt stricter selection processes for prospective fund recipients. These processes may include verifying recipient identities through official documents such as ID cards (KTP) and taxpayer identification numbers (NPWP), reviewing campaign proposals to ensure the legitimacy of fundraising goals, and checking the track records of recipients, particularly for campaigns requesting large amounts of funds.

Once funds are received, recipients must be required to submit periodic reports on fund usage to donors. These reports should include supporting documents such as receipts, payment evidence, or photographs showing the results of fund utilization. To prevent fund misuse, Kitabisa.com needs to impose strict penalties on recipients proven to violate rules, such as revoking access to the platform, reporting violations to authorities for legal proceedings, and, importantly, listing the recipients on an internal blacklist to prevent them from using the service again.

From a regulatory perspective, Kitabisa.com should collaborate with the Financial Services Authority (OJK) to strengthen crowdfunding regulations. This includes increasing reporting obligations for fund recipients, establishing stricter legal penalties for fund misuse, and providing incentives for platforms that maintain high ethical standards.

Additionally, Kitabisa.com can collaborate with social institutions to monitor large campaigns, ensuring funds are allocated appropriately and providing recipients with guidance on effective financial management. Through such collaborations, the platform's social responsibility can be significantly enhanced.

Virtual Solidarity: Success and Vulnerabilities in Crowdfunding

Virtual solidarity, as described by Sidiq et al. (2021), is a form of social solidarity formed in the digital realm through interactions without face-to-face communication. In the context of crowdfunding, this solidarity creates mutual relationships between donors and fund recipients, grounded in trust, empathy, and social responsibility. Kitabisa.com leverages this solidarity by connecting social needs with the financial capacity of the community.

On this platform, the relationship between donors and recipients is typically temporary but can have a significant impact when executed effectively. Examples include donation campaigns for patients with chronic illnesses or victims of natural disasters. In these contexts, virtual solidarity acts as a key catalyst enabling the success of fundraising efforts (Widyaningrum, 2021).

Cases of fund misuse by recipients on Kitabisa.com demonstrate how easily the trust underpinning virtual solidarity can be shaken. Donors who feel their

contributions have been misused not only experience financial disappointment but also lose moral elevation—a positive feeling arising from contributing to something meaningful (Irawan et al., 2022).

Moreover, fund misuse has long-term effects on online donation behavior. Research shows that donors are likely to reduce their future contributions if they feel their trust has been betrayed (Sidiq et al., 2021). This threatens the sustainability of crowdfunding platforms, particularly those reliant on reputation to attract new donors.

Kitabisa.com should launch communication campaigns to restore and strengthen public trust. These campaigns could include publishing success stories from past campaigns, testimonials from satisfied donors and recipients, and explanations of steps taken to improve transparency and accountability. Creating a communication platform between donors and recipients could help reinforce mutual trust. This forum could be used to share updates, provide feedback, and strengthen user relationships.

The platform could also partner with corporations as sponsors for social campaigns. These sponsors not only help cover operational costs but also add value for the companies through Corporate Social Responsibility (CSR) initiatives (Sari, 2019). Additionally, Kitabisa.com could offer donors the option to contribute additional funds voluntarily to support the platform's operations. Furthermore, Kitabisa.com could develop additional products or services, such as merchandise or fundraising consultations, as alternative revenue sources without burdening primary donations.

Moral education, regulatory improvements, and strengthening transparency mechanisms are the three main pillars that can enhance donor trust and the sustainability of crowdfunding platforms (Tarigan, 2023). By implementing these measures, Kitabisa.com can not only restore its reputation but also become a model for similar platforms in Indonesia.

Through these steps, Kitabisa.com can not only improve its governance and restore public trust but also set new standards for a more transparent, ethical, and sustainable fintech crowdfunding ecosystem. The platform can serve as a model for other organizations in creating a digital ecosystem that supports social solidarity and justice.

5. Conclusion

This research highlights the importance of strengthening transparency and accountability in crowdfunding platforms like Kitabisa.com, particularly in managing donation funds. The case of Singgih Sahara serves as a concrete example of how weak oversight of fund recipients can affect donor trust and the sustainability of the crowdfunding ecosystem. Factors such as moral judgment, moral identity, and social pressures are key causes of fund misuse, while regulatory weaknesses, such as the lack of periodic reporting and independent oversight, exacerbate the likelihood of violations.

To address these issues, the integration of technologies like blockchain, mandatory reporting for fund recipients, and stricter oversight mechanisms must be implemented. Additionally, ethical education for fund recipients can strengthen moral awareness and prevent future misuse. The application of business ethics and fair digital capitalism principles should also be prioritized to align the platform's social mission with operational needs.

By adopting these measures, crowdfunding platforms in Indonesia can maintain public trust and support the sustainability of a more transparent and ethical ecosystem.

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