

Waqf Financing Model Through Crowdfunding Platform: An Indonesian Perspective

Adelia Desrin Nasution¹, Fahmi Medias^{1*}

¹ Faculty of Islamic Studies, Universitas Muhammadiyah Magelang, Magelang, Indonesia

*Corresponding author. Email: fahmimedias@ummgl.ac.id

ABSTRACT

Financial issues in the development of waqf projects are currently the main factors faced by waqf institutions in Indonesia. On the other hand, crowdfunding platform offers a solution to the cost problem using the concept of raising funds through social media and internet users. This article aims to describe the model of waqf financing through the crowdfunding platform wakafhasanah.bnisyariah.co.id and its role for the development of waqf in Indonesia. The method used in this study is a literature study with a descriptive qualitative approach. This study finds that until the end of 2019, there have been 24 waqif and 53 waqf projects (education, development, human resources, money waqf, environment or fort hasanah) which have been funded by wakafhasanah crowdfunding platform with a total fund of 3,627,088,985 rupiahs. This study is expected to provide an alternative solution for waqf institutions and the government in presenting additional funding sources for waqf development in Indonesia.

Keywords: *waqf, financing, crowdfunding platform*

1. INTRODUCTION

The current waqf reflects one of the most important philanthropic institutions and plays a socio-economic role formed and upheld by justice. Besides, waqf institutions also play an important role in the empowerment of health, education empowerment, to the religious field, even able to reduce social inequality and improve the welfare of the people [1].

The existence of waqf has been going on for a long time in Indonesia. This existence is emphasized with law Number 41 of 2004 concerning waqf. In 2018, the Indonesian Waqf Board issued a report that total waqf assets did not move to 4.4 billion square or with an estimated economic value of around IDR 370 trillion. Waqf assets may continue to grow, bearing in mind that the majority of Indonesia's population is Muslim [2].

The number of waqf assets (moving and not moving) has not been able to help reduce social inequality in the community and even become the driving force of the Indonesian economy. Because almost 80% of waqf land in Indonesia is still unemployed (consumptive), which causes waqf cannot develop and play its role in improving the economic community [3]. Waqf nazhir, who is not yet professional in managing and developing waqf property is a major factor causing the declining role of waqf in Indonesia. This can be seen from the allotment of waqf in Indonesia which is less directed at the economic empowerment of the community and tends only to the interests of worship, the grave, and other social fields [4]. Another factor that causes waqf management problems is funding regarding the management of waqf assets, which causes waqf assets cannot develop and are utilized for the socio-economic prosperity of the community [5].

Therefore, it is time for waqf to have other innovative financing mechanisms as a source of sustainable financing in developing land assets for both movable and immovable assets.

The alternative funding is known as the Crowdfunding Waqf Model (CWM), namely mass fundraising from social media or internet users. This is based because fundraising is vital to sustain and launch the activities of waqf institutions in managing waqf assets to be more productive. This fundraising model is now in line with the increasingly rapid era of technology in the world, resulting in a cultural shift [6].

The rapid development of technology is now an excellent opportunity to help increase waqf fundraising through crowdfunding platforms with ease access to all levels of society, only by using an internet network, the public can access the crowdfunding platform site. The process is more practical, saves time, energy and does not have to be rich in the sense that people who have lots of money must be able to contribute/donate benevolence funds. Therefore, making a crowdfunding platform as a container for financing waqf that is representative. The use of crowdfunding platforms can be a solution for Nazir to overcome or minimize the liquidity constraints that are being faced [7].

The potential of this model for the development of waqf land in Indonesia is outstanding, the collected cash will then be allocated to finance waqf assets so that it is converted into productive assets such as hospitals, educational institutions, and the purchase of machinery and so on. Wakafhasanah.bnisyariah.co.id is an example of a crowdfunding platform used to empower and develop waqf assets in Indonesia. Therefore, waqf hasanah can be a driving force for stakeholders, waqf institutions and the community to work together to build the economic independence of the people through e-waqf.

The specific objective to be achieved in this study is to analyse the system of sustainable waqf financing platform

development through crowdfunding-based e-waqf models that can overcome the liquidity problems faced by waqf institutions in developing waqf land in Indonesia.

2. LITERATURE REVIEW

This study was designed using the ADDIE model. ADDIE Many researchers have analysed the development and management of waqf in many Muslim countries today. Most researchers discuss strategies for increasing the role of waqf in an environment that is ineffective due to the many obstacles encountered, one of which is the problem of financial resource constraints [8]. This study departs from research on the potential of waqf in the welfare of the people, world social justice, and poverty alleviation [9]. However, waqf management in Indonesia is still traditional. It has not been managed productively, and this is due to nazhirs lack of competence in managing waqf and the lack of funding sources for asset development [10]. Previous researchers have widely analysed the development of waqf through crowdfunding models. The discussion about the potential of crowdfunding in world development was begun by The World Bank, who considered crowdfunding as one of the solutions to the distribution of community wealth to other communities [11]. Many countries require sources of funds to fund projects taking into account various factors such as cost, risk, convenience, etc. The offer given is the compliant crowdfunding concept as the optimal platform in financing matters [12]. From some of the above studies, researchers conclude that in the current technological era, crowdfunding platforms can be an alternative in financing business and social projects. This is supported by Suhaili and Pail, who researched on crowdfunding and its potential as a collaborative fundraising tool for endowments [13].

3. METHOD

This type of research is a library research or library research. This research will explore data and information from the wakafhasanah.bnisyariah.ac.id crowdfunding platform, as well as books, journals, and articles related to crowdfunding waqf models. The approach used is qualitative with data sources, namely primary data obtained directly from the wakafhasanah.bnisyariah.ac.id platform and indirect interviews with the organizers. Secondary data derived from books, literature, legal materials, Act journals and other legal materials related to waqf development through the Crowdfunding platform. Data collection techniques used are documentation and interviews and data analysis techniques used are content analysis and descriptive.

4. RESULTS AND DISCUSSION

In general, this study discusses the use of hasanah crowdfunding platform (Figure 1) as an alternative to waqf financing. This study shows that since its establishment in

2017-July 2019 waqf hasanah has raised more than 7 billion funds with six fields developed for the benefit of the people consisting of education, development, money endowments, human resources, environment and fortress hasanah.



Figure 1 Wakaf hasanah crowdfunding platform

4.1. Scheme of Wakaf Hasanah Crowdfunding Platform

The waqf fund collection model uses crowdfunding methods to make it easy for many people because it is accessed only through the internet. The community can be represented by starting from the nominal following the wishes of the prospective waqf, meaning that there is no nominal limit for people who want to waqf in the waqf hasanah. Based on Figure 2, the parties involved in waqf hasanah are nazhir waqf as the initiator/proponent of the project, funders, and crowdfunding operator or also called the platform organizer.

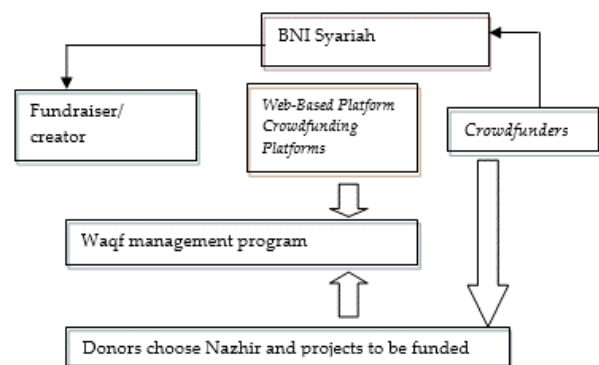


Figure 2 Scheme of hasanah crowdfunding platform

4.2. Hasanah Waqf Project

Wakaf hasanah cooperates with several nazhir or what are called creators in general terms (Table 1). All of these nazhirs come from various elements including waqf agencies, and educational institutions such as Yayasan Wakaf Bangun Nurasi Bangsa, Baitul Maal Hidayatulallah (BMH), Wakaf Bani Umar, Badan Wakaf Indonesia, Wakaf

Daruut Tauhid, SI Wakaf, Dewan Da'wah Islamiyah Indonesia, Dompot Dhuafa, Global Wakaf, Rumah Wakaf, Rumah Zakat, Sinergi Foundation, Wakaf Al-Azhar, Wakaf

Al-Qur'an, Yakesma, Nazhir Wakaf Uang Universitas Air Langga, Manajemen Wakaf Darussalam, Yayasan Graha Asuh Jabal 165, Wakaf Salman ITB, and Inisiatif Wakaf.

Table 1 List of waqf projects per *nazhir*

NO	Nazhir	Fields	Total Project	Funds
1	Yayasan Bangun Nurani	Education	3	9,561,542
2	Baitul Maal Hidayah	Education	1	1,247,500
		Benteng Hasanah	2	32,755,500
3	Dompot Dhuafa	Education	4	2,474,000
		Development	3	1,259,097,500
4	Global Wakaf	Environment	1	77,900,000
		Benteng Hasanah	1	720,000
		Development	1	966,477,642
5	Rumah Wakaf	Benteng Hasanah	1	7,072,756
6	Wakaf Al-Azhar	Development	4	984,985,530
7	Yakesma	Education	2	9,540,000
		Development	1	582,000
8	Sinergi Foundation	Education	2	5,755,000
		Development	1	1,754,500
9	Bani Umar	Human Resources	1	5,457,000
10	Dewan Dakwah Islamiyah	Development	1	557,799,008
		Education	1	1,577,336,286
		Benteng Hasanah	1	10,150,000
11	Badan Wakaf Indonesia	Development	1	260,000
		Cash Waqf	4	1,180,362,583
12	SI Wakaf	Development	1	11,947,500
13	Rumah Zakat	Education	2	179,122,129
14	Wakaf Al-Qur'an	Education	1	71,650,000
15	Universitas Airlangga	Cash Waqf	1	5,556,000
16	Manajemen Wakaf Darussalam	Development	1	2,460,000
17	Yayasan Graha Asuh Jabal 165	Development	1	2,206,000
18	YPM Salman ITB	Development	3	21,658,500
		Education	1	17,815,225
19	Inisiatif Wakaf	Education	1	3,210,000
		Development	1	2,620,000
		Human Resources	2	5,390,000
20	Wakaf Daruut Tauhid	Development	1	416,177,500
21	Baituzzakah Pertamina	Education	1	177,386,799.00
Total			53	7,608,488,000

Based on the latest data collected in October 2019, there are 6 fields with 53 waqf projects (Table 2) that are still running

to be funded through the crowdfunding platform wakafhasanah.bnisyariah.ac.id.

Table 2 Waqf hasanah project per field

No	Field	Total Project	Funds	%
1	Education	14	4,775,711,682	63%
2	Development	19	1,907,412,479	25%
3	Environment	7	284,972,756	4%
4	Cash Waqf	6	485,918,583	6%
5	Human Resources	3	110,847,000	1%
6	Benteng Hasanah	4	43,625,500	1%
	Total	53	7,608,488,000	100%

In the current technological development, making the use of technology affects almost all aspects of life, from daily activities, business and social, one of which is BNI Syariah which uses crowdfunding platform to collect endowment funds. Wakaf hasanah, since its inception, has raised funds of approximately 7 billion. This is inversely proportional before the use of crowdfunding platforms for waqf collection.

However, since using waqf hasanah, BNI Syariah has been able to collect waqf funds of 2.7 billion within 3 months. Accelerating the collection of waqf funds was that waqf projects were mentioned in the platform [14]. This makes people more confident to donate their money. For example, the Global Tower waqf project owned by Global ACT and Dompot Dhuafa. Therefore, based on data obtained from wakafhasnaah.bnisyariah.ac.id, the waqf development

model managed by hasanah waqf through crowdfunding platforms has the potential to increase the number of waqf in Indonesia. With the fact that the highest acquisition was obtained in the development field, with a total of 19 projects. In the subsequent education sector 14, environment 7 projects, cash waqf 6 projects, benteng hasanah 4 projects, and human resources were the same and have 3 projects.

Based on the data above, it can be concluded that the crowdfunding platform is very instrumental in increasing waqf financing in Indonesia. The increase in the number of waqf collection explained in Figure 3.

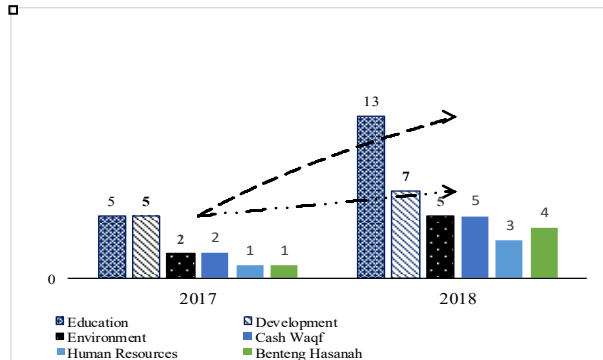


Figure 3 Increasing trend in the number of waqf projects

5. CONCLUSION

The waqf development model managed by BNI Syariah uses crowdfunding models to make the collection of waqf funds easier. Because all parties can access and participate in providing benevolent funds to increase the number of endowment funds to improve the management of more productive endowment assets. There are 6 areas of waqf development in waqf, namely development, education, human resources, money waqf, environment and fort hasanah. Several things cause this, BNI Syariah waqf funds have increased since using crowdfunding platforms. BNI Syariah Islamic Waqf has worked together with 24 nazhirs, and many fields are developed therein, not it is not possible for waqf development using crowdfunding platforms to continue to increase.

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