

10% Discount on All IGI Global published Book, Chapter, and Article Products through the Online Bookstore

(10% discount on all IGI Global published Book, Chapter, and Article Products cannot be combined with most offers. Discount is valid on purchases made directly through IGI Global Online Bookstore (www.igi-global.com) and may not be utilized by booksellers and distributors. Offer does not apply to e-Collections and exclusions of select titles may apply. Offer expires December 31, 2022.)

[Browse Titles](#)



Login/Create Account

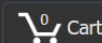
Language: English



US



China



Search title, author, ISBN...

All Products



[Books](#)

[Journals](#)

[e-Collections](#)

[Open Access](#)

[Publish with Us](#)

[Resources](#)

[Catalogs](#)

[About Us](#)

[Newsroom](#)

[Special Offers](#)



Waqf Crowdfunding for Financing the MSMEs: Evidence From ASEAN-3

Ika Yunia Fauzia (STIE Perbanas Surabaya, Indonesia) and Khairunnisa Musari (KH Ahmad Shiddiq State Islamic University (UIN), Indonesia & State Institute for Islamic Studies (IAIN) of Jember, Indonesia)

Source Title: [Handbook of Research on Disruptive Innovation and Digital Transformation in Asia](#)

Copyright: © 2021 | Pages: 13

DOI: 10.4018/978-1-7998-6477-6.ch003

OnDemand PDF Download:

\$33.75

Available

List Price: \$37.50

[Current Special Offers](#)

Abstract

Waqf financing through crowdfunding becomes an attractive instrument in Islamic social finance today. Crowdfunding offers a solution to the capital problem in developing waqf assets by using the concept of raising funds through social media and internet users. This chapter will describe how waqf crowdfunding also can be a tool for financing the micro small medium enterprises (MSMEs). In the digital era, the impact of waqf on people in need could be greater with crowdfunding, where waqf is not limited by geographical barriers. Waqf crowdfunding becomes a marketplace platform to increase financial inclusion through collaboration between Islamic social finance and technology. There are some platforms of waqf crowdfunding in the Association of Southeast Asian Nations (ASEAN) that will be described in this chapter (i.e., Indonesia, Malaysia, and Singapore).

Chapter Preview

[Top](#)

[Top](#)

Waqf And Crowdfunding Towards Waqf Crowdfunding

There are several categorize of fintech. Fauzia (2020) divides into three categorizations:

First, the fintech payment gateway. Fintech here is related to payments made practically, safely, quickly, and comfortably, making it easier for users by cashless. It can be done to support transactions on e-commerce or application-based business transactions.

Second, fintech peer to peer (P2P) lending, namely fintech activities related to activities in which creditors and debtors practice lending and borrowing without physical meeting or face to face.

Third, fintech crowdfunding, namely the activities in which a number of fund owners will finance a project or business someone, or a charity related to zakat, infaq, shadaqa or waqf. With the fundraising activities carried out by the crowdfunding technology company, the company will be able to channel it properly and in accordance with the contract conducted at the beginning.

Actually, there are still other types of fintech, for example, fintech in the field of planning and management of household finances and SMEs, there are also those related to fintech aggregators, such as data providers for academic fields and so on.

Key Terms in this Chapter

Financial Technology (FinTech): A software-based business and modern technology that provides financial services. It usually provides us with financial services and solutions to customers such as money transfers, loans, fundraising, asset management and so forth; New technology that seeks to improve and automate the delivery and use of financial services. At its core, fintech is utilized to help companies, business owners and consumers better manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones.

Complete Chapter List

Search this Book: [Search](#) [Reset](#)

[Editorial Advisory Board](#)

[View Full PDF](#)

[Table of Contents](#)

[View Full PDF](#)

[Detailed Table of Contents](#)

[View Full PDF](#)

[Preface](#)

[View Full PDF](#)

[Patricia Ordóñez de Pablos](#) (The University of Oviedo, Spain), [Xi Zhang](#) (Tianjin University, China), [Mohammad Nabil Almunawar](#) (School of Business and Economics University of Brunei Darussalam, Brunei)

Buy Instant PDF Access

Qty: **\$33.75**

List Price: \$37.50

You Save: \$3.75

10% Discount on all OnDemand titles purchased through IGI Global's Online Bookstore

[Add to Cart](#)

Available. Instant access upon order completion.

Share

[Recommend to Librarian](#)

[Recommend to Colleague](#)

[Fair Use Policy](#)



Free Content

[Sample PDF](#)

More Information

[Access on Platform](#)

[Favorite](#)

[Cite Chapter](#)

Available In

[Advances in Business Strategy and Competitive Advantage](#)

[e-Book Collection](#)

[Business and Management e-Book Collection](#)

[Computer Science and Information Technology e-Book Collection](#)

[Education e-Book Collection](#)

[Business Knowledge Solutions e-Book Collection](#)

[Education Knowledge Solutions e-Book Collection](#)

[Computer Science and IT Knowledge Solutions e-Book Collection](#)

Handbook of Research on

Disruptive Innovation and Digital Transformation in Asia



Francisco José García de Pablos, H. Phang
and Mohammad Rezaei Koushanfar

ELGAR
Publishing

Editorial Advisory Board

Alif Azizi Abdullah, *Universiti Brunei Darussalam, Brunei*

Zainal Abidin, *IAIN Madura – State Islamic Institute of Madura, Indonesia*

Revon Awalia Wahyu Agata, *University of Muhammadiyah Malang, Indonesia*

Abdullah A. Alabdulatif, *Computer Department, College of Science and Arts in Al-Rass, Qassim University, Saudi Arabia*

Mohammad Nabil Almunawar, *Universiti Brunei Darussalam, Brunei*

Yudo Anggoro, *School of Business and Management, Institut Teknologi Bandung, Indonesia*

Rizaldy Anggriawan, *Financial and Economic Law, Asia University, Indonesia*

Mohammad Anshari, *Universiti Brunei Darussalam, Brunei*

Yandra Arkeman, *Department of Agroindustrial Technology, IPB University, Indonesia*

Vibha Bhandari, *Business Administration, College of Applied Sciences Nizwa, University of Technology and Applied Sciences, Oman*

Som Sekhar Bhattacharyya, *National Institute of Industrial Engineering, India*

Sevenpri Candra, *Bina Nusantara University (BINUS), Indonesia*

Rohit Choudhary, *National Institute of Industrial Engineering, India*

Omkar Dastane, *FTMS Global Malaysia, Malaysia*

Manlio Del Giudice, *Department of Research, Link Campus University, Italy*

Lita Citra Dewi, *Universitas Negeri Semarang, Indonesia*

Amri Dunan, *Ministry of Communication and Information Technology, Indonesia*

Ika Yunia Fauzia, *College of Economics (STIE) Perbanas Surabaya, Indonesia*

José Emilio Labra Gayo, *The University of Oviedo, Spain*

Simin Ghavifekr, *Faculty of Education, University of Malaya, Malaysia*

Chai Lee Goi, *Curtin University, Malaysia*

Yordan Gunawan, *Universitas Muhammadiyah Yogyakarta, Indonesia*

Liesbetini Haditjaroko, *Department of Agroindustrial Technology, IPB University, Indonesia*

Hafizah Hamidi, *Universiti Brunei Darussalam, Brunei*

Azmil Hashim, *Universiti Pendidikan Sultan Idris, Malaysia*

Manzoor Ahmed Hashmani, *Computer and Information Sciences, Universiti Teknologi PETRONAS, Malaysia*

Miftachul Huda, *Universiti Pendidikan Sultan Idris Malaysia, Malaysia*

Mohd Hairry Ibrahim, *Universiti Pendidikan Sultan Idris, Malaysia*

Fransisca Rahcawati Indira, *Universitas Negeri Semarang, Indonesia*
 Andes Ismayana, *Department of Agroindustrial Technology, IPB University, Indonesia*
 Aisha Zahid Junejo, *Computer and Information Sciences, Universiti Teknologi PETRONAS, Malaysia*
 Syamimi Haji Mohd Ariff Lim, *Universiti Brunei Darussalam, Brunei*
 Domitilla Magni, *Department of Business Studies, RomaTre, Italy*
 Restu Mahesa, *School of Business and Management, Institut Teknologi Bandung, Indonesia*
 Ilyas Masudin, *University of Muhammadiyah Malang, Indonesia*
 Ahmad Kilani Mohamed, *Social Sciences and Humanities, Universiti Teknologi Malaysia, Malaysia*
 Bambang Mudjiyanto, *Ministry of Communication and Information Technology, Indonesia*
 Khairunnisa Musari, *Universitas Islam Negeri KH Achmad Siddiq (UIN KHAS), Jember, Indonesia*
 Muhammad Dharma Tuah Putra Nasution, *Faculty of Social Sciences, Universitas Pembangunan Panca Budi, Indonesia*
 Desi Novianti, *Universitas Indraprasta PGRI, Indonesia*
 Cut Kesuma Pahlufi, *Universitas Udayana, Indonesia*
 Binh Nghiêm-Phú, *University of Hyogo, Japan*
 Mohd Aderi Che Noh, *Universiti Pendidikan Sultan Idris, Malaysia*
 Armando Papa, *Faculty of Economics and Management, Universitas Mercatorum, Italy*
 Rossana Piccolo, *Department of Economics, University of Campania-Luigi Vanvitelli, Italy*
 Rizky Purnama Putri Hadi Prawita, *University of Muhammadiyah Malang, Indonesia*
 Piyush Punewar, *National Institute of Industrial Engineering, India*
 Ahmad Rafiki, *Faculty of Economics and Business, Universitas Medan Area, Indonesia*
 Fentya Dyah Rahmawati, *Universitas Negeri Semarang, Indonesia*
 Dian Palupi Restuputri, *University of Muhammadiyah Malang, Indonesia*
 Arieff Salleh Rosman, *Center of Research for Fiqh Science and Technology, Universiti Teknologi Malaysia, Malaysia*
 Yossie Rossanty, *Faculty of Social Sciences, Universitas Pembangunan Panca Budi, Indonesia*
 Muhamad Rusliyadi, *Polytechnic of Agricultural Development Yogyakarta Magelang, Indonesia*
 Nika Tampi Safitri, *University of Muhammadiyah Malang, Indonesia*
 Amjad Omar Safori, *Zarqa University, Jordan*
 Nur Farhana Nabillah Saifulbahri, *Universiti Brunei Darussalam, Brunei*
 Wijang Sakitri, *Universitas Negeri Semarang, Indonesia*
 Veronica Scuotto, *Department of Management, University of Turin, Italy*
 Ahmad Budi Setiawan, *Ministry of Communication and Information Technology, Indonesia*
 Tulus Tambunan, *Center for Industry, SME, and Business Competition Studies, Indonesia*
 Peggie J. P. Tan, *Anglia Ruskin University, Malaysia*
 Tusyanah Tusyanah, *Universitas Negeri Semarang, Indonesia*
 Khotibul Umam, *IAIN Madura – State Islamic Institute of Madura, Indonesia*
 Erika DeJong Watanabe, *National Institute Technology – Fukushima College, Japan*
 Kristoforus Hyronimus Andreaw Wirakusuma, *Bina Nusantara University, Indonesia*
 Abubakar Mukhtar Yakasai, *Universiti Brunei Darussalam, Brunei*
 Gatot Yudoko, *School of Business and Management, Institut Teknologi Bandung, Indonesia*
 Zaroni Zaroni, *Faculty of Business, Multimedia Nusantara University, Indonesia & PT Pos Logistik Indonesia, Indonesia*

Chapter 3

Waqf Crowdfunding for Financing the MSMEs: Evidence From ASEAN-3

Ika Yunia Fauzia

STIE Perbanas Surabaya, Indonesia

Khairunnisa Musari

 <https://orcid.org/0000-0003-0525-9903>

KH Ahmad Shiddiq State Islamic University (UIN), Indonesia & State Institute for Islamic Studies (IAIN) of Jember, Indonesia

ABSTRACT

Waqf financing through crowdfunding becomes an attractive instrument in Islamic social finance today. Crowdfunding offers a solution to the capital problem in developing waqf assets by using the concept of raising funds through social media and internet users. This chapter will describe how waqf crowdfunding also can be a tool for financing the micro small medium enterprises (MSMEs). In the digital era, the impact of waqf on people in need could be greater with crowdfunding, where waqif is not limited by geographical barriers. Waqf crowdfunding becomes a marketplace platform to increase financial inclusion through collaboration between Islamic social finance and technology. There are some platforms of waqf crowdfunding in the Association of Southeast Asian Nations (ASEAN) that will be described in this chapter (i.e., Indonesia, Malaysia, and Singapore).

INTRODUCTION

In the fast-moving world of the digital era, the traditional approach for managing waqf has been transformed into something that is digitized. Study by Marzban, Asutay, & Boseli (2014), Suhaili & Palil (2016), Alma'amun, Mohd Shafiai, Shahimi, & Adnan (2018), Rahim, Kasmon, & Taslim (2018), Thaker (2018), Abdullah & Susanto (2019), Hapsari, Asmy, Muhammed, & Duasa (2020) show that crowdfund-

DOI: 10.4018/978-1-7998-6477-6.ch003

ing provides an opportunity for developing waqf asset and also for the socio-economic development of the micro, small, and medium enterprises (MSMEs) sector in Islamic countries.

In World Islamic Economic Forum (WIEF) 2017, the trend shift toward economic disruption with the digital era became a major discussion. Refer to Musyaffa (2017), WIEF reports that digital economic activities in the Association of Southeast Asian Nations (ASEAN) has generated around \$150 billion per annum and will grow to \$1 trillion in 2025. The development of financial technology (fintech) in Asia also has recorded a large investment of \$4.5 billion and artificial intelligence is predicted will create economic value in the range of \$1.8 trillion to \$3 trillion per year in Asia by 2030.

According to Bloomberg, Scott (2019) writes that Southeast Asia's internet economy is set to top \$100 billion in 2019. And the regional business landscape is changing, with an estimated 70% of new economic value created over the next decade set to be based on digitally enabled platforms. Then, Asia is also embracing the digital revolution on its own terms, and many of the world's largest technology companies and investors based in the region are providing a broad range of services, from e-commerce to fintech and cloud computing.

McKinsey Global Institute (MGI) highlights that Asia's rise has been swift. Home to more than half of the world's population, the region has climbed from low to middle-income status within a single generation. By 2040, it is likely to generate more than 50% of world gross domestic product (GDP) and could account for nearly 40% of global consumption. The region has an ever-increasing global share of trade, capital, people, knowledge, transport, culture, and resources. Tonby et al. (2020) writes the deepening technological capabilities and innovations -most notably digital and mobile technologies- enabled Asia's early responses to the COVID-19 crisis. Digitization and the deployment of data at scale through collaboration among public and private players helped Asia to contain the virus.

Furthermore, in managing *waqf*, ASEAN can be a pioneer in Asia to develop the digitalization of waqf for MSMEs. ASEAN's waqf communities have an agenda to partake in the improvement of the economy and increase the importance of the third sector of the economy. Given that interest in waqf is increasing at the regional and global levels, especially among stakeholders in the Islamic world, especially during times of pandemic, ASEAN has the opportunity to become Asia's barometer in the development of waqf crowdfunding. For that, this chapter will expose how waqf crowdfunding in the last few years has contributed to financing the MSMEs by describing some platforms of waqf crowdfunding in Indonesia, Malaysia, and Singapore.

WAQF AND CROWDFUNDING TOWARDS WAQF CROWDFUNDING

There are several categorize of fintech. Fauzia (2020) divides into three categorizations:

First, the fintech payment gateway. Fintech here is related to payments made practically, safely, quickly, and comfortably, making it easier for users by cashless. It can be done to support transactions on e-commerce or application-based business transactions.

Second, fintech peer to peer (P2P) lending, namely fintech activities related to activities in which creditors and debtors practice lending and borrowing without physical meeting or face to face.

Third, fintech crowdfunding, namely the activities in which a number of fund owners will finance a project or business someone, or a charity related to zakat, infaq, shadaqa or waqf. With the fundraising activities carried out by the crowdfunding technology company, the company will be able to channel it properly and in accordance with the contract conducted at the beginning.

11 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the product's webpage:

www.igi-global.com/chapter/waqf-crowdfunding-for-financing-the-msmes/275905?camid=4v1

This title is available in Advances in Business Strategy and Competitive Advantage, InfoSci-Books, InfoSci-Business and Management, InfoSci-Business Knowledge Solutions – Books, InfoSci-Computer Science and Information Technology, InfoSci-Computer Science and IT Knowledge Solutions – Books, InfoSci-Education Knowledge Solutions – Books, InfoSci-Education. Recommend this product to your librarian:

www.igi-global.com/e-resources/library-recommendation/?id=74

Related Content

Generational Differences in the Workplace?: Let's Ask the Managers!

Franziska Eberz (2020). *Global Applications of Multigenerational Management and Leadership in the Transcultural Era* (pp. 163-195).

www.igi-global.com/chapter/generational-differences-in-the-workplace/236363?camid=4v1a

A New Way of Working: Flexibility and Work-Life Balance in the Accounting Profession in Australia

Karen Handley, Susan McGrath-Champ and Philomena Leung (2017). *Remote Work and Collaboration: Breakthroughs in Research and Practice* (pp. 243-266).

www.igi-global.com/chapter/a-new-way-of-working/180105?camid=4v1a

Ethics of Architecture or Ethical Architecture?

Hisham Abusaada (2019). *International Journal of Responsible Leadership and Ethical Decision-Making* (pp. 1-15).

www.igi-global.com/article/ethics-of-architecture-or-ethical-architecture/264436?camid=4v1a

Employees' Protection: Workplace Surveillance 3.0

Chrysi Chrysochou and Ioannis Iglezakis (2018). *Social Issues in the Workplace: Breakthroughs in Research and Practice* (pp. 951-970).

www.igi-global.com/chapter/employees-protection/192356?camid=4v1a