

An Empirical Review of the Waqf Horizon through Fintech: The Industry 4.0 Wave

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Abstract : Fund collections for Waqf projects in some Muslim countries received some boost because of the resuscitation of the cash waqf concept. This study envisages that such development can improve the economic empowerment of the poor in contemporary Muslim communities given appropriate collections and effective management of the Waqf institution. Recent developments in the Financial Technology (FINTECH) space portend valuable relevance in the conduct and delivery of social charitable causes such as Waqf around the world. Particularly, emerging areas in FINTECH such as Islamic Crowdfunding (ICF) and blockchain have brought about greater efficiency and effectiveness through cost reduction, faster transactions, wider access, transparency and prompt disclosure of adequate information to relevant stakeholders. These FINTECH options of ICF and blockchain provide veritable opportunities to resuscitate, re-align, synergize and magnify the Islamic Social Finance (ISF) ecosystem of Waqf, Zakat and Sadaqah to generate positive and sustainable impact to the community, environment and the economy at large, with a view to projecting the Maqasid Shari'ah (Objective of the Law Giver). To document the effect of FINTECH on Waqf, this study examined the activities of six banks in Malaysia that signed a pact to utilize FINTECH for waqf collection towards improving the economy. Semi-structured Face to Face interviews were conducted with officers in charge of Waqf in the six banks, founder of the Islamic Crowdfunding platform and senior officers in Waqaf Selangor. Content analysis was used to analyze their responses, and the emergent themes were reported verbatim. Based on the derived themes, survey questionnaires were also administered to 300 customers with respect to the Waqf's FINTECH functionalities of the identified banks to further confirm and strengthen the results of the interviews. Simple descriptive analysis was performed on the result of the survey questionnaire to provide clear information on the questions raised. The findings showed a disproportionate level of readiness among the banks, where few of the banks have put structure in place to increase their Waqf collections, others are at their elementary stage. However, the commitment is high across the six banks to achieve their set goals.

Keywords : blockchain, Fintech, Islamic crowdfunding, waqf

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