


Optimising under-utilised waqf assets in Malaysia through social entrepreneurship



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Article History

Received: 5 September 2022

Revised: 8 December 2022

Accepted: 23 December 2022

Published: 2 January 2023

Keywords

Cash waqf

Equity crowdfunding

Indonesia

Innovative

Theory of planned behavior

Underutilized.

ABSTRACT

A waqf is a charitable perpetual property whose interest and usufruct can be extracted without consuming the property itself. Malaysia has grown enormous waqf assets. Nonetheless, the potential is not fully utilized because of the difficulty in terms of management. The aim of this paper is to propose a model based on two social entrepreneurship angles which are creating sustainable business ventures and innovating products that could effectively optimize underutilized waqf lands in Malaysia. This qualitative research applies secondary data collected from scientific directory analysis and library research including papers and precedents on waqf. A Comparative approach was used to correlate analogous model that is currently practised in Indonesia. The data was then analyzed using legal and historical interpretation to determine the model's commercial viability. These findings suggest an equity crowdfunding platform as an innovative method to optimize underutilized waqf assets. In order to measure the desirability and perceived feasibility among contributors in Malaysia of this model, a theory of planned behavior was suggested. Since social entrepreneurship necessitates innovative products and profits, the researcher believes that using equity crowdfunding to create a new waqf model could potentially generate continuous income and wealth for the benefit of the country.

Contribution/ Originality: This study is one of very few studies that recommends a model that could effectively optimize underutilized waqf lands in Malaysia.

1. INTRODUCTION

Kahf (2003) defined waqf as hold, confinement or prohibition. In Islamic Law, it could be construed as holding certain asset and preserving it for the controlled interest of certain philanthropy and prohibiting any disposition of it beyond its specific purpose. Alshater, Hassan, Rashid, and Hasan (2022) interpreted this definition by highlighting the nature of waqf which is perpetuity and it applies to perpetual assets or properties such as land and buildings whose interest and usufruct can be extracted without consuming the property itself. To simplify, waqf are charitable properties without any desire to reclaim the asset.

It is worth noting that waqf is one way for Muslim to have blessings from Allah S.W.T by endowing their assets for the benefit of masses especially Muslims. Therefore, waqf contributions are not limited to only religious matter per se, i.e building mosques but also includes any general socio-economic needs. For instance, building schools, developing infrastructure, the well-being of the poor as well as sustainable entrepreneurship activities (Al-Gebori & Humaish, 2008).

In Malaysia, the definition of waqf could be found in both specific statutes of waqf and legislative statutes on each Malaysian states (Jawhar, 2022). For instance, in the State of Johor, according to the *Administration of the Religion of Islam State of Johor Enactment (2003)*, waqf is a perpetual gift of property or part thereof by the proprietor for sacred reasons. The *Wakaf (State of Melaka) Enactment (2005)* limited the definition of property to movable or immovable property as well as any benefit in the said property. *Wakf (State of Selangor) Enactment 2015* adds a wider interpretation of property so as to include intellectual property as well as skills and services that have value according to Islamic law.

Today, Majlis Agama Islam Negeri (State Islamic Religious Council) (MAIN) has the authority to trust in waqf management. They are also known as *Mutawalli* (trustees). Saleem (2010) listed down the responsibilities of *Mutawalli* which are to accomplish the instructions of the donor and to secure the waqf assets and its revenue. They also have the obligation to maintain and develop waqf assets and ensure that they are in good condition as well as collect their profits and hand them to the beneficiaries.

Saleem (2010) added that *Mutawalli* had no right to sell, exchange or mortgage waqf property or borrow money in order to spend it on waqf without the approval of the court. In terms of salary, a *Mutawalli* is privileged to receive a fixed salary from the revenue of the waqf asset in which the amount could be decided by the donor or Shariah Court in the situation where the donor has not declared any amount. Clearly, the amount is subject to the waqf income.

1.1. Social Entrepreneurship

For the purpose of generating social change, Social entrepreneurship can be defined as a process consisting of the innovative use as well as combination of resources in order to delve and capitalize on opportunities for the purpose of generating social change by providing for basic human needs in a sustainable manner (Mair & Marti, 2004). Zahra, Gedajlovic, Neubaum, and Shulman (2009) agreed and pointed out that the aim of social entrepreneurship is to improve social wealth by establishing new ventures or handling existing organizations in an innovative manner. Austin (2006) added that social value creating activity can take place within or across the non-profit business or government sectors.

Sullivan Mort, Weerawardena, and Carnegie (2003) highlighted two (2) angle of social entrepreneurship. The first one is creating novel social enterprise business ventures and the other one is profit maximization by implementing principles from for-profit business without desolating the core objective which is for the benefit of society. Based on these definitions, the researcher interprets social entrepreneurship as a creating sustainable business venture that must be carried out in innovative manner for the purpose of well-being of society.

2. PROBLEM STATEMENT

It is worth noting that Malaysia has amassed waqf assets. The Sun Daily (2019) estimates that there are over 30,000 hectares or 300.00km² of total Waqf land area in Malaysia. Despite the advantages it may bring to the society, its potentials are not fully utilized because of the difficulty in terms of the management. Waqf management includes the effort to preserve and develop waqf assets as well as to harness the potential they may bring to the society. In order to achieve this purpose, numerous matters must be covered which includes but are not limited to the operation and registration of waqf assets, development and monitoring of waqf assets and management of waqf benefits for the beneficiaries.

Unfortunately, waqf is difficult to operate. Due these matters, the issue of underutilization of waqf assets is happening in Malaysia. Bakri (2018) has identified numerous factors which are:

- 1) Ineffectual governance practices such as unstandardized of management and governance practices.
- 2) Inadequacy of professional's expertise.
Inadequate human resources in the waqf unit or department to manage the waqf property a nonstandard legal framework.
- 3) Unqualified and unprofessional in certain areas and Different types of Waqf institutions that cause difficulty in implementing the governance of rules and regulations with various types of waqf institutions.

The issue of underutilization of waqf assets is not new. Numerous researchers have highlighted the problems and few of them provide recommendations. Still the obstacles to enforce the so called solution seem to be challenging. As a matter of fact, State Religious Council gives an excuse that the funds available to operate and develop waqf assets were not sufficient to cover the expenses to maintain and renovates waqf assets that were increasing day by day (Saad, Sarif, Osman, Hamid, & Saleem, 2017).

Furthermore, to add insult to the injury, the unclear title of waqf land and the difficulty in developing Waqf land due to its uneconomic size and unreachable location also contributes to this matter (Abd Mutalib & Maamor, 2016). If this problem persists, the waqf assets will be unable to generate continuous income and wealth to the extent of stifling the economic growth of the country. Eventually, the objective of waqf which is to provide well-being to society cannot be fulfilled.

Hence, the researcher proposes social entrepreneurship as a way to solve this matter. Since waqf is all about charity purposes for the benefit of masses, certainly it's aligned with the spirit of social entrepreneurship to generate social change by providing basic human needs in a sustainable manner. The researcher also believes that by utilizing innovative methods, we may be able to release the true potential of waqf that could solve not only the poverty issue but the success may last for generations.

3. RESEARCH OBJECTIVES

1. To research and analyze innovative methods that could be used to optimize underutilized waqf assets in Malaysia;
2. To compare the methods of optimizing underutilized waqf assets with other jurisdictions such as Indonesia.
3. To recommend an innovative model to optimize underutilized waqf assets in Malaysia.

4. RESEARCH QUESTIONS

1. What are the most suitable innovative methods that could be used to optimize underutilized waqf assets in Malaysia?
2. Which method available practiced by Indonesia that Malaysia can take as an example in order to optimize underutilized waqf assets? What is the recommended innovative model to optimize underutilized waqf assets in Malaysia?.

5. SCOPE OF STUDY

The intensification of the global food and agriculture systems is needed to nourish upcoming hunger, especially in Malaysia. The goal to have regular access to safe, nutritious and sufficient food is preserved under Sustainable Development Goal with the aim of putting a stop to hunger, achieving food security and improved nutrition as well as promote sustainable agriculture. The researcher believes that the pursuit of global food security and agricultural sustainability demands vital and mutual action from both developing and developed nations.

Since The Sun Daily (2019) estimates that there are over 30,000 hectares or 300.00km² of total Waqf land area in Malaysia. The researcher believes that these lands could be mobilized for agriculture purposes in order to

achieve self-sufficiency policy on rice and paddy production. This vision is in line with [Eleventh Malaysian Plan \(2016–2020\)](#) and National Agro-Food Policy 2011–2020. Not to mention, the vision could directly benefits stakeholders such as farmers, fertilizer suppliers, companies that adopts Agriculture Technology-as-a-Service etc. Without a doubt, this will indirectly impact our economic sector.

Therefore, for the purpose of this research, the researcher will focus on optimizing an underutilized waqf asset, which is land. Throughout the study, the researcher will analyze the most suitable innovative methods by comparing them to what has been practiced in other jurisdictions and provide a recommendation or model that could effectively optimize underutilized waqf assets, which is land in Malaysia.

6. RESEARCH METHODOLOGY

The research methodology consists of 4 components namely type of research, data collection, research approach and data analysis.

6.1. Types of Research

This study is a pure or doctrinal study that utilizes both quantitative and qualitative methods with content analysis. While [Yaqin \(2007\)](#) believes that fundamental purpose of qualitative research is to obtain and impart new knowledge and ideas to propose changes and reforms, quantitative method is needed to quantify the collection and analysis of data. In this study, a quantitative method in the form of field survey is employed and a research instrument is adopted from existing literatures based on the Theory of Planned Behavior. The researcher believes that utilizing established instruments may increase the reliability of the measures employed and avoids the enormous time and effort that would be invested in developing instruments.

6.2. Data Collection Methods

This study focuses on collecting and analyzing writing texts from various sources which includes past and recent documents such as reports, journals, articles, case studies and seminar papers. According to [Bogdan and Biklen \(2003\)](#) qualitative method is applied for the purpose of gaining an understanding of the meaning, concept, definition, characteristics and description of a thing.

Data collection in this study was done using the following methods:

Qualitative Method:

- (i) The researcher will conduct library based research in order to obtain primary sources such as statutes. Furthermore, secondary data such as books, articles, annual reports, journals, government documents, newspapers, e-journals etc can also be obtained to enable researchers to make a comprehensive review on the research ([Yaqin, 2007](#)).
- (ii) A semi-structured interview method is also used to obtain the required information. Interviews were conducted on various identified parties to obtain comprehensive information.

Their selection is made based on the background of the relevant field which includes the aspects of expertise, experience, exposure and knowledge of the field studied. The 'one-to-one' interview method was used on the individuals involved who contributed to the information directly. They are comprised of Chief Executive Officer of Global Sadaqah and Shariah advisers with extensive knowledge in the waqf market in Malaysia.

Specialization is more focused on open-ended questions to get a clearer interpretation and perspective on the knowledge, experience, perceptions, disclosures, opinions, stances and overall views on this study. The questions provided are divided into three (3) levels, namely the first, marked as general questions, the second, specific questions and the third, questions in the form of suggestions. Every explanation, description, interpretation or evaluation is made objectively, relative and subjective. Acquisition of information on the

subject will be able to contribute to a more comprehensive description and explanation. The fundamental purpose of such research is to obtain and communicate new knowledge and ideas to propose change and innovation. Therefore, this data collection method is useful for all chapters in this study.

6.3. Research Approach

There are various research approaches that can be used in this study. In order to achieve the objective of this research, six (6) research approaches will be used, namely historical, philosophical or jurisprudential approach, comparison, prospective case study, analytical and critical approach and case study.

a) Historical Approach

Chua-Yan (2011) stated that historical research is a research method conducted through systematic data collection and objective evaluation of data on past events to better understand the evolution of issues. Chua-Wai (1986) added that the reliance on historical analysis is consistent with the belief that a phenomenon can only be understood historically, through the analysis of 'what has happened, what has become and what has not'. The reliance on historical analysis is consistent with the belief that a phenomenon can only be understood historically, through the analysis of " what has happened, what has become and has what has not". In this study, a historical approach is much needed to look at the issues and challenges pertaining to waqf as well as evolution of legislation regarding waqf in Malaysia.

b) Philosophical Approach

The philosophical or jurisprudence approach is one of the approaches used in studies at the master level to achieve a higher understanding of knowledge. The word 'jurisprudence' comes from two Latin words *juris*, which means 'law' and *prudens* which means 'skilled'. Roger (2010) stated that:

"Jurisprudence is probably best defined negatively as compassing all kinds of general intellectual inquiries about law that are not confined solely to doctrinal exegesis or technical prescription."

Meyerson (2007) stated that jurisprudence is one of the fields of philosophy that discusses the question of philosophy related to law with the aim of understanding the nature, place and role of law in society. This approach needs to be applied in this study in order to achieve the level of research at the master level. This research study uses Theory of Planned Behavior.

To summarize, the Theory of Planned Behavior stipulates that the intention of an individual to exercise a specific behavior is affected both by his attitude toward the behavior and by a subjective norm that refers to the impression of how others look at his action. This behavioral intention will accelerate the performance of the behavior in question. As mentioned by Yu-Long (2012), the attitude toward a behavior is mathematically defined as the product of the beliefs about the outcome of exercising that behavior and the evaluation of each of those outcomes. The subjective norm is calculated by multiplying normative beliefs by motivation to adhere. . Normative beliefs are the extent to which a person believes his or her significant others expect him or her to perform that behavior and motivation to comply is the extent to which he or she would comply with the significant others expectations (Yu-Long, 2012). Figure 1 outlines these noticeable beliefs.

In this theory, Ajzen (1991) defined intention as the amount of effort one is willing to put forth in order to achieve a goal. According to the Theory Planned of Behavior intention in entrepreneur, intention in social entrepreneurship is formed by the anticipated desirability and perceived feasibility of forming a social enterprise (Mair & Noboa, 2003). Hence, Jemari et al. (2017) agreed that in social entrepreneurship, intention is one of the factors that influence the participation of social entrepreneurs.

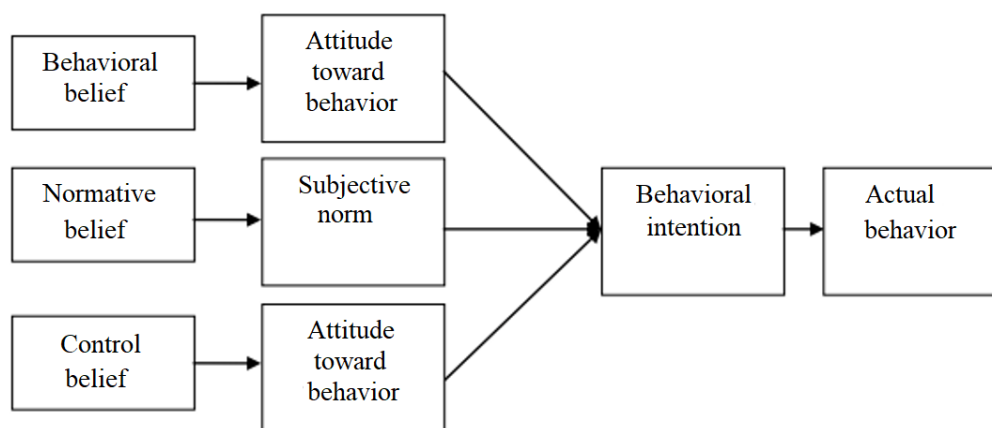


Figure 1. Theory of planned behavior model (TPB) by Ajzen (1991).

c) Comparative Approach

A Comparative approach is one of two or more legal systems' systematic searches for knowledge on a legal issue. Michaels (2011) provided three (3) disciplinary themes of comparative legal approach that need to be explored. The first theme is a comparison of legal systems that includes the discovery, explanation and evaluation of similarities and differences. The second theme encompasses the influence between legal systems, particularly the adoption of law, whether individual legal institutions or the entire legal system. The third theme is the development of a general theory of law. Here, the function of comparative law acts as a discipline that attempts to understand the various legal systems as a whole and their interrelationships with each other, without necessarily having to try to avoid or minimize the differences that exist between them. For the purpose of this thesis, only the first theme is used.

The purpose of the comparative approach is to provide a basis for harmonization or simply to increase knowledge and raise awareness especially in legal education. This matter is also supported by Yaqin (2007) who is confident that the purpose of this comparison is to improve a law so that the law can be implemented more effectively.

Therefore, a comparative approach is necessary, especially to answer objective number three (3) which is to make a comparative study on the solution of underutilized assets between Malaysia and Indonesia. The aim is to observe how the country copes with all the problems that arise pertaining to underutilized waqf assets. The results of this approach will produce suggestions for improvement from the aspect of regulation in order to achieve objective study number.

d) Prospective Case Study Approach

Deductive theory testing is usually associated with the positivist paradigm of scientific research and quantitative research methods in the social sciences (Yin, 1981). The tight coupling between deductive research and quantitative methods has created a situation where theories are only tested through elements of the social environment that are acceptable to quantify whereas the feasibility of these theories beyond the immeasurable aspects of social process is still unmanageable. Therefore, the lack of methodology in deductive research can be addressed with the further development of qualitative theory testing methods. In research contexts where unique phenomena occur or lack of quantitative measures, then there is an unacceptable "leap of faith" requirement that makes the use of quantitative methods unworkable, insufficient, or meaningless, while theory testing using qualitative case studies can produce a critical test for theory (Allen, 1989).

Bitektine (2008) argues that the limitations of qualitative methods in deductive theory testing as described above can be reduced by using a prospective case study design in which the researcher formulate a set of theory-based hypotheses regarding the evolution of continuous social processes and then test these hypotheses at a follow-

up time that has been established by comparing this hypothesis with the results of the observed process. Such tests can be performed by using matching techniques.

Therefore, as social entrepreneurship is not yet officially practiced to optimize underutilized waqf assets in Malaysia, this prospective case study approach is suitable to be used in order to match the Theory of Planned Behavior with the topic in question.

e) Analytical and Critical Approach

Analytical and critical approaches are crucial approaches in business studies to enable the researcher to identify the strengths and weaknesses of proposed mechanism. While the former involves the observation and evaluation in detail of something in order to understand, explain or draw conclusions, the latter is an approach made by the researcher to examine and evaluate more carefully, identify inadequacies, explain them with their own opinion and accept or reject something rationally (Yaqin, 2007). The aim of the study is to analyze and examine the nature, purpose and adequacy of the law in certain social, economic and political spheres in order to make recommendations that may result a change.

Therefore, this approach is one of the approaches that will provide a starting point in critically analyzing on how social entrepreneurship able to optimize underutilized waqf assets in Malaysia. This approach is used in all chapters to produce arguments in making justifications in order to achieve each objective of this study.

6.4. Data Analysis

Data analysis is a method that helps illustrate facts, detect patterns, develop explanations and test hypotheses. After data is obtained through interviews, questionnaires, observations or through secondary data, it needs to be edited and presented to draw conclusions. This conclusion must be adequately explained.

7. LITERATURE REVIEW

Food security is gaining global attention and has become an issue of national policy as well as public concern (Bala, Alias, Arshad, Noh, & Hadi, 2014). Researcher intend to seek an effective method of adaptation for food security. Therefore, this study primarily focuses on optimizing underutilized waqf lands as the researcher believes that these lands could be mobilized for agriculture purposes in order to achieve self-sufficiency policy on rice and paddy production. Similar recommendations have also been mentioned by Wildana and Alhabshi (2018) who opined that waqf through agricultural ventures that aim at yielding rice, can play various functions and offer resolution for the whole supply chain of rice comprising a framework designed to address the issue of rice in Indonesia.

Nevertheless, past studies have shown numerous challenges face by waqf trustees or institutional *Mutawalli* t in administering and managing these assets. As mentioned by Abd Mutalib and Maamor (2016), due to its uneconomic size and inaccessible location, plus the high cost of maintenance and renovation, a lot of waqf lands are put in dormant state. Not to mention, the incompetency of *Mutawalli* as mentioned in paragraph 1.2 above contributes to this matter too.

Similar situation are facing by Indonesia as well, Fauzi, Hapsari, Herianingrum, Fanani, and Kurnia (2022) recognized the issues that hamper the fruitful empowerment of waqf land in Indonesia empirically by implementing analytic networking process (ANP). The findings presented that the key player in the problem is the *nadzir* (waqf manager or *Mutawalli*). Unprofessional and incompetence *nadzir* to manage waqf properties resulting in failure to properly utilized these lands in order to achieve their full impact to beneficiaries.

Nevertheless, several recommendations have been proposed by academicians to solve this matter. Luik, Fatoni, and Ahmad (2021) for instance, has suggested the potentials of permaculture in developing abandoned waqf land to resolve the challenges of food insecurity in Indonesia. According to Morel, Léger, and Ferguson (2019) permaculture emphasizes on the sustainable design of human settlement. For that matter, Luik et al. (2021) believe

that waqf lands should not only been utilized to build mosque per se, but it should be developed by building markets, hotels, business centers, housing and agricultural projects.

7.1. Crowdfunding Platform as an Innovative Method to Optimize Underutilized Waqf Assets

Unfortunately, Khan, Ghafoorzai, Patel, and Shehbaz (2021) highlighted elephant in the room. Lack of working capital and equipment shortage and other farming resources due to insufficient funds and limited access to financing sources stifle this vision. To make it worse, according to Meri Indri Hapsari, Thaker, Mohammed, and Duasa (2022), years ago, Malaysian government finance the advancement of waqf. This therefore threatens the sustainability of Waqf development because the government can not come the rescue repeatedly. In fact, the funding for Waqf development has been decreasing in recent years. Thus, waqf properties lack of liquidity for development.

Luckily, today's technology may able to solve this problem. Thaker and Bin (2018) recommended crowdfunding platform as an answer to the cost problem, which utilizes the concept of raising funds through social media and internet users. The same researcher also provided a solution by developing a waqf feasibility management for economic empowerment.

Several types of crowdfunding are available to finance waqf projects but since the essence of social entrepreneurship includes the generation of profit, Equity Crowdfunding (ECF) could be a useful and innovative tool to be used as it provides a return on investment compared to the other types of crowdfunding. Furthermore, the method fulfils two (2) research objectives which are to analyze and recommend innovative methods that could be used to optimize underutilized waqf assets in Malaysia.

Haniff, Ab Halim, and Ismail (2019) agreed that the advancement of digital and financial technology has brought with it a platform for innovative entrepreneurs to raise capital from the public through an Internet platform operated by a third-party intermediary or platform operator. Known as Equity Crowdfunding (ECF), it provides alternative for Small and Medium Enterprises as well as start-ups (Issuer) to raise funds by selling securities to the public via online portal-based platform (ECF Platform). Anyone from retail to sophisticated investors can now become investor to any business that has been listed on the ECF platform operator.

ECF market in Malaysia shows an astounding improvement. As shown in Figure 2 below, the total capital raised grew from Malaysia Ringgit (MYR) MYR22.92 million in 2019 to MYR127.73 million in 2020, which is equivalent to a 457% rise (Annual Report of Securities Commission, 2021). In total, MYR199.23 million has been raised since 2016 benefitting 150 issuers through 159 successful campaigns. It is worth noting that the top sectors by amount of capital raised in 2020 were 'Other Service Activities' with MYR38.88 million (31%), 'Professional, Scientific and Technical Activities' with MYR19.96 million (16%) and 'Information and Communication' with MYR18.27 million (14%). Unsurprisingly, most issuers are based in capital of Malaysia, Kuala Lumpur or Selangor and 60% of them are technology-focused issuers.

The figure above implies the sustainability of ECF market in Malaysia especially when the world including Malaysia suffered by Covid-19 pandemic. In fact, since the regulatory framework of ECF was first introduced by Securities Commission in 2015, the capital raised through the ECF platform has increased each year and so do the Small Medium Enterprise (SME)/issuers/businesses that have successfully reached the fundraising target. Only in 2018, the number showed little depreciation and that is among others, due to the uncertainty cause by general election.

As mentioned by Haniff, Ab Halim, and Ismail (2019), the assistance of government through Malaysia Co-Investment Fund (MyCIF) has contributed largely to the performance of the ECF market. For instance, Malaysia Co-Investment Fund (MyCIF), which was introduced in 2019 were given a mandate to invest RM1 for every RM4 raised from any selected crowdfunding campaign. As a result, by the end of 2020, a total of RM165 million in 5,439 ECF and peer-to-peer (P2P) campaigns was invested by MyCIF. Not to mention, a secondary trading framework

for ECF and peer-to-peer financing (P2P) was also launched to provide investors with an exit mechanism, while Budget 2021 tax exemptions are expected to spur individual investor participation in ECF.

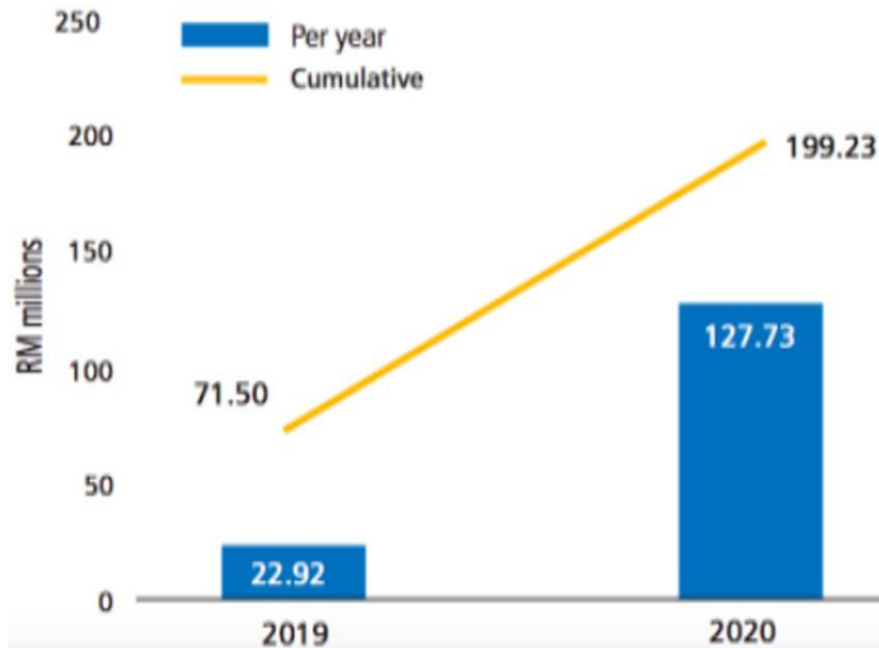


Figure 2. Capital raised in RM millions.

Source: Annual Report of Securities Commission (2021).

The utilization of crowdfunding to fund waqf project is not novel. In fact, a study by [Nasution and Medias \(2020\)](#) has come up with a model named Crowdfunding Waqf Model which can finance waqf projects such as education, environment, human resources etc through the crowdfunding platform named [wakafhasanah.bnisyariah.co.id](#). A total of 53 waqf projects have been funded by the platform with a total finance of 3,627,088,985 rupiahs. This research is likely to provide an option for waqf institutions as well as the authority to present supplementary funding sources for waqf development in Indonesia.

7.1.1. Cash waqf and Theory of Planned Behavior

In additions to the ECF facility, [Hapsari, Bin, Muhammad, and Dausa \(2020\)](#) observe the opportunity of reviving the role of waqf in Malaysia by the Waqf institutions to address liquidity issue. Cash waqf for instance is gaining attention. As stipulated by [Cizakca \(2013\)](#) a cash waqf is a special type of endowment which differs from the ordinary real estate waqf in that its original capital consist of cash or money. Cash waqf is being used in Malaysia in a variety of ways, including internet services such as e-wakaf, salary deduction and payment directly at the waqf agent appointed by the State Islamic Religious Council.

[Osman, Mohammed, and Fadzil \(2016\)](#) explored cash waqf giving behavior among Muslim donors formulated on the Theory of Planned Behavior. A total of 370 respondents, consisting of Muslim donors were given a questionnaire and the data was interpreted by using Structural Equation Modelling. According to findings attitude, subjective norm, perceived behavioral control and intention all play a role in predicting cash waqf giving behavior among the respondents. Clearly, the findings could give some insight to *Mutarwalli* in considering cash waqf giving behavior among Muslim donors and ultimately assist them in improving their fundraising approaches and marketing plans.

As a nation with great potential due to the highest number of Muslim in the world, Indonesia is not left behind when it comes to cash waqf. [Iman, Santoso, and Kurniawan \(2021\)](#) pointed out that the collection of productive waqf funds, specifically cash waqf, has not been ideal. Many assumes the behavior of the Muslim community that does

not fully apprehend the improvement of cash waqf. Hence, this study was performed to observe empirical evidence of the Theory of Planned Behavior and religiosity in influencing the behavior of Muslim communities to contribute cash waqf. 138 respondents were selected to answer the questionnaire and the results of this study found that attitudes, subjective norms, and values of religiosity were able to influence waqf behaviour in making decisions to do cash waqf.

Nonetheless, Hapsari et al. (2020) argues that inconvenient models of cash Waqf, coupled with its unattractiveness can discourage people to contribute in cash Waqf. Therefore, Hapsari et al. (2020) have proposed a novel cash waqf model where Muslim employees and Islamic businesses and institutions (MEIBI) can commit continually to the sustainability of the liquidity supply. This model is a combination of employees salary deduction and corporate philanthropy schemes in form of Corporate Social Responsibility.

Thus, by using Theory of Planned Behavior framework and analyze it with Structural Equation Modelling, the same researcher evaluates the behavioral intention of Muslim employees and Islamic Business Institutions to commit cash Waqf respectively. The results indicate attitude and subjective norms of the Muslim employees do have the capacity to influence Muslim employees behavioral intention to commit in cash Waqf through employee salary deduction.

By using similar method, Hapsari et al. (2020) studied behavioural intention of Islamic Business Institutions to commit in cash to Waqf. Again, the results show the first three (3) variables which are economic attitude, political pressure and perceived behavioral control expressively influence the behavioral intention of the top management to contribute cash to Waqf. To conclude such findings, MEIBI model as recommended in this research has the potential to produce cash Waqf and provide a beneficial effect on the development of waqf in Malaysia.

The study made by Razak and Zulmi (2022) are the most recent research that investigates Muslim donor behavior on waqf assets. The purpose of this research is to study whether cash waqf is able to support micro entrepreneurs during Covid-19 pandemic phase. Undoubtedly, Movement Restriction Order has caused difficulty for them in financial aspect because they could not operate their business physically. As a result, they suffered a serious drop in daily sales and a shortage in cash flow. Using the same framework as before, the results show that attitude and perceived behavior control have a significant relationship with donors' intention for cash waqf whereas subjective norm is insignificant.

8. RECOMMENDATION

Based on existing literatures above, there is a multitude of research that aims to test people behavior on cash waqf. Apparently, there are correlative variables in the findings. Nonetheless, for the purpose of this research, the researcher intends to propose a new model to optimize underutilized waqf assets through social entrepreneurship. Therefore, unlike cash waqf which the primary purposes are only charity, social entrepreneurship demands innovative products and profit. In this study, the researchers will utilize Equity Crowdfunding facility to create a new model in order to achieve research objectives. Unquestionably, there is only a few research in this area.

Certainly, the requirement to test people behavior for this new model is necessary. The researcher may correlates this new model with existing findings on cash-waqf behavior. After all, unlike this new model, cash waqf does not provide returns to the donor. Logically, the possibility for the contributor to support this idea is higher as compared to cash-waqf because contributors have nothing to lose. Nevertheless, it still does not guarantee the same results as the expectation will be different. This mainly due to the desire of investor to gain profit. Not to mention, investors are in it for money and not for charity purposes per se.

In other words, researcher suggests a quantitative method in which a survey of 200 people is conducted. Respondents were chosen based on their knowledge of business and social entrepreneurship. The data is then analyzed by using Structural Equation Modeling (SEM). In the questionnaire, the respondents were required to rate their level of agreement with statements and/or propositions on a 5-point Likert Scale, ranging

from '1' representing 'strongly disagree' to '5' representing 'strongly agree'. The final measures are shown in Table 1.

Table 1. Summary of measurement of variables.

| Measurement | Setting | Items |
|------------------------------|--------------------------------|-------|
| Attitude | Giving behavior, stock trading | 5 |
| Subjective norm | Giving behavior | 5 |
| Perceived behavioral control | Giving Behavior | 5 |
| Intention | Giving Behavior | 4 |
| New proposed model behavior | Zakat compliance behavior | 5 |

Sophisticated investors are fully aware of the risks that they have to face if they agree to funds in any agriculture project. Apart from the problem of investment liquidity, the issues of adverse selection and moral hazard tend to occur as well. Not to mention that the return on investment through ECF will take longer to achieved than other types of investment, especially if the business is profitable.. Hence, the risk is high for an uncertain return.

Funding: This research is supported by the National University of Malaysia. (Grant number: UU-2021-10).

Competing Interests: The authors declare that they have no competing interests.

Authors' Contributions: All authors contributed equally to the conception and design of the study.

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