

A CONCEPTUAL FRAMEWORK FOR DEVELOPMENT OF CASH Waqf Crowdfunding Towards Islamic Social Finance for Economic Development in Northern Nigeria

Jibril Auwal Muhammad^{1*}

MD Habibur Rahman²

^{1,2}Faculty of Business and Management Universiti Sultan Zainal Abidin, Malaysia

*Corresponding author (Email: jibrilauwal66@yahoo.com)

Received: 17 February 2023, Reviewed: 22 February 2023, Published: 31 March 2023

Abstract: *The aim of the study is to provide a framework for cash waqf crowdfunding as a strategy for achieving Islamic social financing for economic development in Northern Nigeria. In addition, the study intends to look at what factors influence people in Northern Nigeria's willingness to adopt cash waqf crowdfunding as a form of Islamic social financing. This study is a conceptual paper that provides the idea of managing the waqf fund in the most efficient way of financing economic development. For this reason, this study offered an expanded version of the Islamic-based cash waqf crowdfunding behavioral intention with project initiator (trust and security) to comprehend the desire to adopt cash waqf crowdfunding for financing Northern Nigeria's economic development. Due to the conceptual aspect of this study, there is no empirical evidence to support the study's findings. The study's findings on how to access funds through the cash waqf platform benefited stakeholders in Northern Nigeria as well as organizations such as social finance institutions. It offered a direction for these institutions to improve waqf management and policy in the future. To understand the acceptance of cash waqf crowdfunding from the viewpoint of Northern Nigerians, this study is the first to uncover the importance of behavioral intention within the framework of managerial intention. Several issues limit the platform's funding. Fraud, corruption, insufficient regulation, and ignorance. The study recommended educating the public on crowdfunding rules. It is suggested that future research provides empirical evidence for the proposed framework from this study.*

Keywords: Behavioral Intention, Cash Waqf Crowdfunding, Economic Development, Islamic Social Finance, Northern Nigeria

INTRODUCTION

Every community has made sustainable development and lifestyle maintenance one of its top concerns. World leaders came up with a new global development agenda to replace the old development goals. Saudi Arabia, Kuwait, Oman, the UAE, and other nations have all practiced Islamic waqf (Chimhowu, et al., 2019; Umar, 2021). The system has made notable contributions in several African nations, including Egypt, Sudan, Mali, Morocco, and Nigeria. Some northern states have even created a board to regulate how these properties are used. Waqf is excellent as it allows everyone to contribute in the interest of society. It is easier and

accessible because people are more likely to be given cash rather than real-estate properties. And it can be used with other financial instruments such as Crowdfunding, which is one of the useful online tools for entrepreneurship and charity (Abu Amuna, 2019). Consequently, Nigeria is ranked low in almost all indices of development. Successive administrations have tried to alleviate poverty, income inequality and unemployment with little or no progress. Programs such as Operation Feed the Nation (1978), Green Revolution (1982) and National Poverty Eradication Program (NAPEP) are yet to make any significant impact on the lives of average Nigerians. In 2012, the Islamic financial system was launched to supplement the established financial system. It is challenging for many SMEs to obtain financing in both the conventional and Islamic banking systems. Even if there are many Muslims in northern Nigeria, the practice is still negligible compared to Sheikh Usman Dan Fodio's tenure as a revivalist. Nevertheless, despite the large Muslim population in northern Nigeria, Waqf practice is relatively insignificant compared to the period when Sheikh Usman Dan Fodio, a revivalist, initiated and supported Waqf activities in the region in 1817. Many studies on cash Waqf in Nigeria focuses on the benefits and challenges. Therefore, the aim of this study to develop the conceptual framework of cash waqf crowdfunding towards Islamic social finance for economic development in northern Nigeria.

LITERATURE REVIEW

Concept of Islamic Social finance for Economic Development

Small and medium enterprises are the nation's closest business units to the people, and they contribute significantly to the country's GDP. Islamic Social Finance (ISF) is used by a variety of organizations to ensure social security and boost economic activity (Mura, & Hajduová, 2021). In Islam, there are two types of charity: zakat (obligatory charity) and zakaat (voluntary donation). Zakat is collected from all eligible Muslims in the Northern part of the country and distributed judiciously to the true needy, wayfarer, and bankrupt in the cause of God (Atah, et al., 2018). Zakat can be combined with other Islamic funds to assist social enterprises and increase financial inclusion. This is done to prevent wealth from being concentrated in the hands of a few people.

The Evolution and Development of Waqf

Waqf supports Islamic history and values while assisting the Muslim people in fulfilling their religious obligations. Strong evidence suggests that having it in place is advantageous for Islamic civilizations (Fuadi, & Suyatno, 2020). It is starting to help more people now that it has become well known and has benefitted a range of organizations, including hospitals, cemeteries, educational institutions, orchards, and others. One of the most notable aspects of the Prophet's approaches to helping the Muslim community was that his companions valued their personal welfare and comfort over everything else. Muslims' mainstreaming attempts to propagate their faith have persisted to this day, using tradition to create a social community and free the underprivileged from financial exclusion.

Cash Waqf Crowdfunding

Islamic Cash Waqf was commonly practiced in Anatolia and the Balkans based on this jurisdiction, although Iskandar, (2022) asserted that they were rarely invested in the Mudarabah partnership as originally indicated, but rather in steady returns fluctuating within a tight margin. According to izakça, Ottoman courts accepted cash endowments as early as

the beginning of the 15th century, and by the end of the 16th century it was ubiquitous. Ascarya, and Masrifah, (2022) asserted that Cash Waqf practices were revived in Fes, Morocco, and by the Ottoman State after the two eras of Malik and Zufar, and that there is no record of Cash Waqf practices after the Ottomans' collapse, as contemporary researchers in this field did not refer to any practices other than the Ottoman Cash Waqf. Crowdfunding is the process of raising funds for a social, artistic, humanitarian, or other purpose without receiving anything in return. Islamic Crowdfunding follows the same definition as traditional Crowdfunding, with the exception that it follows Shari'ah rules and principles in all of its activities and operations. In the context of waqf, the use of a Crowdfunding solution is a new frontier.

History of Cash Waqf in Nigerian Context

The situation in Nigeria may be difficult to be accounted for with specificity. A rational justification to accept this account as correct is the simple fact that Islam also dates back to the pre-colonial era and waqf culture could be said to have been received alongside with the Islamic law and practices. While the first waqf to be instituted in some other parts of the world may be particularly identifiable with clearly traceable dates for their inaugurations, the situation in Nigeria may be difficult to be accounted for with specificity. It can rather only be agreeable that there is need for better legal regulation for the administration and management of waqf in the country (Abikan, & Ishola, 2021). Salami, et al., (2022) have noted that the approach to the development of waqf in the country was initially basically individualistic, private and personal until 1990s when revival of Shari'ah gained prominence with some northern states declaring Islamic law as the official source of their laws.

Waqf and Cash Waqf's Influence on Economic Development

In the Islamic socio-economic system, the Waqf is a crucial institution. Throughout Islamic history, it has played an important role (Azrak, 2022; Bulut, & Korkut, 2022). History has proven that waqf institutions have been able to provide social welfare services that many present states struggle to supply (Lamido, & Haneef, 2021). During the Ottoman Empire, waqf was the primary source of funding for public education, health care and welfare (Purnamasari, et al., 2021). Waqf has played a vital role in the socio-economic arena, in addition to religious goals such as mosque construction (Misbah, et al., 2022). New approaches to management and economic operations of waqf institutions have the potential to improve the institutions' ability to provide better and more efficient welfare services to the community (Aisyah, et al., 2021; Iskandar, 2022). This research endeavors to develop the cashwaqf Crowdfunding in northern Nigeria towards a sustainable Islamic social development.

The Proposed Conceptual Framework

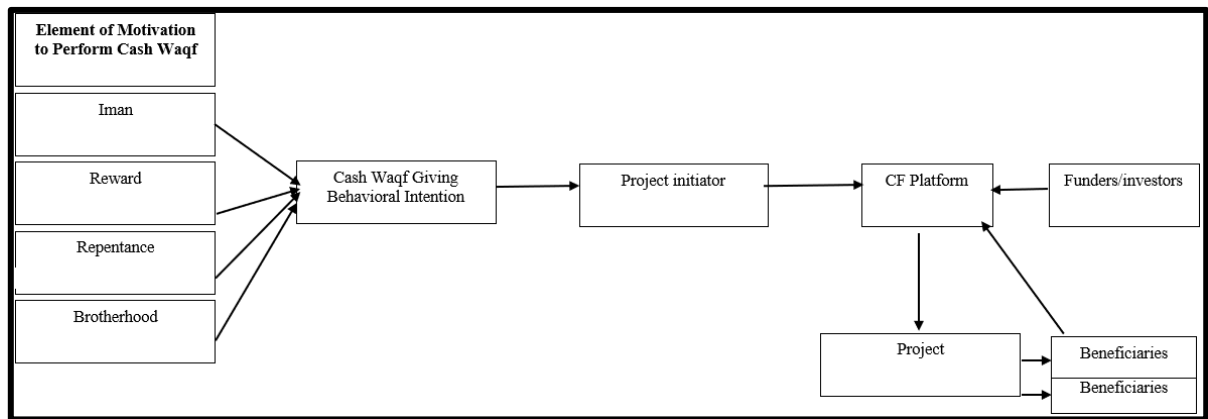


Figure 1.1 Proposed Conceptual Framework

It is well known that the medium to be used for crowdfunding is the internet. Hence, the services are provided through a web-based interface. These websites are called ‘Crowdfunding (CF) platform’ where the website owners act as a facilitator between both project initiators and the crowdfunders (fund provider). In a typical crowdfunding platform (see Figure 1.1), the project initiator introduces a project on the CF platform. Based on the interest of the people or crowd in the project, they will contribute financially to the project. In Islam, intention is not just a mere desire but a determination. The Islamic charity giving concept works as the foundation for the Islamic-based cash waqf behavioral intention concept.

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