



AICIF

PROCEEDING 7TH ASEAN UNIVERSITIES

International Conference on Islamic Finance

Revival of Islamic Social Finance To Strengthen Economic
Development Towards A Global Industrial Revolution

Co Host:



IIUM
International Islamic
University Malaysia



UIN SUKA
Universitas Islam Negeri
Sunan Kalijaga, Yogyakarta
Indonesia



UNISSULA
Universitas Islam
Sultan Agung, Semarang,
Indonesia



UNISSA
Universiti Islam
Sultan Sharif Ali,
Brunei Darussalam



Fathoni University
Thailand



Mindanao State
University of Philippines



INSTITUT TAZKIA
Tazkia University,
Indonesia



SECRETARIAT
International Council
of Islamic Finance Educators

**PROCEEDING OF 7TH ASEAN UNIVERSITIES INTERNATIONAL
CONFERENCE ON ISLAMIC FINANCE (AICIF) 2019
“REVIVAL OF ISLAMIC SOCIAL FINANCE TO STRENGTHEN
ECONOMIC DEVELOPMENT TOWARDS A GLOBAL INDUSTRIAL
REVOLUTION”**

**UNIDA GONTOR
3 – 4 December 2019**



**Publisher
UNIDA Gontor Press
University of Darussalam Gontor**

PROCEEDING OF 7TH ASEAN UNIVERSITIES INTERNATIONAL CONFERENCE
ON ISLAMIC FINANCE (AICIF) 2019
“REVIVAL OF ISLAMIC SOCIAL FINANCE TO STRENGTHEN ECONOMIC
DEVELOPMENT TOWARDS A GLOBAL INDUSTRIAL REVOLUTION”

Executive Committee :

- Chairman : Dr. Iqbal Imari, M.S.I
- Vice Chairman : Muhammad Abdul Aziz, M.Si.
- Secretaries : Dr. Hartomi Maulana, M.Sc.
Atika Rukminastiti Masrifah, M.E.Sy.
Tri Wijayanti Septiarini, M.Sc.
- Treasurer : Rahma Yudi Astuti, M.E.Sy.
May Shinta Retnowati, M.E.
Aqif Khilmia, S.E., M.Pd
- Event Organizer : Abdul Latif, M.E.Sy
Andini Rachmawati, M.C.L.
Achmad Arif, B.Sh., M.A.
Apriliana Ika Kusumanisita, S.E.I, M.
Lathiefa Rusli, S.E., M.M.
- Accommodation : Imam Haryadi, M.S.I.
Saiful Nasution, M.A.
- Consumption : Tarech Septa, S.Pd.
- Equipment : Muhammad Syifaurosyyidin, S.E.I., M.Pd.
Dedy Mulyanto, M.Pd
- Publications : Muchammad Taufiq Affandi, M.Sc.
- Transportation : Abdul Latif Rizqon, M.E.Sy.
- Sponsorship : Dr. Syamsuri, M.Sh.
Fajar Surya Ari Anggara, S.TP., M.M.
Syahrudin, M.Sc.Fin.
Mufti Afif, Lc., M.A.
- Entertainment : Nusa Dewa Harsoyo S.H.I , M.A.
Dhika Amalia Kurniawan, M.M.
- Public Relations : Azidni Rofiqo, M.E.
Muhammad Alfian R, M.E

Steering Committee :

Prof. Dr. Amal Fathullah Zarkasyi, M.A.
Dr. Hamid Fahmy Zarkasyi, M.A.Ed., M.Phil.
Dr. Setiawan Lahuri, M.A.
Dr. Abdul Hafidz Zaid, M.A.
Dr. Mulyono Jamal, M.A.
Dr. Imam Kamaluddin, Lc., M.Hum.
Dr. Khoirul Umam, M.Ec

Reviewer :

Dr. Hamid Fahmy Zarkasyi, M.A.Ed., M.Phil.
Dr. Setiawan Lahuri, M.A.
Dr. Abdul Hafidz Zaid, M.A.
Dr. Mulyono Jamal, M.A.
Dr. Imam Kamaluddin, Lc., M.Hum.
Dr. Khoirul Umam, M.Ec
Prof. Dr. Abdul Ghafar Ismail
Dr. Ascarya
Bedjo Santosa, Ph.D
Assoc. Prof. Dr Salina Kassim
Saaduddin M. Alauya, Jr.
Dr. Abdul Nasir bin Haji Abdul Rani
Dr. Syafiq Mahmadah Hanafi
Dr. Murniati Mukhlisin, M.Acc.

Managing Editor :

Dr. Hartomi Maulana, M.Sc.
Atika Rukminastiti Masrifah, M.E.Sy.

Publisher :
UNIDA Gontor Press

© 2019 AICIF is a collaborative effort among IiiBF International Islamic University Malaysia, Mindanao State University (MSU), UIN Sunan Kalijaga, Yogyakarta, Universitas Islam Sultan Agung (UNISSULA), Semarang, Indonesia, Universitas Darussalam Gontor, Indonesia and Sultan Sharif Ali Islamic University, Negara Brunei Darussalam and STEI Tazkia University, Indonesia.

All rights reserved. No part of this publication may be reproduced , stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the copyright holder, except reference and citation, but must be properly acknowledged.

The views expressed in this publication are those of the authors and do not necessarily reflect the views of the AICIF.

Cover Design by Muhammad Uwais Alqorni

First Published 1441 H (November 2019)

Second Published 1441 H (December 2019)

Jl. Raya Siman Km. 6 Demangan Siman Ponorogo 63471

Telp. +62 352 3574562: Fax: +62 352 488182

Email: press@unida.gontor.ac.id



FOREWORDS

PROF. DR. AMAL FATHULLAH ZARKASYI, M.A.
Rector of University of Darussalam Gontor

Assalamu'alaikum warahmatullahi wabarakaatuh

As the Rector of University of Darussalam Gontor, it is a great honour for us to welcome our distinguished guests from neighbourhood countries. Hence, I feel very grateful to Allah, I would like to thank you for your kind willingness to attend and participate in our 7th ASEAN Universities International Conference on Islamic Finance (AICIF) 2019.

The development of Islamic economics and finance not only concerns on commercial issues, but also social finance (such as zakah, infaq and waqf). Since the Prophet Muhammad Rasulullah period, Waqf has been developed and played a major role in the socioeconomic of Muslim. On his arrival at Madinah in the first year of Hijrah, he constructed a mosque known as Quba. Subsequently, the Prophet built a new mosque known as Masjid an-Nabawi due to the increasing number of people who converted to Islam. In addition, the example of waqf in practical level when the Prophet encouraged Utsman ibn 'Affan to buy Rumah well of water and finally he declared it as waqf to provide water for all citizens. Currently, this heritage has been extended to accommodate the need of society from across the world.

Based on the historical foundation, it would be extremely necessary supported by education and research related to Islamic social finance in an attempt to increase the welfare of the Ummah. Hopefully this conference will be one of the efforts in providing enlightenment and insight related to Islamic social finance and Islamic economics continues to grow worldwide, and provide benefits and prosperity for all mankind as well as the entire universe (rahmatan lil Alamein).

Therefore we all have a duty and responsibility to develop education and research related to Islamic economics. Let us pray to God for asking His assistance and guidance to carry out this duties and responsibilities together.

Finally, I congratulate all the faculty members in the Faculty of Syariah and Faculty of Economics & Management as well as all members of AICIF for organizing this conference. For the committees who have worked hard in preparing this conference, I suggested them to service all the guests very well. Make them feel like in their own homes. I would like to say good luck in joining the conference until completion. Thank you very much.

Wa'alaikumsalam warahmatullahi wabarakaatuh



INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

All praises due to Allah (swt), the Most Merciful, the Most Compassionate. May His peace and blessings be upon our beloved Prophet Muhammad (saw), his companions, descendants and all those who follow his steps.

On behalf of the IIUM Institute of Islamic Banking and Finance (IiBF), International Islamic University Malaysia, I would like to congratulate the University of Darussalam, UNIDA Gontor, for the successfully organizing and hosting the 7th ASEAN Universities International Conference on Islamic of Islamic Finance (AICIF 2019). IiBF, as the pioneering institution in organizing the AICIF, is indeed, very happy to note that the AICIF has already reached its 7th year of organization, with the consortium of universities joining the conference has increased to seven from only one when the IiBF first hosted it in Kuala Lumpur in 2013.

The theme of the conference “Revival of Islamic Social Finance to Strengthen Economic Development Towards A Global Industrial Revolution” highlights the remarkable contributions and guidance of our beloved Prophet Muhammad (saw) on his various efforts on social welfare and sustainable social development policies. These efforts have led to the remarkable economic development of Islamic societies, which needs to be emulated by our leaders today in the Islamic banking and finance industry. While there is a remarkable growth and expansion of the Islamic finance industry today, a pertinent issue to highlight is the role and contribution of Islamic finance in the achievement of socio-economic goals of the society. Islamic financial institutions need to continuously innovate and go beyond their traditional role in providing financing just to the bankable. Efforts should be intensified to expand their scope of services and aim to achieve better financial inclusion to all levels of the society.

The importance of technology in Islamic social finance could not be over-emphasized. Several important global cases borne out of the synergised approaches involving Islamic social finance with sustainable digital technology. The International Federation of Red Cross and Red Crescent Societies (IFRC) has recently developed an online blockchain technology application providing organizations and individuals with the ability to track and follow up their contributions in highly complex humanitarian settings. This has helped in providing transparency and laying a platform for increased trust between humanitarian organizations and those in Islamic social financing activities. This digital innovation has received universal acceptance and recognition and is the IFRC’s first foray into Islamic finance, advancing their cause to develop Islamic social finance strategies and fundraising tools in support of IFRC’s humanitarian aid programs.

Islamic social finance supported by mobilisation of digital technology has also brought about the effective distribution of zakat contributions from the Malaysian state of Perlis towards a relief project in Kenya. The project became successful and profitable as the cash value of the crop grown exceeded the value of the seeds purchased, which in turn allowed subsistence farmers to acquire a certain amount of disposable income that can be channelled towards other social impact areas focusing on food, healthcare, and education.

I would have to mention, however, that our goal of revitalizing and rejuvenating Islamic social finance and socially responsible finance may not be achieved without well-coordinated inter-countries synergy and cooperation. We are very much aware of the remarkable progress recorded in ASEAN, and especially Malaysia and Indonesia, in terms of Islamic banking and finance innovation and Islamic finance in general, which have proven to be veritable tools for social development of the Ummah. We hope that efforts are made for new inter-countries' cooperation within ASEAN and other destinations across the globe. It is high time that these vast experiences being shared to other parts of the world with more universities to join this consortium in efforts to remain abreast in the dynamic area of Islamic banking and finance.

Thank you. Wabillahi-tawfiq wal-hidayah, Wassalamu alaikum warahmatullahi wabarakatuh.

ASSOC. PROF. DR. SALINA KASSIM

Dean

IIUM Institute of Islamic Banking and Finance



STATE ISLAMIC UNIVERSITY SUNAN KALIJAGA YOGYAKARTA

Assalamualaikum Warahmatullah Wabarakatuh

Welcome to 7th AICIF 2019. We are very happy for the enthusiasm of all colleagues and participant to take part of the 7th ASEAN International Banking & Finance or 7th AICIF 2019. We are wholeheartedly grateful to University of Darusaalam Gontor Indonesia for organizing this event. AICIF has been held seven times in the Southeast Asia region. This event will took theme which highlighted the Revival of Islamic Social Finance to Strengthen Economic Development Toward a Global Industrial Revolution. We expect, this activity will increase the knowledge, abilities and role of stakeholders in facing the 4.0 industrial revolution. By strengthening the knowledge of Islamic social finance, hopefully it will be able to improve analytical skills to improve the welfare of Muslims. The challenges of Muslims today are very diverse, not only eradicating usury but also creating world welfare and hereafter. That's why, it is very important to understand Islamic social finance clearly.

Besides, we also looking for the academic result from this event such as increasing the transfer of knowledge of in Islamic economics, cooperation in the field of research, journal publications, guest lectures, student exchange and etc.

We also would like to thank all co-organizer who were invited to attend this conference and members of the procedural committee. We are deeply grateful for enthusiastic support from all units and individuals, and we appreciate all the participant who undertake preparation and reception services during the conference. We hope you granted benefit from the exchange of ideas and research at 7th AICIF 2019 through discussions with colleagues, participants and conference sessions and activities. We would like to take this opportunity to fulfill our success stepping stone as co-organizers. It is our sincere hope that this collaboration will continue in the future. May Allah SWT bless us and continue to guide us in all our efforts. Aamiin. Wassalamualaikum Warahmatullah Wabarakatuh

DR. H. SYAFIQ M. HANAFLI, S.Ag., M.Ag.
Dean of Faculty Islamic Economics and Business



SULTAN AGUNG ISLAMIC UNIVERSITY, SEMARANG INDONESIA

Assalamu'alaykum warahmatullahi wabarakatuh

A warmest word of welcome to the organizers and participants of the 7th Asian Conference on Islamic Finance (AICIF) 2019. Our honored to the main organizer of the 7th AICIF University of Darussalam (UNIDA) GONTOR, Indonesia.

Economic development in this digital age creates new challenges for Islamic finance especially Islamic social finance institutions in the ASEAN countries. The increase of market competition demanding the Islamic industry to innovate continuously so that it is able to serve customers and create maslahat. Financial technology (Fintech) is also part of the challenges that must be faced. In this case, the Islamic social finance industry must be able to answer the advancement of financial technology while maintaining applicable sharia principles. On this occasion, the 7th AICIF raised the theme of Revival of Islamic Social Finance to Strengthen Economic Development towards a Global Industrial Revolution. This theme is very urgent to be discussed today as in its system, Islamic finance is not only seen from a commercial point of view, but also a social point of view. Contemporary Muslim society in particular is an important subject that must be prepared to support this revival and make Islamic social finance as a milestone in the power of Islam in giving rahmat for everyone in today's era. 7th AICIF is part of an effort to push the Islamic social finance system achieving betterment. I am sure that with the collaboration of experts, researchers, academics and practitioners in this forum, various innovations will emerge. Issues from various national and cultural backgrounds relating to Islamic social finance will be discussed here. Thus, each other can exchange ideas and provide inspiration in order to form decisions and policies that are needed both for educational institutions and government as well as leaders of Islamic institutions. In addition, this forum is also an effort to strengthen good cooperation between various parties who have high concern in order to develop the Islamic social finance system.

Therefore, I do appreciate and thank you for significant contribution of many parties including the main organizer, co-organizers, support organizations and sponsors for the success of the 7th AICIF 2019. To all the speakers and participants, we wish you all the best for your perspective involvement. I hope that you will have pleasant and enjoyable learning experiences in the Forum. Finally, I wish that the participants will put to new journeys of learning, sharing, and growing for a common reason "to make our system, a better one".

We are really honored for your participation and we look forward to meet you again in 8th AICIF 2020. Terima Kasih

Wassalamu'alaykum warahmatullahi wabarakatuh

PROF. OLIVIA FACHRUNNISA, Ph.D
Dean of Faculty of Economics, UNISSULA
Indonesia



First of all, I would like to take this opportunity to welcome you all to the 7th ASEAN Universities International Conference on Islamic Finance (7th AICIF) and to extend out deepest gratitude to Universitas Darussalam Gontor, Indonesia for hosting this year's 7th AICIF held on 3rd and 4th December 2019.

Universiti Islam Sultan Sharif Ali (UNISSA), Brunei Darussalam, realized that this yearly conference served as an important platform with researchers, professionals coming in from all parts of the world in gaining further insights into the frontier of knowledge as well as understanding the broader scope of Islamic Finance.

I sincerely hoped that this conference will continue to play its role as an important platform for all stakeholders to meet and addressed issues related to Islamic Finance especially in this era of globalization where Islamic Finance industries have witnessed a significant growth over the past years. I also hope that this conference will be able to help in promoting and strengthening the networking and collaboration between researchers, academicians and professionals.

On behalf of UNISSA, I would like to extend my sincerest appreciation to the Main Organiser, Co-Organisers, sponsors and many thanks to everyone involved in organizing such a successful conference. To all participants and presenters attending this year's AICIF, I hope you will be able to benefit greatly from this conference and take part in strengthening the role of Islamic Finance so that it can contribute to a more sustainable and well-balanced economic growth in the society.

Sincerely,

DR ABDUL NASIR BIN HAJI ABDUL RANI

Dean

Faculty of Islamic Economics and Finance

Universiti Islam Sultan Sharif Ali, Brunei Darussalam



MINDANAO STATE UNIVERSITY PHILIPPINES

Assalamu Alaykom Warahmatullahi Wa Barakato.

My heartfelt congratulations to the organizers or people behind the 7th ASEAN International Conference on Islamic Finance (AICIF). People see only the finished product and are not likely to have an idea of the enormous behind-the-scene work that preparations for a grand activity like this entails.

The conference theme “Revival of Islamic Social Finance to Strengthen Economic Development Towards a Global Industry Revolution” cannot be more timely and auspicious. Hurting into a future of prodigious and rapid change, the Islamic world should take stock and determine how we are holding up, coping, and keeping apace with the challenges of a global industry revolution. Although Islamic Finance is anchored on principles and core values enshrined in the Holy Qur’an and the Sunnah, which are practically etched in stone, we recognize the fact that failure to adapt to present realities stands to leave us stranded and marooned on the shore, or lagging behind while the rest of the world eagerly sets sails or takes great strides in the march of progress.

On the other hand, the taking of stock seems crucial to ascertain how faithful we have been to the philosophical underpinnings of Islamic Finance, which means we go back to the primary sources. Much as we wish for seamless transitions or smooth passages from where we stand now to a global industry, for example, these do not come easy. In fact, there are issues and gray areas that I hope will be taken up in this Conference like the enforcement of zakah and how, and how it can help in alleviating poverty, the questions of profit, competition and control in business, and the line between halal and haram in investment (when does a halal investment become haram?).

It is my hope, too, that the Conference will be more productive of answers than of questions, and the discourses of the speakers bring greater enlightenment to the participants and all stakeholders.

Finally, the Mindanao State University looks forward to more collaborative efforts of this kind. Meaningful high-level discourse expected to ignite sparks can generate critical ideas for a more stable Islamic Finance and greater economic development.

My best wishes for the success of the Conference.

HABIB W. MACAAYONG
DPA President MSU System



Assalamu'alaikum Warahmatullah Wabarakatuh

It is a privilege for Tazkia University College of Islamic Economics to be co-hosted at the 7th ASEAN Universities International Conference on Islamic Finance that held on December 3rd & 4th 2019 at University of Darussalam Gontor. Tazkia University College of Islamic Economics is a pioneer of the development of Islamic economics and finance in Indonesia. Our joining in this event was a manifestation of our vision to become a world class university in 2025.

Tazkia University College of Islamic Economics has contributed to the development of Islamic Economics and Finance in Indonesia since 2 decades ago. We helped convert the 25 banks and conventional insurance to full fledged Islamic Banking. Besides that, Tazkia University College of Islamic Economics also empowers the grassroot by creating "Tazkia Islamic Village" located in Babakan Madang, Bogor Regency.

In the future, our joining in AICIF will contribute to strengthening Islamic Economic & Financial resilience in ASEAN through collaborative research, so that research is appropriate and supports the advancement of science in ASEAN moreover in the World.

We congratulate University of Darussalam Gontor as a Host from this conference and wish for the smooth running of this event so that the 7th AICIF theme is "Revival of Islamic Social Finance to Strengthen Economic Development Towards a Global Industry Revolution" can be achieved together.

Best Regards,

DR. MURNIATI MUKHLISIN M. ACC
RECTOR OF STEI TAZKIA

TABLE OF CONTENT

FOREWORDS	vi
TABLE OF CONTENT	xv
ISLAMIC SOCIAL FINANCE	
TYPES OF CHICANERIES REGARDING MURABAHA CONTRACTS IN ISLAMIC BANKS: AN ANALYTICAL STUDY	
Abdulmajid Obaid Hasan Saleh ¹ , Anwar Hasan Abdullah Othman ² and Abdoul Razzak Kaba ³	1
الوقف وأهمية تفعيله كأداة في التمويل الاجتماعي المعاصر	
El Fedil Abdullah Eldersevi ¹ and Fatime Muhammed Cuneyt Eldersevi ²	4
تحليل سلوكيات المستهلكين العناية بالبشرة المنتجات الخدمة في قانون المستهلك وحماية الفتوى جمعية العلماء الإندونيسيين	
Amin Fitria ¹ , Annisa Silfi Kusumastuti ² , and Euis Nurkholifah ³	5
أسلمة أخلاقية العمل	
Euis Nurkholifah ¹ and Annisa Silvi Kusumastuti ²	6
دور مؤسسات المالية الإسلامية في تحقيق أهداف التنمية المستدامة : البنك الإسلامي للتنمية نموذجا	
Hazim Sasse ¹ and Azman Mohd Noor ²	7
دور الوقف في مواجهة الثورة الصناعية الرابعة	
Aulia Maulida ¹	8
ZAKAH EXECUTION ANS ITS INFLUENCE ON THE RECIPIENTS AS PERCEIVED BY THE FIRE PERSONNEL OF LANA O DEL SUR	
Naim S. Noor and Monara M. Maruhom	9
ESTABLISHING WAQF STUDENT HOUSE	
Furqonul Haq ¹ and M. Zainul Wathani ²	10
SOCIAL ACTIVITIES EFFECT ON HOUSEHOLD ENTERPRISE, A DESCRIPTIVE ANALYSIS FORM EAST INDONESIA	
Riswanti Budi Sekaringsih ¹	11
AWARENESS OF MAIN OBJECTIVE OF ZAKAT TO ALLEVIATE POVERTY	
Muhd Zaki Hj Zaini	12
ISSUES AND CHALLENGES IN FINANCING THE POOR: LESSONS LEARNED FROM ISLAMIC MICROFINANCE INSTITUTIONS	
Salina Kassim ¹ and Norizan Satar ²	13

A MODEL TO IMPROVE ISLAMIC COMMUNITY SOCIAL IDENTITY AND SMES PERFORMANCE Ardian Adhiatma, Riski Aska Nafsian	14
CRITICAL THINKING FRAMEWORK OF ZAKAT REGULATION TO SUPPORT TAX COMPLIANCES: COMPARISON OF INDONESIA AND MALAYSIA Provita Wijayanti ¹ , Wahyu Setyawan ² , and Dian Esa Nugrahini ³	15
INCREASING THE ACCEPTANCE OF ZAKAT BASED ON ZAKAT LITERACY AND GOOD CORPORATE GOVERNANCE Mochammad Tholib ¹ and Mutamimah ²	16
IMPACT OF WAKAF IN THE PEOPLE'S ECONOMIC WELFARE Syamsuri and Amin Fitria ²	17
THE INSTRUMENTATION OF SHADAQAH FUNDS AS A MEANS OF MOSQUE BASED COMMUNITY EMPOWERMENT Widiyanto bin Mislan Cokrohadisumarto ¹ and Yuli Indah Sari ²	18
ISLAMIC SOCIAL REPORTING DISCLOSURE : SHARIA ENTERPRISE THEORY (SET) PERSPECTIVE Hani Werdi Apriyanti	19
ACHIEVING ISLAMIC SOCIAL FINANCE GOALS THROUGH ZAKAT, WAQF, AND SADAQA IN SELECTED COUNTRIES: ISSUES AND CHALLENGES Dzuljastri Abdul Razak ¹ & Qosdan Dawami ²	20
SOCIAL ENTERPRISE AND WAQF: AN ALTERNATIVE SUSTAINABLE VEHICLE FOR ISLAMIC SOCIAL FINANCE Noor Suhaida Kasri ¹ and Siti Fariha Adilah Ismail ²	21
WAQF PRACTICES AND ITS SUSTAINABILITY: THE CASE OF UNIVERSITI SAINS ISLAM MALAYSIA Mariam Saidona Tagoranao ¹ , Alizaman D. Gamon ² and Lutfi Muhammad Zain ³	22
A REVIEW OF ZAKAT PRACTICES OF ISLAMIC FINANCIAL INSTITUTIONS IN MALAYSIA Moutaz Abojeib ¹ , Burhanuddin Lukman ² , Mezbah Uddin Ahmed ³ and Mahadi Ahmad ⁴	23
PROFILING THE COMPETENCY OF NAZHIR WAQF: A CONCEPTUAL PAPER Yayan Firmansah ¹ , Lathiefa Rusli ² , Hartomi Maulana ³	24
KAMISEDEKAH: AN INNOVATION PROGRAM IN ISLAMIC SOCIAL FINANCE INSTRUMENTS Nihayatul Masykuroh ¹ and Asep Dadan Suganda ²	25

ZAKAT COMMUNITY DEVELOPMENT AS THE KEY OF PRESSING POVERTY NUMBERS IN BANYUASIN REGENCY, SOUTH SUMATERA (<i>MAQASHID SYARI'AH APPROACH</i>)	
Abdullah Sahroni.....	26
EXPLORING POLICY FORMULATION IN INDONESIAN WAQF SECTOR: AN ORGANIZATIONAL LEGITIMACY PERSPECTIVE	
Lisa Listiana ¹ , Syed Musa Alhabshi ² , Ahmad Zamri Osman ³	27
EFFORTS TO FULFILL SHARIA HOUSE OWNERSHIP; BANKLESS SOCIAL SYSTEM (STUDY ON 2 SHARIA HOUSING IN BOGOR, INDONESIA)	
Asfi Manzilati ¹ , Fawri Nashr ²	28
THE INFLUENCING OF WAQF UNDERSTANDING THROUGH INTERNATIONAL CENTER FOR AWQAF STUDIES INDONESIA	
Ahmad Fanani ¹ and Norhazlin Muhammad ²	29
A CONCEPT OF ZAKAT IN ISLAMIC ECONOMIC PERSPECTIVE (HISTORICAL STUDY)	
Soritua Ahmad Ramdani Harahap ¹ , Muhammad Ulul Azmi ² , Dadang Irsyamuddin ³ , Mohammad Ghozali ⁴ , Syamsuri ⁵	30
ROLE OF FAY 'IN BUILDING THE ISLAMIC PUBLIC FINANCE (SHARIA ECONOMIC HISTORICAL STUDY)	
Mohammad Ghozali ¹ , Syamsuri ² , Muhammad Ulul Azmi ³ , Dadang Irsyamuddin ⁴ , Soritua Ahmad Ramdani Harahap ⁵	31
ANALYSIS ON STRATEGIES IN OPTIMIZATION ZAKAT AS DEDUCTION OF TAXABLE INCOME AT BAZNAS YOGYAKARTA	
Salsabilla Ayu Wardhana.....	32
ENHANCING STRATEGY FOR ISLAMIC MICRO FINANCIAL INCLUSION IN INDONESIA.....	33
Dzikrina Fikrotus Salma ¹ & Thuba Jazil ²	33
ISLAMIC ECONOMICS	
INVESTIGATING THE LEVEL OF INTEREST TO LEARN ISLAMIC ECONOMIC PRINCIPLES IN LANA DEL SUR	
Jawad Z. Salic ¹ and Shahid Q. Manalundong ²	34
HOUSEHOLD SAVINGS, INDEBTEDNESS, AND ECONOMIC GROWTH: HOW ISLAMIC ECONOMIC IMPLEMENTED IN OECD COUNTRIES	
Galuh Tri Pambekti ¹ and Rizaldi Yusufiarto ²	35
ISLAMIC POLITICAL ECONOMY AND SUSTAINABLE SOCIAL DEVELOPMENT POLICIES: AN ANALYTICAL STUDY	
Auwal Adam Sa'ad ¹ , Sayed Musa Alhabshi ² & Salina Kassim ³	36

ENERGIZING INTELLECTUAL CONCEPT : ON THE PERSONALITY ULUL ALBAB SOLUTION TO ECONOMIC CRISIS Zulkifli ¹ , Tatiek Nurhayantie ² ,Widodo ³ , and Ayu Widya Wardani ⁴	37
IMPACT OF ISLAMIC RELIGIOUS REVENUES ON ECONOMIC DEVELOPMENT ACROSS STATES IN MALAYSIA Abdul Ghafar Ismail, Syahrul Annuar Ali, and Muhammad Hasbi Zaenal	38
THE INFLUENCE OF ISLAMIC ECONOMIC LITERACY ON THE PURCHASING POWER OF UNIDA’s STUDENTS IN UNIT USAHA UNIDA (U3) Ahmad Lukman Nugraha ¹ , Arie Rachmat Soenjoto ² , and Adib Susilo ³	39
POTENTIAL OF SHARIA FINANCIAL INSTITUTIONS IN SUPPORTING INDONESIA'S ECONOMIC GROWTH Annas Syams Rizal Fahmi ¹ and Fikri Muhammad Arkhan ²	40
DEFINITION OF ISLAMIC MUTUAL FUNDS AS AN INDICATOR OF THE ECONOMY OF THE UMMAH Annas Syams Rizal Fahmi ¹ , May Shinta Retnowati ² , Muhammad Ilham Amrullah ³	41
DISTRIBUTION AND COLLECTION’S ETHICS OF KHARRAJ FOR ISLAMIC PUBLIC FINANCE (A HISTORICAL STUDY OF LAND TAX FROM THE ROMAN EMPIRE TO THE ABBASID ERA) Mohammad Ghozali ¹ , Dadang Irsyamuiddin ² , Muhammad Ulul Azmi ³ , and Soritua Ramdhani Harahap ⁴	42
THE INFLUENCE OF MONETARY INSTRUMENT TOWARD MONEY DEMAND M2 UNDER DUAL BANKING SYSTEM IN INDONESIA PERIOD 2015-2018 Imam Haryadi ¹ and Vinny Kurniati ²	43
ISLAMIC BANKING, FINANCE, AND CAPITAL MARKET	
POTENTIAL OF ISLAMIC DEBT SALE-BASED FINANCING IN A FORM OF BAY’BITHAMAN AJIL (BBA) AND MURABAHAH IN RECONSTRUCTING AND REBUILDING MARAWI CITY AFTER THE SIEGE Minombao Ramos-Mayo, Salma Esmael and Abdulcader M. Ayo.....	44
SUKUK FINANCING: A VIABLE STRATEGY TO FINANCE THE RECOVERY AND REBUILDING OF MARAWI AFTER THE SIEGE Abdulcader M. Ayo ¹ , Atty. Saaduddin M. Alauya, Jr. ² and Minombao Ramos-Mayo ³ ..	45
AWARENESS ON ISLAMIC ACCOUNTING AMONG FIRST YEAR ACCOUNTANCY STUDENTS IN MARAWI CITY, PHILIPPINES Papala P. Masorong	46
SHARIAH AUDIT FOR ISLAMIC FINANCE INDUSTRY IN REVOLUTION INDUSRTY 4.0: A PART OF RELIGIOUS CONFESSION Abdurrahman Raden Aji Haqqi.....	47

DETERMINANTS OF ATTITUDE AND INTENTION OF BANK EMPLOYEES TOWARDS CONVERSION TO FULL-FLEDGED ISLAMIC BANKING IN LIBYA Mohamed A. M. Abdelrahim El-Brassi ¹ , Syed Musa Alhabshi ² , Anwar Hasan Abdullah Othman ³	48
THE ESTABLISHMENT OF ISLAMIC FINANCE AND ITS IMPACT IN THE BANGSAMORO AS PERCEIVED BY SELECT ULAMA AND PROFESSIONALS IN LANAO DEL SUR Anwar M. Radiamoda.....	49
KNOWLEDGE AND ATTITUDES TOWARDS ISLAMIC BANKING IN THE PHILIPPINES Sahraman D. Hadji Latif	50
DO BANK CUSTOMERS PREFER PROFIT SHARING INVESTMENT ACCOUNTS? A PROPOSED CONCEPTUAL FRAMEWORK Romzie Rosman, Isah Ya’u and Anwar Hasan Abdullah Othman	51
AN ANALYSIS ON THE CHANGING OPERATIONAL NATURE OF BAITUL MAAL INSTITUTIONS IN INDONESIA Adi Saifurrahman ¹ and Salina Kassim ²	52
CHALLENGES FACED BY MALAYSIAN ISLAMIC BANKS IN TREATING SHARIAH NON-COMPLIANCE EVENTS Hani Nabila Omar ¹ and Prof. Dr. Rusni Hassan ²	53
ISSUES AND CHALLENGES IN ISLAMIC ESTATE PLANNING IN MALAYSIA Azi Haslin Abdul Rahman ¹ and Rusni Hassan ²	54
ACHIEVING THE MAQASID OF ISLAMIC FINANCE THROUGH SOCIAL IMPACT BONDS (SIB) AND SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) SUKUK Syed Marwan ¹ , Aslam Haneef ² , Engku Rabiah Adawiah ³ and Suhaiza Ismail ⁴	55
EXTERNAL FINANCING AND FINANCIAL LITERACY THE IMPLICATIONS FOR PERFORMANCE IMPROVEMENT (A CASE STUDY IN FURNITURE SMES CENTRAL JAVA JEPARA INDONESIA) Ibnu Khajar.....	56
RETHINKING THE PARADIGM OF ISLAMIC BANKING: INTEGRATED OF PROFIT AND SOCIAL ORIENTED Nurizal Ismail ¹ and Siti Aisyah ²	57
ZAKAT MANAGEMENT FOR POVERTY ERADICATION Budhi Cahyono.....	58
PREDICTING RENTAL YIELD FOR THE BENCHMARK PRICING OF EQUITY HOME FINANCING Nur Harena Redzuan ¹ , Salina Kassim ² , Rosylin Mohd Yusoff ³ , and Anwar Hasan Abdullah Othman ⁴	59

THE EFFICIENT FINTECH OF INDONESIAN ZAKAT INSTITUTION BASED ON MUZAKKI'S PSYCHOLOGY Farikha Amilahaq	60
THE ROLES OF SHARIAH GOVERNANCE AND REGULATORY FRAMEWORK FOR DEVELOPMENT FINANCIAL INSTITUTION: THE CASE OF EXPORT-IMPORT BANK OF MALAYSIA (MEXIM) Hafiza Harun ¹ and Muhammad Hafiz Shmsuddin ²	61
COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF ISLAMIC BANKS AND CONVENTIONAL BANKS Bahrain Pasha Irawan	62
DOES ISLAMIC FINANCING REALLY BENEFICIAL FOR MSMEs IMPROVEMENT? – EMPIRICAL EVIDENCE OF MSMEs IN SEMARANG, INDONESIA Mutoharoh ¹ and Naila Najihah ²	63
ANALYSIS OF SHARIAH ENTERPRISE THEORY IN FINANCIAL STATEMENT FOR ISLAMIC ENTITIES (BASED ON SHARIA FINANCIAL REPORTING STANDARD IN INDONESIA) Naila Najihah ¹ , Mutoharoh ² and Maya Indriastuti ³	64
AN ANALYSIS OF FACTORS AFFECTING ISLAMIC SOCIAL REPORTING (EMPIRICAL STUDY ON JAKARTA ISLAMIC INDEX (JII) IN INDONESIA ON 2014-2016) Sri Dewi Wahyundaru ¹	65
COMPARATIVE ANALYSIS OF CALCULATION OF INCOME TAX ARTICLE 21 AND ZAKAT Tutut Adiningsih ¹ and Ronan Roby Cahyandi ²	66
THE ROLE OF THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION (IOSCO) AND ISLAMIC FINANCIAL SERVICES BOARD (IFSB) IN PROGRESSING SUKUK IN BRUNEI DARUSSALAM Haji Suhaili Bin Haji Momin	67
ANALYSIS OF TOP UP BANKING TRANSPARENCY REVIEWED FROM ISLAMIC ECONOMICS Rahma Yudi Astuti	68
BUILDING THE OPTIMAL LEVEL OF PRESSURE FOR THE RESILIENCE OF ISLAMIC BANKING IN INDONESIA Dimas Bagus Wiranatakusuma, Jarita Duasa and Satria Malik	69
OPERATIONAL RISK ANALYSIS IN ISLAMIC MICRO FINANCIAL INSTITUTION BASED ON GRAMEEN MODEL Hana Maulina Musyirah ¹ and Ascarya ²	70

TRADING OF SHARES VIA SALAM CONTRACT: AN EXPLORATORY STUDY Silmi Binti Mohamed Radzi ¹	71
THE CHOICE BETWEEN BOND AND SUKUK: EVIDENCE FROM ASEAN-3 COUNTRIES Ryan Kusuma Wardhana ¹ and Rahmat Heru Setianto ¹	72
CONVERSION OF SAVINGS AND LOAN COOPERATIVES INTO SYARIAH IN THE PERSPECTIVE OF EMPLOYEES AND BOARD OF DIRECTORS BY ADKAR MODEL Mukhamad Yasid ¹	73
INTRODUCING MUSAWAMAH TO INDONESIAN RETAIL ISLAMIC BANKING SYSTEM: A PRELIMINARY INVESTIGATION Muchammad Taufiq Affandi ¹ , Setiawan Bin Lahuri ² , Y Suyoto Arief ³ , Mulyono Jamal ⁴ , and Royyan Ramdhani Djayusman ⁵	74
ISLAMIC MANAGEMENT AND FINTECH	
IMPACT OF DIGITAL SHARIA BANKING SYSTEMS ON CASH WAQF AMONG MILLENNIAL GENERATIONS Izra Berakon ¹ , Hendy Mustiko Aji ² , and Muhammad Riza Hafizi ³	75
THE RELATIONSHIP BETWEEN ENTREPRENEURSHIP AND IMPROVING YOUTH EMPLOYMENT: A STUDY OF EAST AND SOUTH ASIA Nurul Nabilah Haji Ali	76
SERVICE QUALITY ON CUSTOMERS' SATISFACTION AND LOYALTY: SURVEY EVIDENCE ON MEDIATION ROLE OF TRUST IN ISLAMIC BANKS Razali Haron ¹ , Noradilah Abdul Subar ² and Khairunisah Ibrahim ³	77
ISLAMIC LONG-LIFE LEARNING (I3L): A POWERFULL STRATEGY TO INCREASE ADAPTIVE SELLING CAPABILITY Ken Sudarti ¹ , Olivia Fachrunnisa ² , Wahyono ³	78
SPIRITUAL-INNOVATIVE LEADERSHIP AS A DRIVER FOR KNOWLEDGE SHARING AND EMPLOYEES SPIRITUAL WELL-BEING IN THE DIGITAL ERA Nurhidayati ¹	79
INTEGRATED SUKUK BASED WAQF IN PESANTREN: A MODIFIED GENERIC MODEL Atika Rukminastiti Masrifah ¹ and Khoirul Umam ²	80
THE DETERMINANT OF EARNING PERSISTENCE IN COMPANIES LISTED ON JAKARTA ISLAMIC INDEX Winarsih ¹ and Rachmadu Krissie ²	81
THE ROLE OF ISLAMIC CORPORATE GOVERNANCE IN PREVENTING FRAUD Nunung Ghoniyah ¹ and Sri Hartono ²	82

NEW INTEGRATED FINANCIAL TECHNOLOGY MODEL ON ISLAMIC SOCIAL FINANCE FOR ECONOMIC DEVELOPMENT Mutamimah ¹ and Hendar ²	83
THE INGREDIENTS OF MARKETING MIX (4C'S) AND COMPLIANCE SHARIA IN CONJUNCTION TO CUSTOMER PURCHASE INTENTION ON THE PRODUCT OF SMALL MEDIUM ENTERPRISE (AREA OF RESEARCH IN CULINARY) Sutopo ¹ , Yaser Syamlan ² , and Syamsul Huda ³	84
EYE CATCHING PROMOTION, ALLIGNING HUMOUR ENDORSEMENT TOWARDS PURCHASE INTENTION OF MOSLEM MERCHANDISE MA Irfan Rahmana ¹	85
OPTIMIZATION OF HUMAN RESOURCES PERFORMANCE WITH INFORMATION TECHNOLOGY AS MODERATING VARIABLE Diah Ayu Kusumawati	86
THE ROLE OF MUSLIM FAMILY AWARENESS FOR HUMAN DEVELOPMENT: A CASE STUDY OF SOKOTO STATE, NIGERIA Sambo Shehu	87
THE EFFECT OF BUDGET CLARITY, ACCOUNTING CONTROL AND REPORTING SYSTEM ON ACCOUNTABILITY OF GOVERNMENT PERFORMANCE IN PATI Ahmad Rudi Yulianto ¹ and Osmad Muthaher ²	88
ROLE OF ISLAMIC LEADERSHIP ON TEACHER PERFORMANCE Siti Sumiati ¹ and Erni Yuvitasari ¹	89
DEVELOPMENT OF THE EQUILATERAL AGILITY CONCEPT TO IMPROVE THE ADVANTAGES OF COMPETITIVE SHARIA BANKS IN SEMARANG CITY Lutfi Nurcholis ¹ and Budhi Cahyono ²	90
AN EMPIRICAL STUDY OF TAX WILLINGNESS Devi Permatasari	91
ROLE OF ISLAMIC WORKING ATTITUDE IN MODERATING THE RELATIONSHIP BETWEEN REGIONAL FINANCIAL ACCOUNTING SYSTEM AND INTERNAL SUPERVISION ON LOCAL GOVERNMENT PERFORMANCE Khoirul Fuad ¹ and Retno Tri Handayani ²	92
SERVICE-DOMINANT ORIENTATION ON MARKETING CAPABILITY AND BUSINESS PERFORMANCE Hendar ¹	93
ENABLING SUSTAINABILITY THROUGH KNOWLEDGE MANAGEMENT OF ISLAMIC SOCIAL FINANCE: THE EXPERIENCE OF UNIVERSITAS DARUSSALAM GONTOR, INDONESIA Suhaimi Mhd Sarif ¹ , Yayan Firmansah ² , Muhammad Kurnia Rahman Abadi ³	94

PERFORMANCE ASSESSMENT OF EMPLOYEE ON LIBRARY AT UNIVERSITY OF IBNU SINA USING THE GAP FUZZY ANALYSIS METHOD BASED ON EXPERT SYSTEM	
H. Mustaqim Syuaib ¹ and B. Herawan Hayadi ²	95
HUMAN RESOURCE DEVELOPMENT AND EMPLOYEE PERFORMANCE IN UNIVERSITY OF IBNU SINA	
Sabri ¹ , Sumardin ² , and Mulyadi ³	96
ANALYSIS OF MACROECONOMICS FACTOR AFFECTING JAKARTA ISLAMIC INDEX	
Tri Wijayanti Septiarini ¹ , Muhamad Rifki Taufik ¹ , Mufti Afif ¹ , and Atika Rukminastiti Masrifah ¹	97
COMPARISON OF ACCOUNTING STUDENT PERFORMANCE HAVING PERSONALITY INFLUENCE ON TYPE A AND B IN UNIVERSITY OF IBNU SINA	
Andi Auliya Ramadhany ¹ , Andi Hidayatul Fadlilah ² , and Muhammad Sapuan ³	98
BUSINESS MODEL IN ISLAMIC MICROFINANCE : SUPPORTING BMT INNOVATION	
Fajar Surya Ari Anggara ¹ and Roghiebah Jadwa Faradisi ²	99
THE INFLUENCE OF ISLAMIC BUSINESS ETHICS ON PARTNERSHIP PERFORMANCE (CASE STUDY ON OMAR SMART BRAIN COMPANY 2018)	
M Arief Hidayat ¹ , Abdul Latif ² , Azidni Rofiqo ³ , and M. Alfian Rumasukun ⁴	100
FINTECH CHALLENGES IN INDONESIA AND CONTRIBUTIONS TO FINANCIAL INCLUSION	
M. Kurnia Rahman Abadi.....	101
DOES RELIGIOSITY MODERATE THE INFLUENCE OF TRUST ON THE INTENTION TO USE SHARIA BANKING PRODUCTS	
Budi Setyanta ¹ and Dhika Amalia Kurniawan ²	102
ANALYSIS OF MAQASHID SHARIA INDEX (MSI) AGAINST CONSUMER BEHAVIOR PATTERNS	
Miftahul Huda ¹ , Achmad Fajaruddin ² , Arie Rachmat Sunjoto ³ , Mufti Afif ⁴ , Andi Tryawan ⁵ , Ahmad Lukman Nugraha ⁶	103
FORMING WAQF BEHAVIOUR BASED ON THEORY OF PLANED BEHAVIOUR: A CONCEPTUAL PAPER	
Muhammad Fazl Rahman Anshori.....	104

THE INSTRUMENTATION OF SHADAQAH FUNDS AS A MEANS OF MOSQUE BASED COMMUNITY EMPOWERMENT

Widiyanto bin Mislan Cokrohadisumarto¹

Yuli Indah Sari²

¹Faculty of Economics, Sultan Agung Islamic University, Semarang E-mail: widiyantopunt@hotmail.com and familiar@unissula.ac.id

²Faculty of Economics, Sultan Agung Islamic University, Semarang E-mail: syuli668@gmail.com

ABSTRACT

The poverty rate in Indonesia is still quite high despite a downward trend. Various solutions have been made, including the presence of Islamic microfinance institutions to provide financing. However, this still leaves the problem, that the lower layers of society (the poorest of the poor) are also still excluded where there are still many members of the community who have not been able to obtain riba-free financial services. This article proposes the idea of empowering the poorest of the poor model using mosque-based shadaqah funds. The integration of da'wah through mosques and economic empowerment will increase the resilience of the community especially the poorest of the poor against the onslaught of apostasy efforts. Improving the quality of faith will increase the fighting spirit to improve economic and religious life. The involvement of religious leaders and the community around the mosque and rich people towards the fate of the poor is expected to help them to organize their lives at a better level. This empowerment model is based on the local community around the mosque so that the mosque is not only a center of worship but will also function as a center for community economic empowerment.

Keywords: Shadaqah Fund, community empowerment, the mosque.

I. INTRODUCTION

1.1. Research Background

Poverty is still a serious problem for several countries including Indonesia. BPS (2019) states that the number of poor people in Indonesia as of March 2019 still reaches 9.41%. Although this figure has decreased by 0.25% relative to September 2018 (BPS, 2019). Various policies have been carried out by the government to overcome these problems, such as the Family Hope Program (PKH), educational assistance through the Smart Indonesia Program (PIP), food assistance, and contribution assistance for the National Health

Insurance Program (JKN) (Ministry of Finance, 2019). Other institutions also participated in giving their best contributions, such as Islamic Micro-Finance Institutions (IMFI) which channeled funding and amil zakat institutions that channeled alms to the poor. However, the amount of zakat funds is still not as expected and the program management has not been realized optimally. The problem of poverty leaves many problems, including reaching the poorest of the poor and providing usury-free financial services. Related to the many limitations, the smart solution is to present the voluntary financial sector (Shadaqah) as an instrument for which implementation is relatively easier. However, to implement it requires good planning.

As the most populous Muslim country, Indonesia has more than 700 thousand mosques spread throughout the country (Ministry of Religious Affairs, 2019). The number of mosques and great potential in gathering people can be optimized for economic development (Riwajanti, N. I & Fadloli, 2019). This potential can be utilized through the management of shadaqah funds for productive community empowerment. Regarding shadaqah, Rais (1998) states that one of the problems faced by Muslims to build a better future is a weakness in funding. He mentioned that infaq (Shadaqah) was the solution to the problem. Furthermore, Islam encourages Muslims to spend part of their wealth in the path of Allah through Shadaqah (QS: 2; 254 and Q.S: 2; 261). Supporting this, Albadri, et al. (2019) has proven that well-managed shadaqah management encourages community economic empowerment more effectively. This means that the integration of the potential of the mosque and shadaqah funds is new hope for overcoming the problem of poverty and improving the people's economy. Given that the mosque has a function, one of which is to distribute shadaqah (Movahed, 2014). The integration also promotes usury-free empowerment solutions and presents a balanced well being both in the life of the world and the hereafter.

Another fundamental challenge faced is about the understanding of society which considers that the teachings of Islam are only limited to the problem of worship. Whereas Islam also teaches something broader namely, about muamalah / economic relations between Muslims and takaful / mutual assistance activities (Riwajanti, N. I & Fadloli, 2019). Thus, they suggested holding da'wah focusing on the basis of Islamic economics in order to increase public awareness regarding the willingness to channel shadaqah funds. Furthermore, in relation to da'wah, Torabi and Noori (2019) state that religious leaders hold a greater responsibility, that is, the responsibility to educate and influence the people regarding the awareness of sharing or making shadaqah. That is, to support the role of the

mosque as a means of managing shadaqah funds, the presence of religious leaders is urgently needed. Aside from religious leaders, another important factor is the role of the university. Paletta, et al. (2019) states that partnerships with universities facilitate responsible entrepreneurship and organizational capacity to face new challenges, such as globalization, informed society and changes in production and consumption patterns. According to Riwayatanti, N. I & Fadloli (2019), mosque-based empowerment is largely driven by non-governmental institutions and institutions of higher education or universities. Furthermore, Wakkee, et al. (2019) state that entrepreneurship-based universities have a very important role as agents of change for sustainable regional development (local community). Universities as agents of change and development agents accelerate economic growth (Supriyadi, 2012). But unfortunately, the existence of the university is currently only seen as a provider of science, technology and human resources (community service is still very weak). Whereas Supriyadi (2012) states that harmonization, empowerment and partnership networks among actors (government, regional government, business, community, and universities) are important principles and steps in developing the local economy.

Therefore, the solution to overcome poverty and community empowerment is to integrate mosques, shadaqah funds, religious leaders, and universities. In this case, shadaqah fund instrumentation becomes very important to get more attention from various parties, including support from the community itself.

1.2. Objectives

This article aims to develop a model of community empowerment by integrating the functions of mosques and shadaqah funds supported by the presence of religious leaders and universities. Harmonization of the model is expected to give birth to true community welfare (Falah).

II. LITERATURE REVIEW

2.1. Theory

Community Empowerment

According to Hossain, et al. (2019) (citing the views of Ibrahim & Alkire (2007)), empowerment is control over a series of personal decisions, household decision making and the ability to change one's life at both the individual and community level. More specifically according to Lailatussufiani, et al. (2016), Empowerment is defined as the distribution of Zakat, Infaq, and Shadaqah (ZIS) funds accompanied by the aim of changing the economic

conditions of mustahiq (poor and needy). Empowerment refers to the power to influence changes in one's life and affect changes in society (Trommlerová, et al., 2015). Ismail (2012) explaining the essence of community empowerment is to help clients (the poor) so that they gain power in making decisions and determine actions to be taken to improve their lives. In this regard, including reducing the effects of personal barriers to using the power they have, among others through the transfer of power from their environment. According to Sumodiningrat (1997) Empowerment is an effort to build the power of the poor by providing motivation and raising awareness about their potential, and striving to develop it. Empowerment has the meaning of producing resources, opportunities, knowledge, and skills to increase the capacity of the community to determine their future (Saleh, 2017). From this discussion, it can be summarized that community empowerment refers more to the control of personal decisions and abilities in an effort to provide motivation, realize the potential of the community, and develop it to improve the quality of their lives (faith, knowledge, and charity). Thus, the welfare of the community is not only improving the economy of the community but also improving the quality of faith and worship of God.

In the study of Lailatussufiani, et al. (2016), community empowerment is measured from empowerment in the fields of education, economics, and health. Empowerment in the field of education serves to improve the quality of people's lives in the future. Economic empowerment is done by contributing capital for the business to the community. And health empowerment is done by providing free health services for the poor. Whereas, Trommlerova, et al. (2015) in his study measured community empowerment adjusted to the aspects of socio-demographic (older, men, large households, married, and household), socio-economic (educated, literate, economically active, wealthy), and self-reported capability (healthy). Whereas in Hossain, et al. (2019) whose research focus is on individual empowerment makes five measurement indices, namely production decision making, access to productive resources, income, community leadership, and time allocation. Albadri, et al. (2019), who in his research examined the distribution of ZIS for community economic empowerment states that:

- a. Empower some groups that are entitled to zakat assets, for example, the poor, namely by giving them zakat assets so that they can meet their needs. In addition, by providing capital to those who have expertise but face obstacles in the form of limited capital.
- b. Empowering the needy, namely by providing a number of assets to fulfill life and empowering those without expertise.

- c. Empowerment of several groups entitled to zakat assets, which have new income with their incapacity. They are zakat employees and Muslim converts.
- d. Empowerment of several groups entitled to zakat property to realize the meaning and purpose of actual zakat other than those mentioned above

Furthermore, Saleh (2017) found a series of empowerment processes in Muslim communities can be assessed through three main levels, namely:

- a. The scope of the individual has a direction to increase spiritual intelligence, intellectual and improve individual quality.
- b. Family scope, forming a harmonious family through the formation of harmony between members and the desire to excel in gaining the grace of God Almighty.
- c. Community, the actualization of science and charity. Science as a process of awareness towards strengthening faith becomes a charity to guide social life.

Instrument of Shadaqah

Shadaqah (voluntary charity) is a virtue in Islam (QS; 3: 92). In fact, it is considered as proof of one's faith. The word shadaqah (Alms) comes from the Arabic "shadaqah." In language means "true or honest." Meanwhile, according to the term, Shadaqah means voluntary gifts, both in the form of money, goods, services, kindness, and others (Mulazid & Mufliha, 2019). This is given to people who have the right to receive it with an unspecified amount, given anytime and anywhere for the sake and hope of Allah SWT. Mulazid dan Mufliha (2019) mentioned that "Shadaqah" has two meanings. First, the sunnah "Shadaqah", and second is the compulsory "Shadaqah (zakat)". Shadaqah (Alms) is giving movable or immovable property, which will soon be used up whether or not used, to other people or legal entities, such as foundations or the like, without compensation and conditions, but only to please God and expect his possessions to be rewarded on the Day of Judgment (Lailatussufiani, et al., 2016).

The Qur'an has provided the parable of shadaqah: the parable of the person who spends his wealth in the way of Allah like a seed growing seven stalks, in each stalk, there are one hundred seeds (QS; 2: 261). In connection with this verse, Hamka (1996) in Tafsir Al-Azhar outlines that spending wealth in the way of Allah will bring thousands of benefits (for many people) and Allah will multiply (reward) to whom He wants. Shadaqah in Islam is highly recommended as a form of social life and to create a unity in life, especially in the economic field of Muslims. Every shadaqah issued in return will surely return to yourself.

No matter how small the wealth offered in the path of God with sincerity, surely God will multiply, and sometimes from an unexpected direction

Rasulullah SAW said: "For every Muslim, it is recommended to be shadaqah", the Companions asked, "O Prophet, how do those who do not get something to share or shadaqah (with him)?" "They asked again," did he not get anything? "Rasulullah SAW answered again," Let him do good and refrain from evil because that is his shadaqah. "(HR. Ahmad bin Hanbal). This means that shadaqah is something that is highly recommended.

The Important Role of Shadaqah Instrumentation for Community Empowerment

Islamic teachings about infaq (shadaqah) are very high in value. In addition to eroding the bad qualities such as stingy and selfishness, infaq also raises a deep social awareness, that humans always need each other, and someone will not be able to live alone. Therefore there must be mutual cooperation and mutual giving so that the gap between the rich and the poor can be eliminated, brotherhood can be fostered with a more intimate relationship. Spending wealth in the way of Allah, both those that are obligatory such as zakat and those that are Sunnah such as alms used for the welfare of the people, to eradicate poverty and ignorance, for the broadcasting of Islam and for the development of science are highly demanded by religion, and are strongly encouraged by the Shara'.

Chaudhry (2012) explains that voluntary shadaqah which is done to achieve the pleasure of Allah will be rewarded in the world and in the hereafter, this shadaqah also helps channel wealth from the rich to the poor and needy. The goal to be achieved with voluntary alms is justice (distributive and social). Proper management of shadaqah funds will help empower the community's economy better (Albadri, et al., 2019). The distribution of shadaqah funds can be used for productive programs such as in the fields of education, health, and economics.

The Role of the Mosque

The word masjid or mosque has evolved from the word sajada (prostration) which refers to filial piety, faithful and with heads bowed with respect and respect. The mosque is not only a place of worship but also a place to gain knowledge (Mohamed, et al., 2014). Malik (2013) concluded that the mosque as one of the religious institutions not only has a theological dimension that regulates the relationship of Muslims with God but also as a basis for the development of da'wah and education that shapes Islamic culture. Mohamed, et al. (2014) mentions that a mosque is also a place for meetings of members of the Islamic community, as well as a place to hold various religious ceremonies and rituals, such as a

marriage contract (wedding ceremony). To be able to fully implement the role and function of the mosque at this time, it must also be known how the mosque functioned during the time of the Prophet Muhammad. According to Karamoy (2019) (quoting from Ismail & Castrawijaya (2010) among the roles and functions of the mosque at that time was a place of worship, as a meeting place, as a place of consultation, as a place for social activities, as a place of care for the sick and as places of pilgrimage and Islamic da'wah. The problems that occur in Muslim communities, namely poverty and inequality, force the mosque to give a role that is more than just a place of worship such as a center for community empowerment.

Karamoy (2019) explains that mosques can be classified as Nonprofit Organizations (NPOs), dealing with public funds received from the government, corporate and public donations, control over financial activities in handling funds received and released by organizations, has become an attractive area for being investigated. Donated funds (shadaqah) received should be able to be managed for various beneficial activities. Mosques must be designed to meet the modern needs of Muslims to popularize their use and provide effective lateral support is important in the process. Mosque imams must be trained in ineffective management methods and modern communication technology. In the process of development, the mosque must be made to attract the interests and needs of the modern Muslim lifestyle.

The Role of Religious Leaders

Ulama in Arabic is the form of jama' from the word "alim" (knowledgeable person); whoever has the knowledge and whatever field of science, is called "alim". Ulama means people who are knowledgeable or scientists (Nasution, 2016). In the hadith of the Prophet narrated Tirmidhi in his Sunan no. 2681 or Musnad Imam Ahmad Juz 5 p. 169, the Prophet Muhammad mentioned that ulama became heirs who inherited the prophets. Religious leaders become role models and references for solving all problems both religion and community life, even Muslim communities often refer to ijma '(the agreement of the scholars in establishing law in religion based on the Qur'an and Hadith in a case that occurs).

In a shift in the new era, religious leaders are challenged to participate in adapting to provide the best solution method for existing problems, justification, and respond to at least some questions that will be different about the information revolution, the internet era, and globalization (Torabi & Noori, 2019). Supported by Nasution (2016) which states that the rapid development of the Islamic economy cannot be followed by some of our scholars,

causing their response to the Sharia economy to be less positive. The biggest challenge to help the problem of community empowerment is to broaden people's thinking about economic relations between Muslims (muamalah) and mutual assistance activities (ta'awun) not just in worship (Lailatussufiani, et al., 2016). In this case, religious leaders have the power to raise awareness and influence the attitudes, behavior, and practices of their followers. They can form social values in line with religious-based teachings. However, scholars and religious institutions need to strengthen their knowledge and insight in the fiqh of muamalah and Islamic economics so that this important role can be carried out effectively. The most important thing in this problem is commitment; it is necessary to build a strong commitment among religious scholars and institutions to develop the Islamic economy and the welfare of the people and nation (Nasution, 2016).

The Role of the University

Higher education institutions aspire to focus on academic research with little practical orientation (Hatakenaka, 2007). Even though the size of the Ummah/student-owned actually has a very big role to help improve the economy. Hatakenaka (2007) states that universities can play an indirect but important economic role in the local social, cultural and intellectual fields. Supported by Sevinc (2014) which states that universities create technological innovation, employment, university-industry collaboration, and various socio-cultural activities, and also encourage the development of local and regional economies. Ozturk (2008) states that education increases people's productivity and creativity and promotes entrepreneurship and technological progress. In addition, it plays a very important role in securing economic and social progress and increasing income distribution.

Lailatussufiani, et al. (2016) found that most people in urban areas who were educated with an open view were willing to accept the usury-free empowerment program. Whereas for people in rural areas still lacking this knowledge and are more receptive to conventional programs. From this opinion, as an academic community, universities also play an important role to assist mosque-based empowerment programs by utilizing shadaqah funds. Especially because universities as agents of change and development agents accelerate economic growth (Supriyadi, 2012) so that entrepreneurial-based universities have a very important role as agents of change for sustainable regional development (local community) (Wakkee, et al., 2019).

2.2. Previous Study

Trommlerova et al (2015) stated that intrinsically institutions and empowerment can be instrumentally effective in promoting human development and reducing poverty. Supported by Zaenal, et al. (2018) which states that empowering urban communities can reduce the existing poverty index through the use of ZIS funds. Furthermore, Albadri, et al. (2019) found that through good shadaqah fund management, community economic empowerment would be more effective. Bahari & Sihabbuddin (2016, March) in an explorative study of the role of Malaysian mosques in community development prove that Malaysian mosques play a very significant position. The mosques practice a dual role, namely upholding one's relationship with Allah (Íabl min al-Allāh) and executing human worldly affairs (Íabl min al-nas). Furthermore, Movahed (2014) explained that mosque theory practiced would significantly improve the Muslim community. Mosque theory can provide a conceptual framework for the process of community development in various fields of activity. It will also provide a framework for understanding the relationship between religious and social development. Community development can occur by carrying out and utilizing the vitality of the community through the strengthening of morality, brotherhood, devotion, and knowledge. There are five things to be gained from community development through mosques: forming fraternal relationships in the community, learning new things, creating knowledge, abandoning sin (because of faith), and hoping for divine love. This means, to strengthen the economic dimension of the mosque it can be used as an empowerment center for the effective management of ZIS funds (Saleh, 2017).

Furthermore, Mustafa, et al. (2017) found out about the role and effectiveness of Muslim religious leaders and mosques in promoting health empowerment in Western societies. Not only in the field of health empowerment, but religious leaders also play a very important role in promoting wider knowledge about religion and finding solutions for solving problems in the new era of humans such as empowering environmental aspects (Torabi & Noori, 2019). In addition to religious leaders, the university also helps create technological innovation, employment, university-industry collaboration, and various socio-cultural activities, and also fosters local and regional economic development (Sevinc, 2014). This means that religious leaders and universities have a very significant function in order to assist community empowerment through the integration of mosque-based shadaqah funds.

III. METHODOLOGY

3.1. Data

The data used in this article are secondary data that is sourced from literature, books, research journals and data from the company. The secondary data in this study were obtained from various other sources that present information about all matters relating to the community empowerment model through the integration of mosque-based shadaqah funds.

3.2. Method of Estimation Technique

This article uses a qualitative approach by examining the latest literature to build a model of community empowerment. The literature review needed is related to community empowerment issues, shadaqah fund instrumentation, the role of mosques, religious leaders, and universities. From the results of this study, a model of community empowerment was formed.

3.3. Model

From the results of the discussion in the previous section, the empowerment model can be built as follows:

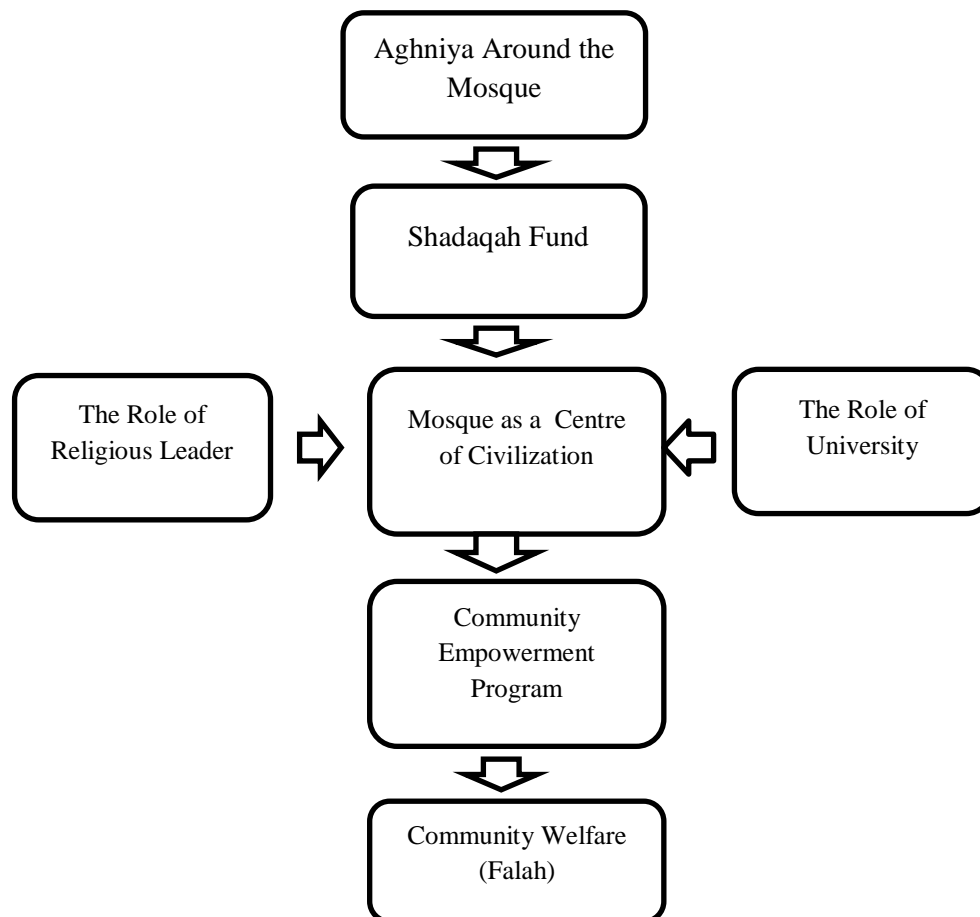


Figure 1.

Community Empowerment Model Through Instrumentation of Shadaqah Funds

The community empowerment program is carried out through the integration of the mosque as a center for managing shadaqah funds from the community. This integration is supported by the role of religious leaders and universities. Where these two aspects function as aspects that help mosques gather people and promote the use of shadaqah funds for community empowerment. In addition, the university as an agent of development and change into aspects that support the usury-free program through integration above. Then the harmonization of all aspects contributes to an intelligent community empowerment program to create sustainable community welfare. Among them welfare to improve their worldly economy. And welfare to further enhance the faith and worship and through sharing activities with fellow believers. So that welfare arises is true welfare (Falah).

IV. CONCLUSION

4.1. Conclusion

Community empowerment programs are very important to be practiced to overcome the inequality of wealth that occurs and to be new breakthroughs that can be utilized in the future. Through the discussion above, some important things that can be concluded and help the program that is planned include; First, the importance of raising awareness and the willingness of the community to share with others is an important point. Awareness that shadaqah is a form of faith in Allah Almighty needs to be emphasized and promoted more massively. Second, shadaqah funds collected and managed for productive activities will help empower and improve the community's economy. Third, as a center of progress, the mosque is not only seen as a place of worship for humans. The current mosque must be a sector that continues to be renewed and answer the problems being faced by the Ummah (poverty), namely through proper management of shadaqah funds which is full of commitment, responsibility, and transparency. In addition, the development of networking among other parties must also be maintained properly, to maintain the optimal function of empowering mosques to the community. Fourth, religious leaders must participate in massively disseminating knowledge and insights about the importance of shadaqah to the wider community. Refreshing and educating the public's knowledge becomes a big responsibility and must be carried out by religious leaders. Because with the potential to gather people, religious leaders play a very important role in the economy and welfare. Religious leaders are also role models to lead people in a better direction and in accordance with Islamic teachings. Fifth, community empowerment also requires support from the university. The university is an agent of change and development towards a better society.

Support from the university can be done by helping the mosque collect shadaqah funds regularly. As is known, universities are intellectuals who have an open view, especially to encourage the empowerment of usury-free communities. So, it is important for tertiary institutions, to participate in socializing this program to the public.

4.2. Recommendation

That is the power of Sadaqah instrumentation for community empowerment and certainly cannot be separated from the role of mosques, religious leaders, and universities. So, the model built must be discussed further to be implemented.

Reference

- Albadri, M., Aziz, A. & Amaliah, R., 2019. Infaq and Shadaqah Management on Community Economic Empowerment in Baznas, Cirebon. *Infaq and Shadaqah Management on Community Economic Empowerment in Baznas, Cirebon*, 22 February, pp. 1-10.
- Bahari, C. A. b. & Sihabbuddin, A., 2016, March. *Exploration of the Role of Mosques In Community Development: Malaysian Experience*. Kuala Lumpur, Malaysia, Proceeding of the 3rd International Conference on Arabic Studies and Islamic Civilization ICASIC2016 (e-ISBN 978-967-0792-08-8).
- BPS, 2019. *Profil Kemiskinan di Indonesia*, Jakarta: Badan Pusat Statistik.
- Chaudhry, M., 2012. *Fundamental of Islamic Economic System*. Jakarta: Kencana.
- Hamka, 1996. *Tafsir Al-Azhar Juz III*. Jakarta: PT Pustaka Pajimas.
- Hatakenaka, S., 2007. The role of higher education institutions in innovation and economic development. *International Higher Education*, Volume 47, pp. 4-5.
- Hossain, M., Asadullah, M. N. & Kambhampati, U., 2019. Empowerment and life satisfaction: Evidence from Bangladesh. *World Development* , Volume 122, pp. 170-183.
- Ibrahim, S. & Alkire, S., 2007. Agency and empowerment: A proposal for internationally comparable indicators. *Oxford development studies*, 35(4), pp. 379-403.
- Ismail, A., 2012. *Al-Qur'an dan Kesejahteraan Sosial Sebuah Rintisan Membangun Paradigma Sosial Islam Yang Berkeadilan dan Berkesejahteraan*. Tangerang: Lentera Hati.
- Ismail, A. S. & Castrawijaya, C., 2010. *Manajemen Mosque*. Bandung: Angkasa.
- Karamoy, D. N., 2019. Determination of Mosque Funds by Indonesian Law towards the Development of People: Case Study Mosque Raya Ahmad Yani Manado, Indonesia. *JL Pol'y & Globalization*, Volume 82, p. 53.

- Lailatussufiani, S., M, U. B. & Multifiah, 2016. The Utilization of Zakat, Infaq and Shadaqah for Community Empowerment (Case Study of BAZNAS West Nusa Tenggara Province).. *International Journal of Business and Management Invention*, 5(10), pp. 152-160.
- Malik, N. L., 2013. *Etos Kerja, Pasar dan Masjid Transformasi Sosial-Keagamaan dalam Mobilitas Ekonomi Kemasyarakatan*. Jakarta: LP3ES.
- Ministry of Finance, 2019. *Kementerian Keuangan Badan Kebijakan Fiskal*. [Online] Available at: <https://fiskal.kemenkeu.go.id/dw-konten-view.asp?id=20181228101637900330336> [Diakses 20 september 2019].
- Ministry of Religious Affairs, 2019. *Sistem Informasi Masjid*. [Online] Available at: <http://simas.kemenag.go.id/> [Diakses 20 september 2019].
- Mohamed, I. S., Ab Aziz, N. H., Masrek, M. N. & Daud, N. M., 2014. Mosque fund management: issues on accountability and internal controls. *Procedia-Social and Behavioral Sciences*, Volume 145, pp. 189-194.
- Movahed, K., 2014. *Kent State University*. [Online] Available at: <https://digitalcommons.kent.edu/acir/2014/Three/16/> [Diakses 20 September 2019].
- Mulazid, A. S. & Muflaha, N. M., 2019. The Effect Of Distribution Funds Of Zakat Infaq Shadaqah, Social Assistance Expenditure, And Subsidy Expenditure On Poverty In Indonesia. *I-ECONOMICS: A Research Journal on Islamic Economics* , 5(1), pp. 1-16.
- Mustafa, Y. et al., 2017. The role of imams and mosques in health promotion in Western societies—a systematic review protocol. *Systematic Reviews*, Volume DOI 10.1186/s13643-016-0404-4, pp. 1-5.
- Nasution, M. Y., 2016. Peran Strategis Ulama dalam Pengembangan Ekonomi Syariah. *HUMAN FALAH: Jurnal Ekonomi dan Bisnis Islam* , 1(1), pp. 17-28.
- Ozturk, I., 2008. The role of education in economic development: a theoretical perspective. *Available at SSRN 1137541*, pp. 2-8.
- Paletta, A. et al., 2019. Universities, industries and sustainable development: Outcomes of the 2017 G7 Environment Ministerial Meeting. *Sustainable Production and Consumption*, Volume 19, pp. 1-10.
- Rais, M. A., 1998. *Tauhid Sosial: Formula Menggempur Kesenjangan*. Bandung: Mizan.

- Riwajanti, N. I & Fadli, 2019. Mosque-Based Islamic Cooperative for Community Economic Development. *Review of Integrative Business and Economics Research*, Volume 8, p. 196.
- Saleh, T., 2017. Community Development In Coastal Society Based on Islamic Values Perspective In Tanjung Village, Pademawu, Pamekasan. *KARSA: Journal of Social and Islamic Culture*, 25(1), pp. 90-117.
- Sevinc, H., 2014. The role of universities in local economic development: a case of TRA2 region in Turkey. *Research Journal of Business and Management*, 1(4), pp. 448-459.
- Sugiyono, 2012. *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Bandung: Alfabeta.
- Sumodiningrat, G., 1997. *Pembangunan Daerah dan Pengembangan Masyarakat*. Jakarta: Bina Rena Parwara.
- Supriyadi, R. E., 2012. Local economic development and Triple Helix: Lesson learned from role of Universities in higher education town of Jatinangor, West Java, Indonesia. *Procedia-Social and Behavioral Sciences*, Volume 52, pp. 299-306.
- Torabi, M. & Noori, S. M., 2019. Religious Leaders and the Environmental Crisis: Using Knowledge and Social Influence to Counteract Climate Change. *The Ecumenical Review*, 3(71), pp. 344-355.
- Trommlerová, S. K., Klasen, S. & Leßmann, O., 2015. Determinants of empowerment in a capability-based poverty approach: Evidence from The Gambia. *World Development*, Volume 66, pp. 1-15.
- Wakkee, I., van der Sijde, P., Vaupell, C. & Ghuman, K., 2019. The university's role in sustainable development: Activating entrepreneurial scholars as agents of change. *Technological Forecasting and Social Change*, Volume 141, pp. 195-205.
- Zaenal, M. H., Astuti, A. D. & Sadariyah, A. S., 2018. Increasing urban community empowerment through changing of poverty rate index on the productive zakat impact.. *IOP Publishing*, 106(1), p. 012104.

ISBN 978-602-5620-32-4



9

786025

620324



Publisher
UNIDA Gontor Press
University of Darussalam Gontor

