

AN APPROACH AND STRATEGY FOR INCREASING THE POTENTIAL OF PRODUCTIVE ZAKAT THROUGH SHARIA CROWDFUNDING SYSTEM AND ZAKAT ALLOCATION TO EMPOWER ROHINGYA REFUGEES IN INDONESIA

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ABSTRACT

The exodus of Rohingya refugees in Indonesia has occurred since 2009 until today. The Government of Indonesia has made various efforts to help the Rohingya refugees. Zakat funds have been allocated to fulfill the refugees' basic life requirements. This study employs a qualitative approach, utilizing a literature review to explore the role of zakat-system crowdfunding in collecting funds, explicitly concentrating on programs initiated by the National Zakat Agency (BAZNAS) for Rohingya refugees in Indonesia. Secondary data from prior research, diverse sources, journals, books, and the internet form the basis of this investigation, employing the triangulation technique to ensure data reliability. The findings underscore the vital role of zakat as humanitarian aid for Rohingya refugees, contributing to social justice, equilibrium, guarantees, and safety. However, the existing zakat distribution primarily addresses immediate needs, necessitating long-term empowerment programs for the refugees' independence. A proposed model introduces a crowdfunding zakat system, offering a more efficient and transparent approach to collecting and distributing zakat to those in need. Additionally, the study presents an Integrated Zakat and Waqf Model for Refugees (IZWMR), amalgamating institutional and individual donations into a charity pooling fund. This model prioritizes basic needs fulfillment, entrepreneurship training, and microenterprise development, with cash waqf playing a crucial role in subsidizing profit margins and invigorating refugee businesses. Ultimately, these proposed models aim to elevate the welfare of Rohingya refugees in Indonesia, not only providing immediate relief but also empowering them with the tools for self-sufficiency and independence.

Keywords: Rohingya Refugees; Productive Zakat; Sharia Crowdfunding; Empowering; Zakat Allocation

ABSTRAK

Eksodus pengungsi Rohingya ke Indonesia telah terjadi sejak tahun 2009 hingga saat ini. Berbagai upaya telah dilakukan Pemerintah Indonesia untuk membantu para pengungsi Rohingya. Khususnya, dana zakat telah dialokasikan untuk memenuhi kebutuhan hidup dasar para pengungsi. Penelitian ini menggunakan pendekatan kualitatif, memanfaatkan tinjauan literatur untuk mengeksplorasi peran crowdfunding sistem zakat dalam mengumpulkan dana, khususnya berkonsentrasi pada program yang diprakarsai oleh Badan Amil Zakat Nasional (BAZNAS) untuk pengungsi Rohingya di Indonesia. Data sekunder dari penelitian sebelumnya, beragam sumber, jurnal, buku, dan internet menjadi dasar penyelidikan ini, dengan menggunakan teknik triangulasi untuk menjamin keandalan data. Temuan ini menggarisbawahi peran penting zakat sebagai bantuan kemanusiaan bagi pengungsi Rohingya, berkontribusi terhadap keadilan sosial, keseimbangan, jaminan, dan keselamatan. Namun, distribusi zakat yang ada saat ini terutama ditujukan untuk memenuhi kebutuhan mendesak sehingga memerlukan program pemberdayaan jangka panjang demi kemandirian para pengungsi. Sebuah model yang diusulkan memperkenalkan sistem crowdfunding-zakat, menawarkan pendekatan yang lebih efisien dan transparan untuk mengumpulkan dan mendistribusikan zakat kepada mereka yang membutuhkan. Selain itu, penelitian ini menyajikan Model Zakat dan Wakaf Terpadu untuk Pengungsi (IZWMR), yang menggabungkan sumbangan lembaga dan individu ke dalam dana pengumpulan amal. Model ini memprioritaskan pemenuhan kebutuhan dasar, pelatihan kewirausahaan, dan pengembangan usaha mikro, dimana wakaf uang memainkan peran penting dalam mensubsidi margin keuntungan dan memperkuat bisnis pengungsi. Pada akhirnya, model-model yang diusulkan ini bertujuan untuk meningkatkan kesejahteraan pengungsi Rohingya di Indonesia, tidak hanya

memberikan bantuan segera tetapi juga memberdayakan mereka dengan alat-alat untuk mencapai swasembada dan kemandirian.

Kata Kunci: Pengungsi Rohingya; Zakat Produktif; Urun Dana Syariah; Memberdayakan; Alokasi Zakat

1. INTRODUCTION

During the last decade, the humanitarian crisis that hit the Rohingya ethnic in Rakhine, Myanmar, resulted in millions of Rohingyas carrying out a massive exodus to various countries. The Rohingya refugees had to carry out an exodus because of the repressive treatment of the Myanmar regime against them. The actions of the Myanmar regime are sadly based on the 1982 Burmese Citizenship Act, which excluded the Rohingya ethnicity from a list of 137 recognized ethnicities in Myanmar. The Rohingya are considered a quarter of humanity, deprived of their citizenship rights, and barred from access to proper education. In addition, the Myanmar military did not hesitate to carry out various acts of physical violence against them. Such conditions make the Rohingyas move in search of a more decent life. Therefore, it becomes a must for them to carry out an exodus and seek asylum from other countries. Bangladesh became the destination of the Rohingya ethnic exodus. Likewise, Indonesia is a country with the largest Muslim population in the world. In May 2015, it was recorded that around 14,000 Rohingya refugees came from Myanmar to Aceh using small boats. At the beginning of its arrival, Indonesia refused to accept the arrival of Rohingya refugees. However, the attitude of the Acehnese people, who accepted the Rohingya refugees based on brotherhood and solidarity among Muslims, made the Indonesian government accept the arrival of the Rohingya refugees. Various actors ranging from the government, various NGOs such as Aksi Cepat Tanggap (ACT), Dompot Dhuafa, PKPU Humanitarian Foundation, SEAHUM, and Al-Imdaad as well as IOM and UNHCR flocked to aid the Rohingya refugees in Aceh. Today, Rohingya refugees in Indonesia are getting a better life than ever before. Even a Rohingya refugee shelter (Integrated Community Shelter) has been built in Aceh, and the Arakan Mosque is a place of worship for them.

Behind the aid aimed at Rohingya refugees, the distribution of humanitarian aid is still being channeled from and by the local government. For example, the Rohingya refugees who live in Langsa are entirely borne by the Langsa City Government without any funding from the central government. Indeed, few humanitarian agencies are specifically tasked to mobilize humanitarian aid, but distribution is not easily realized. The benchmark is that the fund-raising conducted by humanitarian agencies in the country should be aimed at the citizens of Indonesia who still need humanitarian assistance. Such assistance could come from humanitarian funding provided by the government, both local and central. Also, it can be derived from humanitarian agencies, spiritual Badan Zakat Nasional (BAZNAS) or National Zakat Agency, Baitul Maal wa Tamwil (BMT), and Islamic Banking humanitarian assistance through zakat. Zakat is the source of funds most likely to be used in humanitarian aid, for local and central government usually only budgeted humanitarian assistance for natural disasters, eroding poverty domestically. Furthermore, the problem of whether the zakat can also be channeled to the Rohingya refugees who are not an Indonesian citizen, even considering the Rohingya refugees currently residing in the western part of Indonesia, many of them have been doing daily activities and mingle with the citizens another, so it makes them no longer willing to return to their home country. Zakat also has strategic potential that is feasible to develop as one of the instruments of income distribution in Indonesia and developing people's living standards (Thalib et al., 2017). Based on data collected and disbursed by BAZNAS, the collection of zakat funds at the National level has experienced a significant increase from 2015 to 2021.

Table 1. Growth of Zakat Fund Collection in 2015- 2021 Nationally

| Year | Zakat Collection |
|------|------------------|
| 2015 | 2.36 trillion |
| 2016 | 3.73 trillion |
| 2017 | 4.19 trillion |
| 2018 | 8.10 trillion |
| 2019 | 10,2 trillion |
| 2020 | 12,7 trillion |
| 2021 | 14 trillion |

Source: Zakat Statistic, BAZNAS

The allocation of the zakat collection also contributes to the empowerment of the Rohingya Refugees. Based on data from UNHCR, refugee zakat funds received from global partners totaled more than 23.6 million US dollars in the form of zakat donations (UNHC, 2021). Given the growth in zakat collection, the community is currently faced with the need for efficiency in channeling the zakat. Along with the rapid development of technology, giving zakat can now also be done through the Internet. Alternative funding is known as crowdfunding. Crowdfunding is a funding scheme that collects funds from internet-based crowds (Arifin & Wisudanto, 2017). Based on research from Thaker and Pitchay (2018), the Crowdfunding model is used to raise funds to develop Waqf land in Malaysia where in their research, they propose a sustainable model that can overcome liquidity problems faced by Waqf institutions in developing Waqf land. Four official zakat distribution sites in Indonesia include Dompot Dhuafa, Rumah Zakat, National Zakat Agency/ Badan Amil Zakat Nasional (BAZNAS), and Kitabisa.com. Based on the discussion above, this research will discuss the strategy for increasing the potential of productive zakat through the Sharia crowdfunding system and zakat allocation to empower Rohingya refugees in Indonesia.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Productive Zakah

Zakat is one of the pillars of Islam and has a social dimension. That is, the implementation of zakat is not just to abort the obligation as a Muslim. However, it is hoped that it will contribute to solutions to social problems, especially poverty (Tim et al. LAZ al-Azhar, 2017: 4). In the concept of Islam, zakat is one of the state's revenues. Therefore, acquiring zakat is crucial for the state's survival, achieving common goals, and prosperity (Azhar, 2017, p. 91).

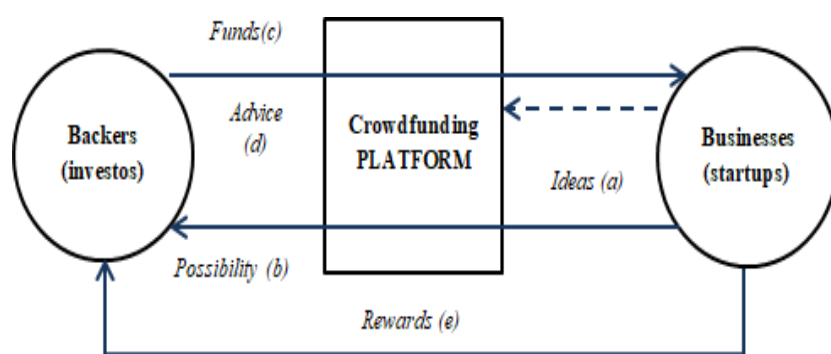
According to Darwan Raharjo, productivity zakat for scientists is funds given to a group of people to be used as working capital. Zakat distributed to mustahiq for business purposes, either to establish a business or to increase capital, is channeled productively. Other opinions also state that productive zakat is an adjective from the word production. This word will be transparent in its meaning if it is combined with the word it has. In this context, the productive word is juxtaposed with the word zakat to become productive zakat. The use and use of zakat funds or the utilization of zakat are productive rather than the opposite, namely, consumptive.

Abdurrahamna Qadir also stated that the application of productive zakat impacts the realization of social justice, poverty alleviation, and economic growth in the community. Abdurrahman Qadir also emphasized that the community or mustahiq receiving productive zakat in business capital and training must also have added value. This is intended to improve the welfare of zakat recipients from the poverty chain.

Crowdfunding Model

Given the growth in zakat collection, the community is currently faced with the need for efficiency in channeling the zakat. Along with the rapid development of technology, giving zakat can now also be done through the Internet. Alternative funding is known as crowdfunding. Valanciene and Jegeleviciute (2014) define crowdfunding as connecting entrepreneurs who want increased capital and new investors who have capital resources and want to invest in small amounts through internet-based intermediary entities. Lambert and Schwienbacher in Thaker and Anwar (2018) have defined crowdfunding as "open calls, basically through the internet, to provide financial resources in the form of donations or in exchange for some form of rewards and voting rights to support initiatives for specific purposes."

Figure 1. Crowdfunding platform



Source: Valancienien & Jegeleviciute, 2014

Three main parties become stakeholders: entrepreneurs, crowdfunding platforms, and investors (backers). The main stakeholders have their respective roles and interests. The first path starts with entrepreneurs (businesses or startups) submitting ideas and funding requests through crowdfunding platforms and promising returns to investors. Backers (investors) will look at the investment opportunities offered by entrepreneurs and give their commitment to funding or giving advice. The crowdfunding platform is an intermediary institution that brings together investors and backers (Valanciene & Jegeleviciute, 2014). The legal basis of crowdfunding is helping each other in a kind/takaful way and free of usury. So far, what is funded in crowdfunding is a social project, such as to improve the livelihood of Rohingya Refugees.

Crowdfunding can be divided into four categories: crowdfunding donations, crowdfunding prizes, crowdfunding loans, and equity crowdfunding. Including the following:

a. Crowdfunding Donations

Crowdfunding donations are places where funds are collected for social, artistic, philanthropic, or other purposes, not as a reward for something of real value. It does not provide material returns (Massolution in Thaker and Anwar, 2018). For example, in the US, Kickstarter, Indiegogo, and others are one platform that supports crowdfunding-based donations. In Indonesia, several crowdfunding platforms include Dompot Dhuafa, Rumah Zakat, National Zakat Agency (BAZNAS), and Kitabisa.com.

b. Crowdfunding Rewards

The crowdfunding reward is a collection of funds where investors or donors receive some real prizes (such as membership gift schemes, products, coupons, and others) as appreciation tokens. This award can be in various forms and not in the form of money (cash) (Massolution in Thaker and Anwar, 2018)—for example, Kickstarter,

Rockethub, Indiegogo, and others.

c. Lend Crowdfunding

Lending crowdfunding is an online platform that matches lenders or investors with borrowers or issuers to provide loans at low-interest rates set by the platform (Massolution in Thaker and Anwar, 2018). Several platforms regulate loans between individuals, while others raise funds and lend to small and medium enterprises. Some prominent examples from the US are Lending Club, Prosper, and others. Moreover, Zopa, Funding Circle, etc., are from England. Some platforms charge fees based on loans.

d. Equity-based Crowdfunding

Equity-based crowdfunding refers to funds collected online by a business, especially early-stage funding, by offering investors equity interests (Massolution in Thaker and Anwar, 2018). Businesses seeking to raise capital through this mode usually advertise online through crowdfunding platform websites, which function as intermediaries between investors and start-up companies (Massolution in Thaker and Anwar, 2018). In the UK, two platforms, Crowdcube and Seedrs, have dominated the crowdfunding investment narrative in equity.

Rohingya Refugees in Indonesia

Refugees are a group of people who cross international borders to escape conflict and actions that violate human rights. The refugees are a tangible manifestation of the perpetual practice of human rights violations and acts of violence against civilians. People who are victims of persecution feel that their government cannot guarantee their safety in physical and fundamental matters relating to human rights. (Betts & Gill, 2011) According to the 1951 Convention UNHCR Article 1A (2), refugees are defined as any person who experiences persecution, persecution, and violence for race, religion, nationality, membership of certain social groups, or specific political opinions; they leave the country. Of origin to seek a more peaceful life because he considers his country of origin unable to guarantee his safety as a citizen. Refugees also include stateless people who are outside their country of origin due to a traumatic event that hit them. Meanwhile, according to the Indonesian government in Presidential Decree, Number 125 of 2016 in Chapter 1 Article 1 defines refugees as foreigners who are in the territory of the Unitary State of the Republic of Indonesia due to a well-founded fear of persecution on the grounds of race, ethnicity, religion, nationality, group membership. Certain social conditions and different political opinions mean they do not want protection from their country of origin and have obtained asylum seeker status or refugee status from the United Nations through the High Commissioner for Refugees in Indonesia.

The presence of Rohingya refugees in Indonesia began in 2009. At that time, 391 people arrived in Aceh in stages from January to February 2009. The refugees came to Aceh via Myanmar directly and were found stranded in the middle of the high seas. The handling of Rohingya refugees in Indonesia was initially carried out simultaneously by the Aceh Provincial Government, the Indonesian Central Government together with UNHCR and the International Organization for Migration (IOM) to collect data on Rohingya refugees. Therefore, Indonesia brought the issue of Rohingya refugees at the ASEAN Summit to the Myanmar government. Myanmar responded with the statement, "If the Rohingya refugees can show evidence that they are citizens of Myanmar, the Myanmar government is ready to accept Rohingya refugees back in their country of origin, Myanmar." However, according to the 1982 Burmese Citizenship Act, the Rohingya are not recognized as ethnic groups in Myanmar, so only one person out of 391 Rohingya refugees arrived in Aceh. Only one person out of 391 refugees was able to show proof that he was a citizen of Myanmar because most of the refugees were ethnic Rohingya who did not get an identity card.

The conflict between the Rohingya and the Myanmar government then erupted in

2012. They started with the rape case against the Rohingya ethnic group and continued with the massacre of the Rohingya ethnic group by the Myanmar government. Then, in May 2013, violent acts occurred against the Muslims in Lashio, Shan State, which resulted in about 14,000 Muslim citizens fleeing their homes. This violent action was then followed by the mass burning of dozens of houses and shops belonging to the Rohingya ethnicity in Kanbalu, Sagaing Division. At its peak, in May 2015, 1800 ethnic Rohingya and Bangladeshi migrated to Aceh. Some of them were stranded in Langsa and Blang Adoe.

Zakat for Refugees

Every Muslim must distribute a certain amount of his wealth to needy people with the zakat mechanism. In the zakat mechanism, the assets collected are of a specific type and will later be distributed to recipients (mustahik) of zakat with specific categories. The assets collected in the zakat mechanism are savings, livestock, trade goods, crops, and minerals. Meanwhile, the group of recipients (mustahik) of zakat is explicitly mentioned in the Qur'an Surah At-Taubah verse 60, which reads "Indeed zakat is only for the needy, the poor, amil zakat, whose hearts are softened (converts) for (liberating) enslaved people, for (freeing) people who are in debt, for the way of Allah and for people who are on their way, as an obligation from Allah. Allah is All-Knowing, All-Wise." From the verse above, refugees can be categorized as poor and needy in mustahik. In addition, refugees who are also in debt can be categorized as people who are in debt, such as zakat mustahik, to ease their burden. According to the Senior Scholars Council of Morocco, Zakat should be distributed to local people first and allowed to be distributed to people in other areas if they need it more than local people. This opinion is the basis for giving zakat to refugees.

As one of the pillars of Islam, the wisdom behind the obligation of zakat lies in its vital role in eradicating poverty and improving people's quality of life. Several studies have been conducted to measure Zakat's role in poverty eradication. One is research conducted by Ayuniyyah (2020) using several models: the CIBEST Model, the Decil Model, the Gini Coefficient, and the Atkinson Index. Interestingly, the CIBEST model provides a more holistic explanation of the role of zakat in poverty eradication. The CIBEST model explains material poverty as well as spiritual poverty. Using the CIBEST model, after investigating data on the economic and spiritual levels of 1309 respondents from five different cities, it was found that the distribution of zakat significantly affects poverty eradication and reduces income inequality in society.

3. RESEARCH METHODS

This qualitative research type uses a literature study approach with data sources, namely secondary data obtained from previous studies and other reference sources. Literature study is the method used to collect data or sources related to the topics raised in a study obtained from various sources, journals, documentation books, the internet, and literature. This study tries to explain the role of zakat-system crowdfunding in zakat collection through information sources related to several programs carried out by the National Zakat Agency/ Badan Amil Zakat Nasional (BAZNAS).

The data used in this study is secondary data. Secondary data is a data source that does not directly provide data to data collectors (Sugiyono, 2008: 402). This secondary data is data that supports the needs of primary data such as books, previous studies, and various reading sources related to the Strategy for Increasing The Potential of Productive Zakat through the Sharia Crowdfunding System and Zakat Allocation to Empower Rohingya Refugees in Indonesia.

Data collection methods used in this study use the theory triangulation technique. Data or information from one party is checked for truth by obtaining information from other sources (Abdullah and Saebani, 2014: 73). The goal is to compare information about the same things

obtained from various references and literature to guarantee the level of trust. The benefits of triangulation theory are to increase research trust, create innovative ways of understanding phenomena, uncover unique findings, challenge or integrate theories, and provide a clearer understanding of the problem. The use of various theories can help provide a better understanding when understanding the data sourced from the literature as well as the available references to serve as a reference in describing the model for increasing the potential of productive zakat through the sharia crowdfunding system and zakat allocation to empower Rohingya refugees in Indonesia, based on several stages including:

1. Finding and registering all variables that need to be examined, which are sourced from information containing statistical data, articles, and previous research that can be used as a reference in the discussion related to the Strategy for Increasing the Potential of Productive Zakat through Sharia Crowdfunding System and Zakat Allocation to Empower Rohingya Refugees in Indonesia,
2. After the relevant information is found, the researcher then reviews and compiles library material by the order of importance and its relevance to the problem being studied,
3. The information material obtained is then read, recorded, arranged, and rewritten,
4. Finally, the process of writing research from the materials that have been collected is put together in a research concept.

4. RESULTS AND DISCUSSION

The Role of Zakat as Humanitarian Assistance for Rohingya Refugees

Humanitarian aid is generally collected from individuals and faith-based humanitarian organizations. In the case of Muslims, individual humanitarian aid is collected and then distributed through the zakat mechanism. According to data from Global Humanitarian Assistance (GHA), humanitarian aid collected and distributed through the zakat mechanism in 2013 was 16%, with a total nominal amount of 396,700 USD of the total humanitarian aid distributed to refugees worldwide. Furthermore, from 2011 to 2013, humanitarian aid with the zakat mechanism collected from member countries of the Organization for Islamic Cooperation (OIC) experienced a significant increase from 497 million US dollars to 773 million US dollars, with an additional 1.6 billion US dollars disbursed by the Turkish government to receive Syrian refugees. At the same time, in 2013, 75% of the recipients of humanitarian aid spread across ten countries were Muslims.

The Rohingya refugees are currently scattered in four locations in Aceh, Indonesia. Through the provincial government of Nanggroe Aceh Darussalam, Indonesia provides a location for refugees to live a more decent life. Refugee camps, sports facilities, playgrounds, mosques, and public kitchens have been built in this location. The construction of these buildings was initiated by Aksi Cepat Tanggap (ACT), a non-governmental organization that distributes international aid from various organizations for the Rohingya refugees. Meanwhile, the flow of zakat funds collected by the National Amil Zakat Agency (BAZNAS), distributed as humanitarian aid, was 41% in 2015. BAZNAS is not only in collecting zakat for refugees; several humanitarian organizations also participate. Among them are Rumah Zakat, FOZ (Forum Zakat), Dompot Dhuafa, PKPU (Pos et al.), and others. The strategic role of zakat for the community is as follows: humanitarian aid for refugees who are classified as poor and needy.

1. Capital

According to research conducted by PIRAC (Public Interest Research and Advocacy), the potential for zakat in Indonesia reaches 19-20 trillion per year. This zakat fund is sufficient capital for community development. There is a potential that these zakat funds will increase in number along with the growing awareness of Muslims in implementing Sharia economics in their daily lives, which, of course, is related to zakat.

2. Social Justice

The implementation of zakat for refugees increases the level of social justice for Rohingya refugees. Moreover, the Acehese people view that they must accept Rohingya refugees as the Ansar accepted the muhajirin at the time of the hijrah at the time of the Prophet Muhammad SAW. With the flow of zakat funds, the Indonesian people can help Rohingya refugees survive independently to create social justice.

3. Social Equilibrium

Zakat has an impact on the presence of social balance among the people. Zakat makes poor people, including refugees, get a share of the wealth of the rich among them, so the social gap is not too significant between them.

4. Social Guarantee

Zakat can be distributed in various forms, including empowerment programs such as education and health insurance. Zakat can be a social guarantee for Rohingya refugees to get education, health insurance, and other basic needs.

5. Social Safety

In addition to zakat funds, which are used as funds to meet the basic needs of life and development capital for refugees, zakat funds can also be used as standby funds that can be used at any time if there are unexpected events such as natural disasters, fires, floods, and others.

However, currently, zakat for Rohingya refugees is only distributed to meet basic needs for refugees. It is important to remember that Rohingya refugees cannot know when they will be able to return to their homeland, so they inevitably must find ways to survive independently. Therefore, various kinds of empowerment programs, funded by zakat funds, are needed to solve the problems of the refugees. There are already empowerment programs for refugees. One is the "Ready for Business" program organized by UNHCR and IOM in collaboration with Atmajaya Catholic University and Dompot Dhuafa. Bismillah Tahirzada, one of the refugees from Afghanistan who has participated in this program since 2019, has succeeded in developing his own business, namely the potato chips business with various flavors under the brand "Ashimashi." It is hoped that the mechanism for collecting zakat through a crowdfunding scheme and distributing productive zakat for Rohingya refugees proposed in this paper can be a concern for the parties to empower Rohingya refugees in Aceh.

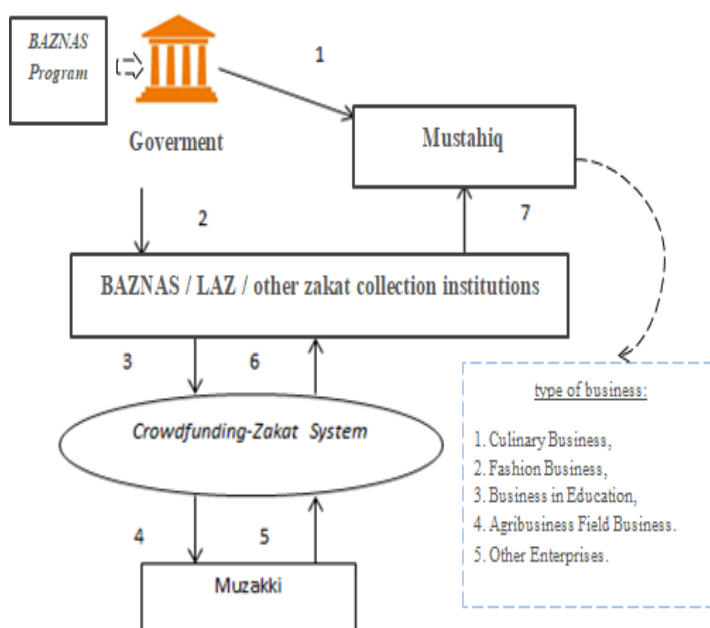
Strategy Model for Increasing Zakat Potential through the Crowdfunding-Zakat System

To achieve goals and minimize obstacles, the zakat management organization must use modern methods as a company (Syafiq, 2014). According to Andriyanto (2014), Public awareness and confidence in paying zakat through amil institutions has increased. The problem behind the background is the distribution of zakat allocations that have not prioritized the smallest scope because of the limited access to information from the local area and the mobilization that impedes affordability. In addition, the limited access to zakat distribution is also due to the affordability of donors (muzakki) in channeling to the zakat collectors. If you look at the potential of technological development today, fundraising is initially carried out more directly between beneficiaries or institutions with donors. Now, it can also be done indirectly or online through the internet. According to Thaker and Anwar (2018), crowdfunding platforms (CFP) have grown extraordinarily over the past five years. There are a total of 1250 CFPs worldwide. Some official zakat suppliers in the country have added the option to pay tithes online, including the ones below. A crowdfunding platform survey conducted by Wisudanto and Arifin (2017) found six crowdfunding platforms with considerable capitalization. Total funds collected from these platforms reached more than 505 billion rupiah. Total users of both investors and accessors reached 339,581 entities. Crowdfunding contains external and internal social capital, which is essential in successfully

collecting funding (Arifin & Wisudanto, 2017). According to Colombo et al. (2014), crowdfunding is a loci or memory center for social relations.

In the distribution of zakat through the system of mutual funds, the system can positively impact the acceleration of increasing the income distribution of people experiencing poverty. This helps to efficiently allocate economic resources (Thaker & Anwar, 2018). Based on modern management as intended in Law Number 38 of 1999 concerning the management of zakat, which was then amended by Law No. 23 of 2011 concerning the Management of Zakat, it is intended so that zakat can make a real contribution to improving the welfare of the people. Syafiq (2014) explains that fundraising strategies and distribution must follow modern management and strategy as a company in achieving its target. Therefore, there is a need for cooperation between the government and Zakat management so that income distribution continues to develop as the government functions as a fiscal policy and as an instrument in realizing economic objectives, namely as an income policy. In Islam, fiscal policy adheres to the steps taken by the Prophet Muhammad SAW, especially in increasing national income and work participation. The Messenger of Allah carried out the policy of airing the Muhajirin and Ansar, which caused the distribution of income from the Ansar to Muhajirin, which had implications for the increase in total demand in Medina (Yuniarti, 2016, p. 225). The zakat management model is intended as follows:

Figure 2. Zakat Management Model through the Crowdfunding-Zakat System Model

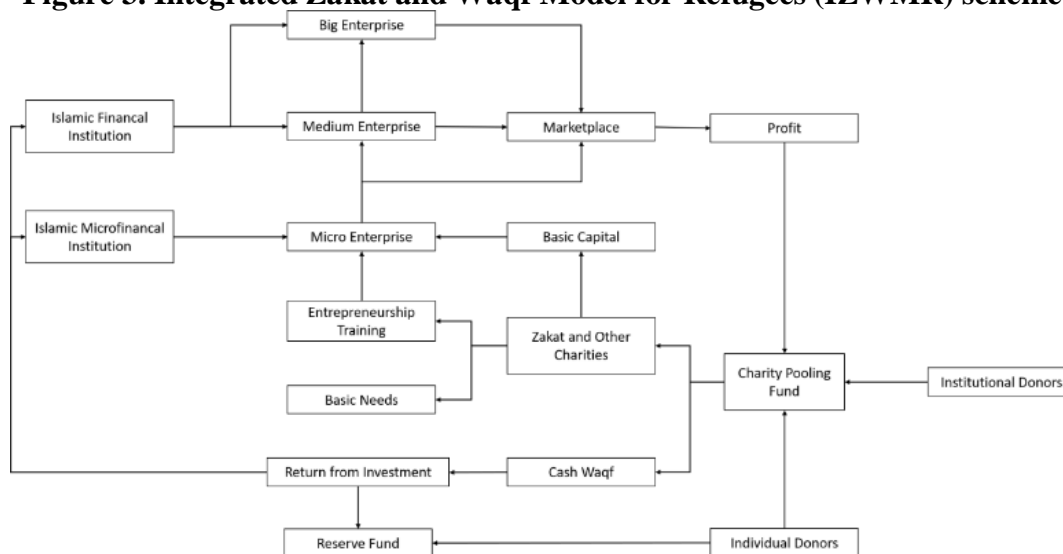


From the above model (figure 2), crowdfunding is intended as a donation collection system (crowdfunding donations). The crowdfunding platform is an intermediary institution that brings together investors and backers (Valanciene & Jegeleviciute, 2014). In step 1, the Government is tasked with monitoring the level of welfare of local communities to survey the economic conditions in the area. Step 2, BAZNAS/ LAZ/ other zakat collecting institutions based on the provisions and information from the order to verify the community (*mustahiq*) who need financial assistance for development or are looking to start their business. Step 3, BAZNAS/ LAZ/ other zakat collecting institutions through the crowdfunding-zakat platform provide services for collecting zakat on the muzakki. Step 4 picks up the muzakki who wants to donate their zakat funds through advertising on the crowdfunding-zakat platform. Step 5: Collect funds from muzakki who want to distribute zakat by the manager. Step 6, the zakat donations received are directed to BAZNAS/ LAZ/ other zakat collecting institutions that

manage the zakat-crowdfunding site. In step 7, BAZNAS/ LAZ/ other zakat collecting institutions that have the authority to allocate zakat to *mustahiq* who have fulfilled verification in the implementation of BAZNAS programs. This will facilitate the *mustahiq* in developing their potential and fulfilling the need for venture capital through these income distribution programs. Social capital refers to the collective value of all social networks and trends from these networks to norms of reciprocity (al-Faizin & Akbar, 2018, p. 191). The crowdfunding zakat system can benefit by bridging donors with people who need more efficient funds to collect zakat.

Integrated Zakat and Waqf Model for Refugees (IZWMR)

Figure 3. Integrated Zakat and Waqf Model for Refugees (IZWMR) scheme



Source: Author's illustration

The IZWMR scheme starts when institutional and individual donors donate their funds to the scheme manager. At the same time, institutional donors' funds are solely channeled into the charity pooling funds, and individual donors' funds will be channeled into the charity pooling funds and reserve funds as in Kachkar's (2017) model. The charity pooling fund consists of two components: the zakat and other charities fund (*infaq, sadaqa*) and the cash waqf fund. Zakat and other charity funds will be utilized for three purposes:

1. To fulfill the basic needs of the refugees to maintain their livelihood, especially for disabled refugees and senior citizens who cannot build up businesses due to their inability.
2. To finance entrepreneurship training for refugees to enhance their capability.
3. To provide essential capital for alums of the entrepreneurship training program. The essential capital can be provided based on *hibah* or *qard al-hasan*.

Notice for zakat fund utilization is used because refugees are considered as two groups of a snap, the *faqir wa miskin* (people with low incomes) and the *ibnu sabil* (somebody who does not have a livelihood and is deprived on the way home). After entrepreneurship training, the refugees will receive essential capital to set up microenterprises. This microenterprise must be operated mainly to serve the needs of the refugee community, thus making them better off and gradually independent from external aid. This microenterprise can request financing from the Islamic Microfinance Institution (IMFI) to expand its business operations. Once the microenterprise gets bigger into a medium enterprise, the enterprise can request financing from an Islamic Financial Institution (IFI), such as a commercial bank.

To help stimulate the business of refugees, cash waqf fund will play an important role. The

cash waqf fund by the manager will be channeled to investment, either real investment or low-risk sharia-compliant financial instruments, to generate returns. The returns will build up the program's reserve fund, but more importantly, the returns will subsidize the profit margin on IMFI and IFI financing. For instance, financing using the murabahah scheme will consist of two components within the repayment: the principal and the profit margin. The cash waqf returns will subsidize the profit margin, while the businesses will pay only the principal, like in *Card al-Hasan*. This will ensure the operation of IMFI and IFI and stimulate the expansion of the refugees' enterprises. However, the subsidy from cash waqf returns only applies to micro and medium enterprises. No subsidy will be provided once the refugee's enterprise exceeds a particular asset value and is considered a big company.

Refugee enterprises should enter the marketplace to conduct their business. This marketplace may be within the refugees' community only or extend beyond their community within the host country. So, the host country must provide a proper marketplace for the refugees' enterprises. It can cooperate between refugee and local enterprises to produce and distribute products for the host country's citizens. This will enhance the host country's economic growth and help limit the social tension between local citizens and refugees. Once the refugees' enterprises gain profit, they have a moral obligation to give some charity, either zakat or waqf, to the IZWMR program manager to finance and sustain the program and help other refugees. This will create a "vicious cycle" of refugee's betterment.

The IZWMR program does not include takaful units because its role can be conducted using reserve funds. However, as in Kachkar's (2017) scheme, this program is better if complemented by supervision from prominent international institutions such as OIC, IDB, and UNHCR. The IZWMR will ensure refugees fulfill basic needs and self-actualization through entrepreneurship skills. Also, it provides a more integrated approach by using zakat and waqf, involving social and commercial sectors of Islamic finance, upgrading the capability of refugees, and strengthening the sustainable effort to help refugees become more independent while supporting the host country's economy. In the bigger picture, this model can help humanity solve the global issue of refugees, especially with the current trend of the digital economy and crowdfunding; this scheme is possibly becoming an alternative to future refugee problem relief schemes, especially in the Muslim World.

5. CONCLUSION

Rohingya refugees stranded in Indonesia must be given humanitarian aid, as well as the Indonesian government to give relief to the citizens themselves. Liabilities arise not only because Indonesia is Myanmar's neighbor and the UN member state but also because Indonesia, with the largest Muslim population, strengthens its obligations to protect the Rohingya refugees as solidarity among fellow Muslims. Humanitarian assistance has a principle of humanity, impartiality, and neutrality, namely the existence of proportionality, non-discrimination, and not paying attention to subjective distinctions in the offering. Zakat implicitly also adheres to this principle: all the funds collected from individuals are much more efficient assistance than humanitarian aid. Financing for efficient Rohingya refugees originating from the zakat fund managed by BAZNAS and other humanitarian agencies working with local authorities; considering the placement procedure of refugees to third states, the government cannot automatically expect funds from outside the government.

Over the past five years, the crowdfunding platform (CFP) has grown extraordinarily. There are a total of 1250 CFPs worldwide. In the distribution of zakat through the system of mutual funds, the crowdfunding zakat system provides convenience in collecting zakat funds from the broader community in line with several regions in Indonesia, which shows the potential and positive impact on income distribution. The potential of zakat collection, which has implications for its allocation, also needs support from other factors, including understanding the people who are obliged to pay zakat (Muzakki) must also be increased

because it has a link in influencing the amount of zakat funds collected by zakat institutions with Integrated Zakat and Waqf Model for Refugees.

IZMWR scheme integrates waqf and zakat as well as Islamic commercial and social sectors to assist the refugee community in fulfilling their basic needs and upgrading their capability, especially in business. The scheme also aims to help enhance business scale mobility into larger scale companies, maintain the operation of the Islamic financial industry, grow together with the host country, and maintain the program's sustainability. A more technical paper on the scheme's applicability is needed to realize and put it into actual work.

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