

Islamic Transformation Centre – Leveraging On E-Baitulmal through the Quadruple Helix Model (QHM) Collaboration

Abdul Rahman Ahmad Dahlan¹, Nur Shahirah binti Mohd Suhaili²,
Khairani binti Khalid³, Nur Syamimi binti Ismail⁴

Kulliyyah of Information & Communication Technology¹
Kulliyyah of Economic and Management Sciences^{2,3,4}
International Islamic University, Malaysia

Abstract: Economy is a system of collection and distribution of resources. However, loans nowadays imbalances the world economy by making the rich richer and the poor poorer. This paper intends to propose a conceptual solution that provides a holistic development of economy focusing on Zakat, Musharakah, Mudharabah and Baitulmal with “ukhrawi” (or Hereafter) elements. The paper is based on literature review, real world observations and adopting business model canvas (BMC) framework in building a conceptual solution for holistic development of Islamic economy. This paper explores the opportunity of providing holistic and balanced economy to entrepreneur by leveraging the baitulmal just like what the Prophet Muhammad’s ﷺ used to do during his time, and at the same time generating sustainable revenue and profit utilizing technology-based solution. The findings of this paper show that information system, through the creative use of ICT and Internet, can popularizes baitulmal function to entrepreneurs to build businesses based on sound human values and principles that takes into account the numerous benefits and virtues offered to the human beings, world, and profits.

Keywords: Zakat, Baitulmal, Musharakah, Mudharabah, asnaf, business model canvas, JAKIM.

I. INTRODUCTION

Ever since the downfall of Islamic Civilization, Muslim society became increasingly withdrawn to the extent of poverty, laziness and refuses to take the initiatives in solving the problem that is faced by the Muslim themselves (Farrukh Salem, 2015) Nowadays, majority of the Muslims rather content in following others than to try something new themselves. This is a contradiction to the Islam teaching itself. Due to this kind of attitude in Muslims, some Islamic teaching had been replaced by the non-Muslims with their own theory such as the existence of interest. In Islamic teachings, interest is considered Riba that is strictly prohibited in economic transactions. Riba is a taboo subject in Islamic economic system because it entailed injustice and it also the main causes of inflation that is now terrorizing everyone especially middle income and lower income community.

II. PROJECT BACKGROUND

The main purpose of this project is to help the Muslim society to get back on their feet and to bring back the glorious time of the Golden Age of Islamic Civilization. This project is providing a platform for the Muslims society especially the Muslims youth to contribute in the name of Islam. The contribution came in the form of business ideas and investment. This platform is also to help Muslims in taking the risk that they usually are too scared to consider by providing many consultation services. Muslims youth usually have good business ideas and have the appropriate skills to manage it (Rofiqul Islam, 2012; FEMYSO, 2011) However, the fund to build up these plans is usually restricted and maybe rejected

by the conventional bank (Janean Chun, 2011; Louise Beaumont, 2013). Furthermore, the interest that came with the loan dampened the intention to cultivate these ideas thus making it more difficult to take the initiatives in improving Muslims society quality of life (Tejvan R Pettinger, 2012)

Our platform is helping them by granting loan without interest for the Muslims society so that they can make their ideas into reality. Our modus operandi is based on the Baitulmal concept however we utilize it virtually. This is because Baitulmal concept does not use widely in Malaysia due to the ineffectiveness of their operations. We are trying to popularize the concept of Baitulmal by implementing it using information system to increase the effectiveness thus Baitulmal could compete with conventional bank in providing loan for businesses.

Our project is more focus on financing the small and middle size business and ideas that usually not approved by the conventional bank. Other than that, our system also acts as a mediator of investor and entrepreneurs so that the process may be ease for both parties.

III. PROBLEM STATEMENT

Nowadays, conventional banks are known to provide the best services where the process of documentation is very fast and efficient without delays. Maybank Bhd proved that they are the best bank services provider as they received a lot of award in 2014 for example Euromoney Magazine Award and they won the Best domestic Private Bank in Malaysia (Maybank, 2014). At the meantime, when the process become easier, but in the future it will harm the applicants as it have interest (Bank of England, 2014) and will burden the entrepreneur when they gain no profit instead of loss. Hence, it leads to bankruptcy and poverty especially in the Muslims community. It is acknowledged that Islamic Finance is existed, yet the number of the services provided cannot be compared to conventional finance services. In Malaysia we have only 18 over 50 listed of Licensed Banking Institution in Malaysia (Bank Negara Malaysia, 2013)

Secondly, the existing Baitulmal and zakat institution in Malaysia is not effective where the collection of zakat happen yet the distribution of baitulmal wealth is not efficient where the evidences can be seen by the statistics of poor people in Malaysia and the income gap still exist (Majlis Agama Islam Johor, 2013). Malaysia statistic shows that incidence of poverty in 2012 is 1.7% (Department of Statistic Malaysia, 2012). Hence, the opportunity of providing cooperation between investor and entrepreneur through Islamic economics product exist is now more accessible, feasible and available.

Thirdly, according to UNESCO's definition of poverty (Pierre Sané, 2001) is the state of poor where money necessary cannot fulfill the basic needs. The Department of Statistic Malaysia shows the statistic of income gap in Malaysia (Department of Statistic Malaysia, 2012) is grew by 9.2%, 9.6% and 1.4% between the upper professional, lower professional and staffs respectively. In aligning with the objectives of Finance Ministry of Malaysia in eliminating poverty and income gap in Malaysia, establishing initiatives such as e-baitulmal website would be supported. Hence, the focus of this paper would be on asnaf community especially the fakir and miskin.

IV. OBJECTIVE

The main objective of our system is to provide a financing platform that is free from interest for the Muslims society. This is because although many Islamic Banks claim to be free from interests, their so called profit rate is still considered as interest for majority of Muslim Economist scholars (Taufique Al-Mubarak and Dr. Noor Mohammad Osmani, 2013 Asrilamirul, 2008; Ismail Aminuddin, 2010). Indeed our platform is interest free since we not only rely on zakat and donation, we also rely on investors that will invest towards our potential client. We also provide many other services to ease in the business planning process. Other than that, we also facilitate a place for the investor to invest. In a way, our e-Baitulmal is a one stop centre for investment, business ideas and training.

V. LITERATURE REVIEW

Islamic Transformation Centre (ITC):

Islamic economics aims at the study of human falah achieved by organizing the resources of the earth on the basis of cooperation and participation (Muhammad Akram Khan,1987). Islam is the way of life derived from the divine texts of Al-Quran and Sunnah to achieve falah. In the Arabic term, falah is generally defined as success in terms of self-improvement, happiness and well-being. In the Islamic context, success is more comprehensive as it refers to spiritual,

moral and socio-economic well-being in this worldly life and the Hereafter. According to the concept of Maqasid Shariah, Muslims should be protected in five areas: life, religion, intellect, wealth and progeny. This is where an individual is adequately provided for in respect of his basic needs, however Islam encourages achievement of material prosperity through fair means (Asra, 2011). Holding this principle of divine text, humans are being trusted with the faculty of reasoning to be khalifah in this world.

As comparison to the Western perspective, the modern economics agree at least on these three points: (1) the basic assumption is that man is selfish by nature and behaves rationally, (2) material progress is a goal (3) man has the knowledge and ability to maximize his material welfare (Muhammad Akram Khan, 1987). Thus, there are several reasons on why the recent upsurge of Islamic Economics is needed through development of Islamic Transformation Centre (ITC).

First and foremost, there is a great dissatisfaction with the way of Western banks operated. The mainstream neoclassical economics also has unrealistic assumptions about human nature and behavior. Not only have they adopted an insensitive approach on cultural values, they also widen the income gap and exploitation of the poor countries by the rich.

Stereotypically, the country will be under-developed if it is related with the religion. To be debatable, the Islamic history has proven wrong with this typical public view. In the glory of Islamic period, the Khulafa Ar-Rasyidin used the Baitulmal concept a long time ago. Therefore, utilizing the recent technology and information centre, the Islamic Transformation Centre (ITC) can be established and accessed to all Malaysian citizens virtually.

Islamic Transformation Centre (ITC) is aimed to implement the Islamic finance concept to instil the participation and cooperation. The solid examples can be used are the concept of mudharabah and musyarakah. Mudharabah is simply profit sharing arrangement between an investor and the entrepreneur. The capital provider will supply the entrepreneur with funds for his business venture and gets a return based on a profit sharing ratio that has been agreed in the contract. Losses suffered shall be borne by the capital provider only. On the other hand, musharakah refers to a partnership or a joint business venture. Profits and losses made will be shared by the partners based on an agreed ratio. Using the integration concept between information system and Urban Transformation Centre (UTC), the management of Islamic finance can be well improved and be used widely by both Muslim and non-Muslim citizens. This will reject the idea of implementing the interest charge as the only way to generate revenues which mostly applied in the conventional banks.

Islamic Transformation Centre will use fully eBaitulmal as the basic foundation to make the system will be wholly virtualized so that all the consumers can access at anywhere by anytime. With the similar concept from Urban Transformation Centre (UTC), the Islamic Transformation Centre (ITC) will provide variety of facilities from the public and private agencies to promote the efficiency.

Baitulmal:

Baitulmal in the Arabic word is the 'House of Treasury' or the 'Central Treasury' which an Islamic State establishes to hold the nation wealth (Crone & Patricia, 2004). It is used as financial institution that established in the era of the Khulafa' Ar-Rasyidin caliphate. It was previously formed as the royal reserves for caliphs, which then developed to administer the taxes or jizya, manage personal finances, the expenditures of the government, the distribution of zakat to the eight categories of deserved asnaf, deal with the economic matters of Islamic state and bears the responsibility of the undertaking of the society's fiscal system and welfare provisions until now (Jawad Ahmad, 2012)

Historically, during the reign of Prophet Muhammad (SAW) and the caliphate of Abu Bakr, a baitulmal was not established and the revenues that were accumulated were immediately distributed. However, during the caliphate of Umar Al Khattab, there were strong needs to change as the conquests started increasing and larger quantities of revenues from zakat, sadaqah, waqf and jizya were generated. Caliph Umar Al Khattab allowed paying salaries to the army with the increasing number of fighting men and high revenues (Jawad Ahmad, 2012)

Caliph Umar Al Khattab then has decided to establish the central treasury in Madinah after consulting with his companions. Abu Hurairah who was the Governor of Bahrain sent revenue of five hundred thousand dirhams. Caliph Umar Al Khattab summoned a meeting of his Consultative Assembly and sought the opinion about the disposal of the money. Uthman ibn Affan advised that the amount should be kept for future needs. Walid ibn Hisham suggested that like the Byzantines separate departments of Treasury and Accounts should be set up. Abdullah bin Arqam was appointed as the Treasury Officer and assisted by Abdur Rahman bin Awf and Muaiqib.

Later, the provincial treasuries were also set up with the royal treasury in a separate building. To maintain the function of being a welfare state, pension and welfare concepts were grouped as part of zakat. The taxes collected also included zakat. Reserves of food were also kept for natural disasters and other emergencies. Insurance for unemployment was invented by Caliph Umar. Retirement pensions were introduced for the elderly people. The clear evidence of the functioned-well baitulmal is during the ruling of Umar ibn Abdul Aziz Caliph, he succeeded in eliminating the poverty because no one was deserved to receive zakat as zakat is for poor and pauper people. Umar Ibn Aziz distributed the right amount of zakah to the right owner. (Syakh Ul Aalam, 2015) With the establishment of baitulmal, the attainment of socio-economic justice is well-achieved (Jawad Ahmad, 2012).

By our observation and research, baitulmal is currently being administered by each of the state in Malaysia. So, there are no centralized guidelines and rules as the whole which then will lead to confusion to the consumers. As a clear sample is from the local zakat collection whereby all the information about the zakah collection and distribution are supplied in an official website. They even accommodate the zakah payment by online as their main service (Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan, 2014). However, the baitulmal concept is not comprehensive as zakah instruction. With the successful development of eBaitulmal, the consumers can gain the comprehensive features about baitulmal and services that could be offered in a split of second.

VI. CONCEPTUAL SOLUTION

E-baitulmal is a new concept of institution where technology is deployed within the collection and distribution of wealth process. The technology, in the form of a portal, is used to distribute online form investor and entrepreneur, tutorial video, online conference and crowdsourcing of entrepreneur ideas. The targeted audience is Muslim community especially the *fakir* and *miskin* group. Nonetheless, it is also open to investor and entrepreneur from other races and religions. The location for this institution will be at each state in Malaysia at Islam Religion departments collaborating with *Jabatan Kemajuan Islam Malaysia* (JAKIM). As for the consultation fees, it is proposed to charge free for startup business and premium for expanding business. The products offered for entrepreneurs are Musharakah, Mudharabah and consultation. Aside from all above, it is proposed to provide free education video for entrepreneurs so that they can have the access to gain business knowledge. This is due to the fact that people today are less educate in Islamic economics value.

Figure 1 show the 9 blocks of Business Model Canvas (BMC) based on the business proposed. Business Model Canvas is a simple tool for designing Innovative Business Models. Business Model Canvas is a simple graphical template describing the nine essential components: Customer segments, value propositions, channels, customer relationships (such as self-service or personal assistance), revenue streams, resources, activities, partnerships, and costs. (Alexander Osterwalder, 2012). The following are the proposed 9 blocks of BMC for e-Baitulmal.

Customer segments:

e-Baitulmal focuses on Muslims community that is in needs of funds for their business ideas. These funds will mainly go towards the small and medium industry. Our second priority goes towards investors that will invest on chosen entrepreneurs. It is the duty of e-Baitulmal to provide a list of trusted business that had been signed up on e-Baitulmal that could be expanded further. Investors will invest and e-Baitulmal job is to become the mediator. Lastly, we focus on fakir and miskin. This is because one of e-Baitulmal role is to become a distribution channel for zakat distribution.

Customer relationship:

This platform needs to sustain a good customer relationship with all the parties that involve in e-Baitulmal especially the investors and entrepreneur to sustain the survival of the system. There will be interactive activities between investors and entrepreneur. e-Baitulmal will be considered the medium during this interactive activities. Activities provided are in the form of portal, video conferencing and tutorial. These activities will help to simplify the business planning process.

Channels:

There are number of ways on how the e-Baitulmal can be familiarized within the Muslims communities. One of the ways is through Quadruple Helix Model (QHM), Whole of Government (WoG), Non-Government Organization (NGOs) and Network of Masjid (NoM) (Habiba Hamid et. al., 2013). This group of organization can introduced the function of e-Baitulmal to their staffs and their customers. The administration staff of e-Baitulmal can also get the statistic data of Muslims communities' financial position to help and assist them in managing the finance.

Value proposition:

In the combination of Urban Transformation Centre (UTC) concept and centred on Baitul Mal functions using information system, the Islamic Transformation Centre (ITC) can be established under the Shariah compliance based on Al-Quran and Sunnah teachings. As Islam promote the participation and cooperation of other partners from the variety of fields, the Islamic Transformation Centre (ITC) can guarantee the high quality of customer services to achieve the customer's satisfaction. Using the information system developed by information technology (IT) expertise; the manual documentation process specifically can be solved in a short span of time as well as reducing the cost due to minimization of hierarchy in the organization. The clear example of excellent quality services using information system is in the country of Dubai, United Arab Emirates (UAE). Applying the concept of freemium, everyone can access to this virtual Islamic Transformation Centre (ITC) anywhere in anytime without any constraints. The term "freemium" in this context is combination between 'Free' and 'Premium'. It describes a business model where in you give away a core product for free to a large group of users and then generate revenue by selling premium products to a small percentage of free users base for proprietary features, functionality, or virtual goods. The mobile Islamic Transformation Centre (ITC) will be suggested in execution to the specific rural places to ease the difficulties for some people to get access. Moreover, the fraud, human error and corruption of money can be prevented because it is easily detected using the information system. To instil the value of honesty and justice in the relevance of Islam, the equitable distribution of zakat, sadaqah and waqf can be made to protect the welfare of the needy and poor Muslim communities in Malaysia.

Key activities:

Islam Transformation Centre (ITC) will focus on four main products: business consultation; as business mediator; funding management and start up business.

First and foremost, business consultation product is to provide the professional and expert advices on critical issues arise through external consultant. This service will be charged with affordable and reasonable fees. Using the information system, the customers can get the consultation directly and thoroughly by video conferencing with the qualified business consultant in the specified areas such as marketing, human resources and information technology (IT).

Furthermore, the other service to be accommodated is to be the mediator between government agencies, private sector and small medium enterprises (SMEs). As similar concept of Urban Transformation Centre (UTC), the integration between the government agencies and private companies will be continued into the Islamic Transformation Centre (ITC). With this developing information system, it will be hoped that both sectors will cater the weakness of services and the needs of the Malaysian citizen to achieve the goal of this big project. Under a name of official Islamic Transformation System (ITC) website, the public can get access to both public and private agencies in a single click. Other than that, Islamic Transformation Centre (ITC) can be mediator between government and small medium enterprises (SMEs). Small or medium companies can be supported by the financial assistance through Islamic Transformation Centre (ITC) with the correct procedure and exact channel.

Moreover, the funding management is another service to be catered for the public. The collection of zakah, sadaqah, jizya, waqf and other form of asset collection can be made effectively with minimizing errors and time management. The equitable distribution of these asset collection can be well achieved and reduce the income gap between rich and poor people. The welfare of the society also can be secured. Mobile zakah will be considered to foster the effective distribution of zakah to the qualified asnaf with the right amount. Using the information system, the public can see the monetary flow from inside and outside, which the corruption of money can be prevented. The public also can give donation through correct channel by Islamic Transformation Centre (ITC) without any doubts.

Lastly, the start-up business is aimed for the aspiring entrepreneurs to open the business. For those who have business ideas especially the youth, the Islamic Transformation Centre (ITC) website will provide the platform for the crowdsourcing. This will encourage the Muslim community will be less depending on the government's assistance and to non-Muslim enterprises. This will direct the entrepreneurs to the correct channel to help the realization of their business idea.

Key resources:

The only way how e-Baitulmal is being introduced to people is through portal. In the portal virtual interaction between the consultants and entrepreneurs can be done through video conferencing. While the applications of loans or partnership can

be done online through online forms uploaded in the portal. Other than that, tutorial provided is to mean educating the people about Islamic Economics products and how it functioning.

Key partners:

To ensure the success of e-Baitulmal, key partners and collaborators are needed that include the following government organizations:

Jabatan Kemajuan Islam Malaysia (JAKIM):

This is to get the permission to access the data of zakat receiver from each state of Islamic Religion Division. The duty of JAKIM is to familiarized and spread the awareness of people about e-Baitulmal through Network of Masjid (NoM) such as the zakat collector (amil) and mosque communities (Abdul Rahman Ahmad Dahlan et. al., 2014)

Pusat Pungutan Zakat (PPZ) :

PPZ's mission is: "to simplify the payment of zakat and to educate people about the importance of zakat". From the collection of zakat it can transfer the wealth of rich people to poor people through distribution of wealth to the asnaf. Hence, it can reduce the income gap in Malaysia

Ministry of International Trade and Industry (MITI):

Under MITI, there is an agency known as Malaysia Productivity Corporation (MPC). The agency mission is: "Providing value-added information on productivity, quality, competitiveness and best practices through database research and databases; developing human capital and organizational excellence for building a knowledge-based society through training systems development and best practices; and nurturing innovative and creative culture through P&Q promotion and partnership programs." This agency may provide e-Baitulmal the expertise in managing to train the future entrepreneur and also give some precious related business information

Malaysian Industrial Development Authority (MIDA):

This agency aims is: "Provide information on the opportunities for investment and facilitating companies looking for joint venture partners. They also evaluate application for manufacturing licenses and expatriate posts." This agency can provide marketing and advertisement opportunities for e-Baitulmal to investors that are interested in investment and also they can also grant the business licenses to potential entrepreneurs.

Cost structure:

To come up with this service, some preparations are needed in order to overcome the costs issues that are going to be faced. Maintenance of the computers and portal, monthly wages of expertise, general and administration staffs salaries and advertisement.

Revenue streams:

In order to gain revenue, the expanding businesses pay for premium consultation, the zakat collection is for startup business capital and when they succeeded they need to share their profit or loss if the bad outcomes happen. Waqf and donation to cover the costs of fixed assets which can be used by all communities.

VII. CONCLUSION

It is proposed that e-Baitulmal to be implemented by Institute of Baitulmal, Majlis Agama Islam Wilayah Persekutuan (MAIWP), as a "Proof-of-Concept" with the collaboration of PPZ, MITI, MIDA and JAKIM. In future, this portal will be rolled-out to countries and conducted by other finance institutions. Therefore, this program will be expanded to the grass root levels because it involves all Islamic Religion Division in all state in Malaysia. To wrap up, this paper has shown that there is a need for distribution centers of wealth to distribute the wealth justly as Muslims held on accountability and will be count in the "akhirah" or hereafter. In the context of an Islamic perspective, e-Baitulmal is building businesses based on sound human values and principles that takes into account the numerous benefits and virtues offered to the human beings, world, and profits.

REFERENCES

- [1] Abdul Rahman Ahmad Dahlan, Rahmah Ahmad H. Osman, Jamaludin Ibrahim, Mohd Zainudin Othman (2014). "eHalal4All Program - Promoting Halal Rural Products and Services Globally by Harnessing the Network-of-Mosques (NoM) Capabilities" International Halal Conference 2014, Istanbul, Turkey
- [2] Al-Mubarak, Taufique, and Noor Mohammad Osmani. "An Analysis." Application of Al-Maqasid Al-Shariah and Maslahah In Islamic Banking Practices. International Islamic University Malaysia Repository, 29. 1-17. Print.
- [3] Alexander Osterwalder. "Business Model Canvas: A Simple Tool For Designing Innovative Business Models." Forbes. Forbes Magazine. 2012. Web. 5 Mar. 2015. <<http://www.forbes.com/sites/tedgreenwald/2012/01/31/business-model-canvas-a-simple-tool-for-designing-innovative-business-models/>>.
- [4] Aminuddin, Ismail. "Islamic Banking Way: 15 - Interesting Argument on Debt Financing." Islamic Banking Way. 8 June 2010. Web. 4 Mar. 2015. <<http://www.islamicbankingway.com/2010/06/15-interesting-argument-on-debt.html>>.
- [5] Amirul, Asril. "Bai Bithaman Ajil, Riba' & Contractum Trinius." Without Prejudice. 24 Mar. 2008. Web. 2 Mar. 2015. <<https://asrilamirul.wordpress.com/2008/03/24/bai-bithaman-ajil-riba'-contractum-trinius/>>.
- [6] Asra. Falah: Success: Self Improvement: Happiness: Well-being. Islamic Terminology. 1 July 2011. Web. 2 Mar. 2015. <<http://islamic-dictionary.tumblr.com/post/7142770725/falah-arabic-is-the-arabic-word>>.
- [7] "Awards and Recognition | Maybank." Maybank Malaysia.. Web. 2 Mar. 2015. <<http://www.maybank.com/en/about-us/who-we-are/awards-recognition.page>>.
- [8] Beaumont, Louise. "Mission Impossible: Why the Government's Efforts to Get Banks' Lending to Business Are Not Working." This Is Money. 13 July 2013. Web. 4 Mar. 2015. <<http://www.thisismoney.co.uk/money/smallbusiness/article-2360431/Why-Government-s-efforts-banks-lending-business-working.html>>.
- [9] Business model canvas. Tumblr. Web. 5 Mar. 2015. <<http://www.tumblr.com/search/businessmodelcanvas>>.
- [10] Che Yaacob, Ahmad, Razali Daud, Roslim Mohamad, and Basaruddin Shah Basri. "Latest Report." The Roles of Baitulmal in Malaysia Towards Implementing Business Fund Scheme. 1st ed. Vol. 3. Universiti Teknologi Mara, 0. 1-24. Print.
- [11] Che Yaacob, Ahmad, Safiah Mohamed, Azizah Daut, Normah Ismail, and Mohd Ali Mohd Don. "A Case Study of Majlis Agama Islam Johor." Zakat Disbursement via Capital Assistance 1.2 (2013): 1-20. Print.
- [12] Chun, Janean. "Why Aren't Small Businesses Getting Loans From Big Banks?" The Huffington Post. TheHuffingtonPost.com, 12 Dec. 2011. Web. 4 Mar. 2015. <http://www.huffingtonpost.com/2011/12/12/small-business-loans_n_1121955.html>.
- [13] Crone, Patricia. "Meaning and the History of Baitulmal." Medieval Islamic Political Thought. Edinburgh: Edinburgh UP, 2004. 308-310. Print.
- [14] European Muslim Youth Conference. 1 Jan. 2011. Web. 3 Mar. 2015. <<http://www.femyso.org/events/2011/EMYC/>>.
- [15] "Financial Stability." BNM Malaysian Financial Sector. Bank Negara Malaysia. Web. 28 Feb. 2015. <http://www.bnm.gov.my/index.php?ch=fs_mfs&pg=fs_mfs_list&lang=en>.
- [16] Froberg, Peter. "What Is Freemium." Freemium.org, 1 Jan. 2015. Web. 4 Mar. 2015. <<http://www.freemium.org/what-is-freemium-2/>>.
- [17] Higher Household Income, Lower Poverty Rates. Department of Statistic Malaysia. Web. 28 Feb 2015. <http://www.statistics.gov.my/portal/index.php?option=com_content&view=article&id=223&lang=en&Itemid=187>.
- [18] Habiba Hamid, Nur Dini Khairuddin, Yousra Al-amodi, Abdul Rahman Ahmad Dahlan, Rahmah Ahmad H. Osman (2013). "MyMosqueNet2Cloud Collaborative System: A network of mosques towards eradicating poverty in Malaysia", American Academic & Scholarly Research Journal, Vol. 5, No. 5, pp. 169-179.

- [19] Hasan, Zulkifli. "The Collection and Distribution of Zakat in Malaysia." . 1 Jan. 2008. Reading.
- [20] "In Malaysia, Income Disparity Widening Gap between Rich and Poor, UM Paper Shows" The Malay Mail Online. 5 Nov. 2014. Web. 28 Feb. 2015. <<http://www.themalaymailonline.com/malaysia/article/in-malaysia-income-disparity-widening-gap-between-rich-and-poor-um-paper-sh>>.
- [21] "Interest Rate Rises Could Harm Growth." Independent Digital News and Media. Web. 28 Feb. 2015. <<http://www.independent.co.uk/news/business/news/interest-rate-rises-could-harm-growth-says-bank-of-england-9860112.html>>.
- [22] James Moreland. "The Importance of Protecting Our Economy." Economy In Crisis. 28 Oct. 2013. Web. 28 Feb. 2015. <<http://economyincrisis.org/content/the-importance-of-protecting-our-economy>>.
- [23] Jawad Ahmad. The Concept of Bait Ul Mal in Islam. Muslim Academy 13 June 2012. Web. 24 Feb. 2015. <<http://muslim-academy.com/the-concept-of-bait-ul-mal-in-islam/>>.
- [24] Jabatan Kemajuan Islam Malaysia (JAKIM). Web. 1 Mar. 2015. <<http://www.islam.gov.my/en>>.
- [25] Khalifah Umar Bin Abdul Aziz. Tayibah.com. Web. 2 Mar. 2015. <http://tayibah.com/eIslam/umar_abdul_aziz.php>.
- [26] Ministry of International Trade and Industry. Web. 1 Mar. 2015. <<http://www.miti.gov.my/cms/index.jsp>>.
- [27] MIDA | Malaysian Investment Development Authority. Web. 1 Mar. 2015. <<http://www.mida.gov.my/>>.
- [28] Muhammad Akram Khan. "Methodology of Islamic Economics." Journal of Islamic Economics 1.1 (1987): 17-33. Print
- [29] Possumah, Bayu Taufiq, and Abdul Ghafar Ismail. "Baitul Mal and Legal Constraint: Public Wealth Management in Malaysian Context." Exploring Intellectual Capital. 11th ed. Vol. 2. Universiti Kebangsaan Malaysia: International Journal of Academic Research in Business and Social Sciences, 0. 27-52. Print.
- [30] Poverty | United Nations Educational, Scientific and Cultural Organization. Web. 1 Mar. 2015. <<http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty/>>.
- [31] Pusat Pungutan Zakat - MAIWP - Laman Utama. Frontpage Slideshow RSS. Web. 2 Mar. 2015. <<http://www.zakat.com.my/>>.
- [32] Rafiqol Islam. "FEMYSO Sets to Empower Youth Across Europe." We Are Here. 1 Jan. 2012. Web. 4 Mar. 2015. <<http://www.wearehere.eu/999/femyso-sets-to-empower-youth-across-europe/>>.
- [33] Salem, Farrukh. "800 Million Muslims out of 1.4 Billion Are Illiterate." Muslim Statistics. 5 Jan. 2015. Web. 5 Mar. 2015. <<https://muslimstatistics.wordpress.com/2015/01/05/800-million-muslims-out-of-1-4-billion-are-illiterate-dr-farrukh-salem/>>.
- [34] "Shariah Concepts in Islamic Banking." Islamic Finance Info. 1 Jan. 2011. Web. 4 Mar. 2015. <<http://www.islamicfinanceinfo.com.my/discover-islamic-banking/shariah-concepts-islamic-banking>>.
- [35] Tejvan Pettinger R. "Effect of Raising Interest Rates." Economics Help. 28 Nov. 2012. Web. 20 Mar. 2015. <<http://www.economicshelp.org/macroeconomics/monetary-policy/effect-raising-interest-rates/>>.
- [36] Ul-Aalam, Shaykh. "Life of Caliph 'Umar Bin Abdul Aziz'" BeMercy.com. 1 Jan. 2015. Web. 2 Mar. 2015. <<http://baharemadinah.com/life-caliph-umar-bin-abdul-aziz/>>.
- [37] UTC Urban Transformation Centre. Web. 28 Feb. 2015. <<http://www.utc.my/>>.
- [38] Why Is the Economy Important? | Ask.com. Web. 28 Feb. 2015. <<http://www.ask.com/world-view/economy-important-787a0db2f343f3d6>>.

APPENDIX - A

The Business Model Canvas







<p><i>Key Partners</i> </p> <ul style="list-style-type: none"> - Islamic Economics expert - Business expert - Investor - MOSTI - Pusat Pungutan Zakat (PPZ) - JAKIM - MIDA - MITI 	<p><i>Key Activities</i> </p> <ul style="list-style-type: none"> - Musharakah - Mudharabah - Fund management - Business Consultation - Start up Business - Mediator 	<p><i>Value Proposition</i> </p> <ul style="list-style-type: none"> - Welfare Society - Participation of youth - Cooperation - Improve quality life - Reduce inflation impact 	<p><i>Customer Relationships</i> </p> <ul style="list-style-type: none"> - Information system - Video Conference - Tutorial 	<p><i>Customer Segments</i> </p> <ul style="list-style-type: none"> - Fakir - Miskin - Muslim communities - Investor
<p><i>Cost Structure</i></p> <ul style="list-style-type: none"> - RnD - Marketing - General and admin - Expertise 		<p><i>Revenue Streams</i> </p> <ul style="list-style-type: none"> - Freemium consultation for startup business - Zakat collection - Waqf and Donation - Profit and loss sharing 		

Fig. 1: Business Model Canvas