

National Philanthropy Model towards Global Culturalization: A Study at Baitulmal Sarawak

Mohd Farhan Ahmad

Lecturer, Mara University of Technology, Johore Malaysia
Corresponding Author Email: mohdf386@uitm.edu.my

Mohd Ali Bin Muhammad Don

Senior Lecturer, Mara University of Technology, Johore Malaysia
Email: mohda264@uitm.edu.my

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v14-i12/23218> DOI:10.6007/IJARBSS/v14-i12/23218

Published Date: 30 December 2024

Abstract

Philanthropy is a voluntary and charitable activity carried out for the benefit of the general public. Islam's emphasis on philanthropic practices can be seen through the institutionalization of zakat, charity, and waqf. The cultivation of philanthropy among Muslims can be used as a foundation to meet human needs, reduce suffering, and solve societal problems. The awareness of philanthropic practices has not yet fully become a culture in society, particularly in the government sector and statutory bodies. To what extent has the culture of philanthropy been practiced? This paper aims to examine the extent of philanthropic culture, the driving factors, obstacles, and philanthropic activities that have been carried out. This study uses a qualitative method, where data is collected through semi-structured interviews focusing on the case of Baitulmal Sarawak. The findings indicate that Baitulmal Sarawak has cultivated philanthropy through various techniques. This study also provides an overview of the development of philanthropy at Baitulmal Sarawak. Future suggestions can focus on the public's response to the cultivation of philanthropy, which can benefit society as a whole.

Keyword: Philanthropy, Global Culturalization, Philanthropy Model

Introduction

Philanthropy is a voluntary activity or an expression of generosity aimed at the well-being of humanity. Additionally, philanthropy can be defined as a feeling of love and compassion towards people. Islamic philanthropy is carried out through various methods, such as charity, waqf, zakat, and community activities. Philanthropy also serves as an instrument for wealth distribution to those in need. The high percentage of impoverished people indicates that philanthropy has not yet become a cultural practice in society.

In Malaysia, Islamic philanthropy can be seen through activities like waqf, zakat, and infaq. These activities are expanded through various methods. For instance, waqf has been extended by introducing cash waqf for those who do not own assets to endow (Hasan, 2011; Mohd Faisal et al., 2014). According to Salarzehi et al., (2010), waqf is divided into three categories: religious waqf, philanthropic waqf, and family waqf. Religious waqf refers to waqf for mosques and religious schools. Meanwhile, philanthropic waqf refers to waqf for helping society and supporting humanitarian activities such as libraries and healthcare centers. Family waqf refers to waqf from parents to heirs and children. Matters related to waqf, zakat, infaq, and other philanthropic activities are the responsibility of religious institutions. This aims to increase individual trust and confidence in consistently donating without a doubt.

Baitulmal Sarawak is an Islamic institution that plays various roles related to Islam. The Muslim community in Sarawak is a minority, making up only 25 percent of the population. Despite the minority status, Baitulmal Sarawak has successfully carried out various Islamic philanthropic activities. The role of Baitulmal does not solely focus on direct philanthropic activities but also includes various initiatives to encourage the community to collectively raise funds for Islamic causes. The objectives of this study are:

1. To what extent has philanthropy become a culture in Sarawak?
2. What are the driving factors and obstacles to cultivating philanthropy in Sarawak?
3. How is the culture of philanthropy being developed in Sarawak?

Past Studies

Philanthropic activities are conducted to help improve the welfare of society. Philanthropy is also incorporated into companies across various sectors, such as tourism and education, and even extends to environmental preservation efforts. Philanthropy can be defined as the human desire to assist society through donations and acts of charity for public benefit (Ariza, 2012). According to Latief (2013a) and Saidu and Oguntola (2015), philanthropy reflects social concern and relationships between the rich and the poor, the weak and the strong, to enhance the productive capacity of the recipient. It is an art of giving that can indirectly help improve the economy of the ummah and foster a sense of compassion within the giver.

Many benefits arise from fostering a culture of philanthropy. These include helping the less fortunate (Mohd Farhan et al., 2018), improving well-being (Tu et al., 2020), and eliminating social injustices or inequalities in society (Ariza, 2012; Tu et al., 2020). Additionally, companies that practice corporate philanthropy find that it helps improve the ethics of managers, reduces the likelihood of non-transparent investments, and increases investment efficiency (Chen et al., 2018). This is evident through the sense of responsibility instilled in individuals to manage funds for the greater good, benefiting both society and the individual. Corporate ethics codes also play a vital role in increasing company involvement in philanthropic activities (Lee et al., 2014), which can indirectly foster a culture of philanthropy within the company.

Every effort to cultivate philanthropy is influenced by various factors, whether encouraging or obstructing. Islamic philanthropy is driven by several factors, such as the demands of Islam, welfare, familiarity with philanthropic institutions, access to philanthropic activities, and legal factors (Ariza, 2012; Johari et al., 2015; Latief, 2013b). These factors affect an individual's intention to engage in philanthropic activities repeatedly, such as making repeated cash waqf

donations. The demand for Islamic obligations is a key factor in promoting philanthropy, not only within society but also in corporate settings. Additionally, Saidu and Oguntola (2015) and Faizah et al., (2017) identified other factors influencing philanthropy, including:

- i. Donors have broad networks and information about philanthropic activities, locations, and communities involved.
- ii. Donors are more likely to give to those who make requests. For example, rural schools in need of desks and chairs may garner support when their needs are widely publicized.
- iii. The rewards and blessings felt by donors that motivate them to continue providing aid.
- iv. The values and morals instilled in the donors themselves.
- v. The effectiveness of the donation influencing the donor's decision to continue their support.
- vi. The method of giving, which may encourage or delay donations, such as cash donations, material goods, or online contributions.
- vii. Individuals with higher incomes tend to be more inclined to give to charity.

The joy of giving, high demand, tax incentives, and cost factors also influence the tendency to donate (Saidu and Oguntola, 2015; Thompson and Burnett, 2019). Mohd Faisal et al. (2014) also stated that online donation methods can motivate individuals to give, such as the introduction of electronic waqf (e-waqf), which attracts more individuals to donate by leveraging modern conveniences like online banking. These factors must be considered to encourage more individuals to donate, ultimately helping to improve the economy and welfare of the ummah as a whole.

Despite these encouraging factors, several obstacles hinder the cultivation of philanthropy. These include weak management (Ariza, 2012), a lack of trust in the institutions or individuals managing waqf (Johari et al., 2015; Mohd Faisal et al., 2014), and transaction costs disliked by donors (Ariza, 2012; Saidu and Oguntola, 2015). Philanthropic institutions must address these issues and improve management quality to foster philanthropy within society. This situation must be avoided, as it could lead to a loss of interest in philanthropic activities among donors.

In Malaysia, Islamic philanthropy is carried out indirectly through methods such as waqf, zakat, and infaq. To encourage people to donate, e-philanthropy has also been introduced. E-philanthropy refers to online donation methods. One example is e-waqf, which makes it easier for individuals to donate waqf online (Mohd Faisal et al., 2014). Banks such as Bank Muamalat and Maybank have implemented this method, and more banks have followed suit through online banking. This makes it easier for individuals to donate while fulfilling their responsibilities as Muslims.

In Indonesia, philanthropic activities are conducted annually to promote this culture. Indonesia advocates for social justice philanthropy to reduce the gap between the rich and the poor. This philanthropy is not limited to short-term goals but also focuses on long-term effects (Ariza, 2012). Zakat institutions in Indonesia are encouraged to do more than just collect zakat. Muhtada (2014) suggested allocating more funds for economic development programs, which would strengthen zakat organizations in promoting societal well-being. Indonesia also practices philanthropic traditions, such as paying zakat only through zakat-based charitable organizations and donating waqf assets like buildings or land (Bilal, 2016;

Latief, 2013a). These traditions have contributed to the development of Islamic education in Indonesia through the provision of schools on endowed land. Religious non-governmental organizations (RNGOs) in Indonesia have played a key role in promoting philanthropy through various charitable programs and domestic fundraising efforts. Alawiyah (2013) stated that RNGOs should emulate international NGOs with global networks to secure funding. This would indirectly improve RNGO fund management and enhance social welfare in Indonesia.

In non-Islamic countries like China, philanthropic activities are conducted through various means. One example is philanthropic education programs (Tu et al., 2020), which target children from poor and low-income families. These detailed programs help children break free from the cycle of poverty, ultimately changing their lives. These programs have the potential to reduce intergenerational inequality, leading to the creation of high-quality human capital.

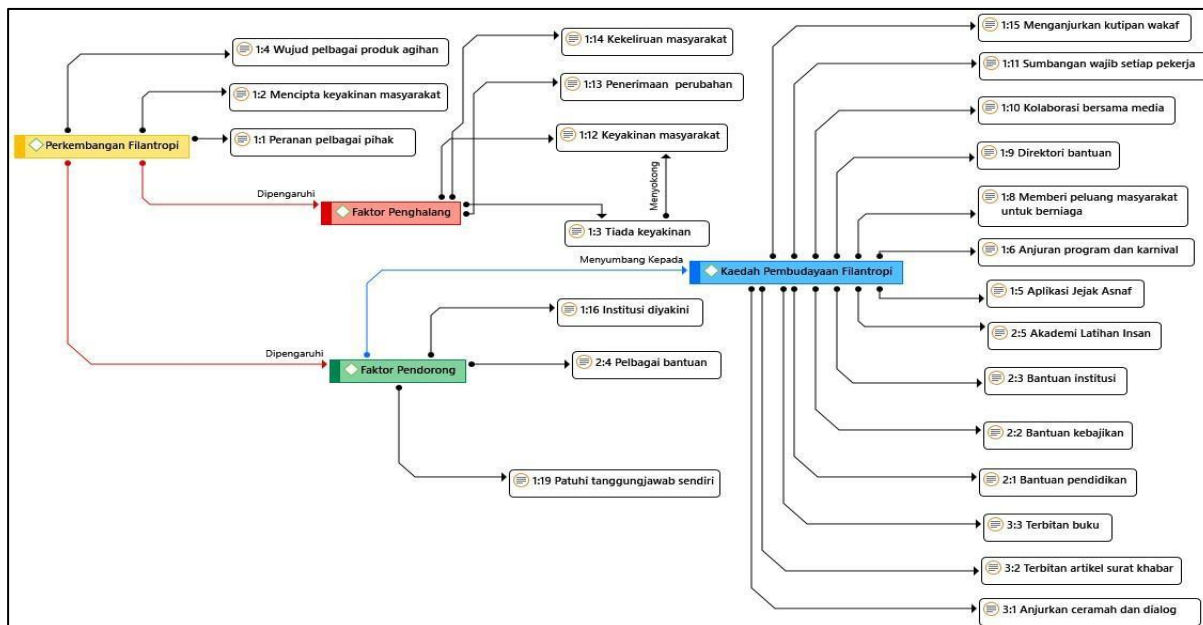
Methodology

This study employs a qualitative approach, using semi-structured, in-depth interview techniques to gather data. Interviews are two-way conversations and interactive exchanges between the interviewer and respondent to obtain information (Chua, 2014). In-depth interviews require the interviewer to follow detailed guidelines (Kamarul Azmi, 2012). Semi-structured interviews are among the best methods to explore and explain factors and subfactors (Othman Lebar, 2014). For this study, the interview method was used to provide a broad picture of the philanthropic activities conducted by Baitulmal Sarawak.

The study was conducted at Baitulmal Sarawak, and four respondents were interviewed. The collected data was analyzed using Atlas.ti software version 8, and several themes were developed. These include factors driving philanthropy, barriers to philanthropy, and methods of fostering philanthropy employed by Baitulmal Sarawak. All analysis results will be discussed in the next section.

Research Findings

Figure 1 provides an overview of the philanthropic activities practiced by Baitulmal Sarawak. This includes the development of philanthropy, driving and inhibiting factors, and methods of fostering philanthropy. These themes were developed based on interviews conducted at Baitulmal Sarawak.



Development of Philanthropy

A total of RM260,957.714 was received in revenue in 2017 and 2018. This revenue includes community fund contributions amounting to RM190,885.451 from 1,333,096 donors. The revenue also comes from funds and assets under management. From this revenue, Baitulmal Sarawak has spent RM113,590,506, assisting 41,115 eligible individuals. Baitulmal Sarawak has conducted various programs in an effort to encourage philanthropy. These include holding dialogue sessions, and lectures, publishing articles in *Utusan Sarawak*, and releasing books every year. These activities are also aimed at raising public awareness about philanthropic practices such as waqf, zakat, and infaq.

Most donors in Sarawak come from the communities in Bintulu and Miri, attributed to high-income and industrial areas. Donors in Sarawak are not only from the Muslim community but also include individuals from other religions. This clearly indicates that the people of Sarawak possesses knowledge about philanthropic practices, albeit indirectly.

Factors Driving and Hindering the Culturalization of Philanthropy

Philanthropic practices in Sarawak are influenced by several factors. The driving factors can encourage more people to contribute and repeat their donations, while the hindering factors pose challenges for Baitulmal.

Driving Factors

Among the driving factors for philanthropy in Sarawak are:

Individual Responsibility

Aside from the responsibilities as a Muslim, the responsibility as a worker in Sarawak also encourages individuals to continue giving donations. With the establishment of mandatory contributions for every Muslim worker in Sarawak, this indirectly involves various groups and encourages charitable practices without significant burden.

Effectiveness of Giving (Community Giving Outcomes)

Funds from the community have been utilized effectively by Baitulmal.

Baitulmal Sarawak has used these contributions to provide various forms of assistance, including living expenses, education, emergency aid, and fire relief. Additionally, this assistance is channeled to various institutions such as suraus, mosques, and madrasahs. The effectiveness of each community contribution has encouraged more donors to continue helping without any doubts.

Trusted and Reliable Institutions

Trustworthy and transparent charitable institutions also serve as a driving factor for the culturalization of philanthropy. The community constantly observes how the management and transparency of a charitable institution channel community donation funds. When trustworthy institutions exist, the community is more inclined to contribute even more. In Sarawak, to address transparency issues, Baitulmal helps by issuing receipts as proof that a charitable institution's initiatives are reliable and trustworthy.

R1 stated:

"If all the rich people come to ask for donations, how can they trust to give that money? There's nothing. If there's a receipt from the Islamic council, then they are more confident to give because they know it's registered."

Hindering Factors

Among the hindering factors to the culturalization of philanthropy are:

Community Confidence

Community confidence is a significant barrier to philanthropic activities. Some community members are still unsure about whether the donation flows are being used appropriately. This attitude discourages the community from contributing and assisting those in need. Furthermore, charitable institutions also influence community confidence. People are more interested in contributing through institutions they trust. Therefore, charitable institutions need to make efforts to enhance community confidence. For example, charitable institutions issue receipts certified by Baitulmal Sarawak.

Acceptance of Change

Difficulty in accepting change also serves as a hindering factor, and Baitulmal needs to address this wisely. Communities that are still accustomed to old habits find it challenging to accept change, making it difficult to collect donations from them. The contributions received will ultimately be returned to them through infrastructure and education improvements. This change is hard for some community members to accept, leaving them in the same situation.

Community Confusion

Community confusion arises from the presence of several institutions conducting fundraising campaigns. The community becomes confused and thus less confident in providing assistance.

R1 expressed:

"We do crowdfunding, so others do crowdfunding too, causing the community to be confused about where the priority is, and where the donations are going."

Methods of Cultivating Philanthropy

There are several methods implemented by the Baitulmal Sarawak to cultivate philanthropy in Sarawak, both directly and indirectly. Among them are:

Application for Tracking Asnaf

This application is developed to identify asnaf (needy individuals) and to seek them out for assistance. The application also requires help from the local community. Although Baitulmal Sarawak constantly provides various forms of assistance to the community, there are constraints such as complaints not reaching Baitulmal. This is due to communication issues and geographical factors. Therefore, the role of the local community is essential so that those in need of help can be brought to the attention of Baitulmal. Using this application, reports can be made simply by sending images or complaints, and Baitulmal will take action within three days based on the area.

R1 stated:

"It's not that we don't want to help, but we can't reach them, so we want the community to help identify them. Thus, we created the asnaf tracking."

Organizing Programs or Carnivals

Baitulmal Sarawak also organizes various programs or carnivals to encourage the community to contribute and assist those in need. Among the programs conducted are the "Get to Know Baitulmal" program, talks, and the Baitulmal Together with the People program.

R1 stated:

"We've conducted many activities. Exhibitions, carnivals. For major programs, we call it Baitulmal with the people. We invite them to contribute."

Creating a Directory of Assistance

Baitulmal Sarawak has established a directory of assistance to provide aid to the community. This assistance directory encompasses various forms of aid needed by the community. The directory is a collaboration between the state government and Baitulmal. R1 explained the issue of slander regarding assistance that is not received:

"We say we are under the government, we have our core function, core focus. So, we created the assistance directory. We don't just help Muslims. We complement with the government, where the government doesn't go, we don't."

Collaboration with Media (TV Al-Hijrah)

Baitulmal Sarawak has also collaborated with TV Al-Hijrah regarding Baitulmal's efforts to cultivate philanthropy and assist asnaf across Sarawak. This partnership can raise awareness in the community about Baitulmal Sarawak's commitment to fostering philanthropy by helping asnaf throughout Sarawak using various methods.

R1 explained:

"We have a collaboration with TV Al-Hijrah; they will produce a series related to this. It will be aired on TV Al-Hijrah during Ramadan; we will do the shooting."

Mandatory Contributions

This contribution is a compulsory donation imposed on all Muslim employees in Sarawak. The contribution is made through salary deductions of RM1, RM2, or RM4. This indirectly encourages employees to contribute without any burden.

R1 emphasized:

"We impose mandatory contributions. Any employee in Sarawak, who is Muslim, will have their salary deducted automatically, RM1, RM2, RM4."

Establishing a Fund for Various Assistance

Baitulmal Sarawak is very active in creating various forms of assistance. This assistance covers multiple aspects.

According to R2:

"The Baitulmal Sarawak fund provides assistance programs, educational programs, aid for higher education institutions, assistance for Arabic schools, religious aid, Middle East aid, thesis assistance, and more. For welfare assistance, we help with living costs, emergencies, fires, deaths, and much more. We also assist institutions, mostly helping mosques and prayer houses; we support education such as motivation and so on. And then assistance for Islamic education activities, for UPSR and SPM student seminars, and assistance for university students to attend student seminars."

Overall, the assistance can be categorized as follows:

Educational Assistance

The Baitulmal Sarawak fund provides educational assistance programs for students in higher education institutions (IPT) or abroad, assistance in religious fields, and seminars for IPT/SPM students. This aid is given annually. There is also special assistance for the Middle East, which is also a scholarship.

Additionally, there is Ibn Khaldun assistance that combines funds from mosque boards and Baitulmal Sarawak. Assistance is also provided to madrasahs facing difficulties.

Welfare Assistance

Welfare assistance includes support for living costs, emergency aid, fire assistance, and so forth.

Institutional Assistance

Aid for institutions such as prayer houses and mosques.

Encouraging Waqf

Baitulmal Sarawak also encourages the practice of waqf (endowment) among the community. Baitulmal Sarawak assists institutions in organizing waqf fundraising programs. Various waqf results have been used for community purposes such as schools, laboratories, mosques, and halls. Baitulmal Sarawak has also established a hybrid waqf, where this waqf is used for the welfare of all layers of society. It is not only for religious development but also aims to generate continuous income from the waqf property, ultimately contributing to charitable organizations.

R1 stated

"This can be an example for the community of how to best conduct waqf. Not only to give land, prayer houses, but to help where the property can generate income, continuous income."

Human Capital Development

Additionally, Baitulmal provides opportunities for the community to engage in business to support their livelihoods and improve their lives. Baitulmal Sarawak also assists the community by establishing a human training academy. This academy aims to build skills in individuals and facilitate jobs that can help change their lives. This indirectly helps the community support themselves through their own efforts. This training is organized for free, and asnaf individuals are encouraged to apply.

R1 explained:

"This course is designed to develop skills, teaching them in two days what they can do to earn money. We don't want them to return still unemployed; for example, we teach skills for repairing air conditioners so they can return and earn money by repairing them."

Publishing Newspaper Articles and Books

Furthermore, efforts to cultivate philanthropy are also disseminated through information dissemination, such as weekly newspaper article publications and annual book releases. These publications aim to raise awareness among the community to make philanthropy a daily practice. The publications are also related to Baitulmal and its role.

According to R3:

"Our general manager writes in the newspaper every week for community awareness. Utusan Sarawak. There's also a book published yearly that compiles all the newspaper articles."

Conclusion

Overall, the practice of philanthropy has been carried out in Sarawak indirectly.

Baitulmal Sarawak has played a significant role in collecting community funds and managing them towards welfare. This can be summarized as follows:

- i. Baitulmal Sarawak acts as a primary institution managing the funds of the Sarawak community.
- ii. There are factors that motivate the community to continue contributing, such as individual responsibility, effectiveness of contributions, and transparency of charitable institutions.
- iii. There are also issues and challenges that act as barriers to philanthropy, such as the community's level of confidence and acceptance of change.
- iv. Baitulmal Sarawak cultivates philanthropy by creating various programs and assistance, such as developing the asnaf tracking application, establishing an assistance directory, creating a help fund, collaborating with media, and setting mandatory contributions.

The philanthropic activities carried out by Baitulmal Sarawak should be emulated by Islamic institutions throughout Malaysia. This not only maximizes the benefits of the funds obtained but also involves the entire community in contributing to help improve the lives of those in need. This, in turn, can create social justice and reduce income disparity within society.

This paper also explains the importance of practicing philanthropic culture as a welfare economic sector in Islam. The government and the private sector are invited to integrate the culture of philanthropy to highlight the ability of the Welfare Fund to help improve the economy of the community while also reducing the level of severe poverty among the community.

For that purpose, further research on the involvement of the corporate and private sectors in cultivating the practice of philanthropy among management and staff is very necessary to be done. By paying business zakat for example as well as the value of business profits generated by corporate parties throughout the year can be a significant added value for the community and the country in general. Quantitative studies to assess the level of willingness of corporate and private parties to contribute part of the profits to philanthropy can be done by researchers and postgraduate students who are interested.

It is highly hoped that with studies like this, the Government and the private sector will be able to increase efforts to develop the country and improve the economy of the community in order to be able to compete in the global and international arena. The Government through the Ministry of Higher Education is expected to be able to provide more research funds in this field of philanthropy as an effort to achieve the desired and ambitions needed.

Acknowledgment

Special thanks to the Ministry of Education of Malaysia who gave the grant of Fundamental Research Grant Scheme (FRGS) for doing research titled Model Filantropi Kebangsaan Kearah Pembudayaan Global. (FRGS/1/2018/SSO6/UITM/03/). Also, thanks to MARA University of Technology Johore, Campus of Pasir Gudang, Academic of Contemporary Islamic Study (ACIS), and Baitulmal Sarawak for supporting this research.

Corresponding Author

Mohd. Farhan bin Ahmad, Jalan Purnama, 80350, Bandar Seri Alam, Masai, Johor, Malaysia.
Email: mohdf389@uitm.edu.my

References

- Alawiyah, T. (2013). Religious Non-Governmental Organizations and Philanthropy in Indonesia. *Indonesian Journal of Islam and Muslim Societies*, 3 (2), 203-221.
- Ariza, F. (2012). Towards the Discourse of Islamic Philanthropy for Social Justice in Indonesia Ariza Fuadi. *Afkaruna: Indonesian Interdisciplinary Journal of Islamic Studies*, 8 (2), 92-102.
- Bilal, A. M. (2016). Philanthropy in Practice: Role of Zakat in the Realization of Justice and Economic Growth. *International Journal of Zakat*, 1 (1), 64-77.
- Chen, J., Dong, W., Tong, J. Y., dan Zhang, F. F. (2018). Corporate Philanthropy and Investment Efficiency: Empirical Evidence from China. *Pacific-Basin Finance Journal*, 51, 392-409.
- Faizah, D., Nurul Huda, A. S., Haslinda, Y., Ramli, A., Mustaffa, M. Z., dan Nur Ain, A. B. (2017). Empowering Social Responsibility of Islamic Organizations through Waqf. *Research in International Business and Finance*, 42, 959-965.
- Hasan, S. (2011). Tradition and Modernity in Islam: A Reading through Power, Property and Philanthropy. *Intellectual Discourse*, 19 (1).

- Johari, F., Alias, M. H., Shukor, S. A., Abd Wahab, K., Aziz, M. R. A., Ahmad, N., Kefeli, Z., Hussin, F. A., dan Ibrahim, P. (2015). Factors That Influence Repeat Contribution of Cash Waqfin Islamic Philanthropy. *Management & Accounting Review (MAR)*, 14 (2), 55-78.
- Latief, H. (2013a). Filantropi Dan Pendidikan Islam Di Indonesia. *Jurnal Pendidikan Islam UIN Sunan Gunung Djati*, 28 (1), 123-139.
- Latief, H. (2013b). Islamic Philanthropy and the Private Sector in Indonesia. *Indonesian Journal of Islam and Muslim Societies*, 3 (2), 175-201.
- Lee, Y.-K., Choi, J., Moon, B.-y., dan Babin, B. J. (2014). Codes of Ethics, Corporate Philanthropy, and Employee Responses. *International Journal of Hospitality Management*, 39, 97-106.
- Faisal, M., Mohd Faiz, M. Y., Mazlin Hani, H., Nurhanani, R. (2014). Cash Waqf and Infaq: A Proposed E-Philanthropy in Malaysia. *Jurnal Kemanusiaan*, 12 (1).
- Farhan, A., Mohd Ali, M. D., Mahfuzah, M. Z., Rohaya, S., dan Azizah, M. K. (2018). The National Model of Philanthropy Towards the Global Philanthropic Practices. *INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS AND SOCIAL SCIENCES*, 8 (11).
- Muhtada, D. (2014). Islamic Philanthropy and the Third Sector: The Portrait of Zakat Organizations in Indonesia. *Islamika Indonesiana*, 1 (1), 106-123.
- Lebar, O. (2014). *Penyelidikan Kualitatif: Pengenalan Kepada Teori Dan Metod* (5th ed.). Tanjung Malim: Penerbit Universiti Pendidikan Sultan Idris.
- Saidu, O. S., Oguntola, M. A. (2015). Recent Philanthropy Strides: Lessons for Islamic Philanthropy. *Online Journal of Research in Islamic Studies*, 2 (2), 59-81.
- Salarzahi, H., Armesh, H., Nikbin, D. (2010). Waqf as a Social Entrepreneurship Model in Islam. *International Journal of Business and Management*, 5 (7), 179.
- Thompson, B. B., dan Burnett, M. F. (2019). Impact of the Stripes Leadership and Extended Orientation Program on Philanthropic Giving. *Philanthropy & Education*, 2 (2), 53-74.
- Tu, B., Huang, C.-C., dan Sorensen, J. (2020). Effects of Education Philanthropy on Well-Being of Low-Income and Gifted Students in China. *Children and Youth Services Review*, 108, 104659.