Heritage Conservation Through Public Donation in Malaysia: A Potential for Islamic Crowdfunding

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ABSTRACT
Heritage tourism sites are vital to be preserved due to their multiple benefits for society and nation. Nevertheless, over the years, some of these sites have been threatened due to the lack of funds to support conservation costs. While heritage sites need financial aids for their sustainability, the government allocation on this matter may be restricted, as they need to emphasise crucial areas like people welfare and economic development. In this regard, this study aims to explore the applicability of Islamic crowdfunding for heritage conservation in this country. In fact, crowdfunding has been successfully proven its role in supporting community-based projects. Through library research, two models are developed: *infaq*-based and *waqf*-based models. Despite this study is considered conceptual, its finding proposes two practical models that can be applied as crowdfunding platforms to support the conservation of heritage tourism sites in Malaysia.

Keywords: Heritage Conservation, Crowdfunding, Islamic Crowdfunding

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INTRODUCTION
Heritage is a broad term that includes history, culture and civilization. It serves as an irreplaceable source of inspiration for a nation. In this regard, preserving heritage means preserving the identity of the nation. At the same time, this effort entails economic return through the tourism sector. In the case of Malaysia, tourism has contributed a total of MYR 102.22 billion to the country’s GDP (Statista, 2021). Furthermore, this effort could potentially obtain other financial awards like the case of Georgetown, in which the city has received US 80,000 from the American Express Foundation in 2002 for its conservation effort (Said et al., 2013).

Nevertheless, heritage tourism sites have been threatened with insufficient funds due to various factors. For example, Lenggong Valley Archaeological Site, whereby Perak Man was found and its site has been recognized by UNESCO as a cultural heritage, currently seems to be abandoned (Bavani, 2019). The lack of visitors to the site has negatively affected its development (Komoo, 2020). At the same time, insufficient fund faced by the authority has made them to cut their budget for conservation. Pengkalan Kempas Megalithic Site, one of National Heritage Archaeological Sites, illustrates this situation when the site seems to be not well-managed. According to the state authority, the cost of maintenance for the site is no longer be able to be borne by them (Tun Tuah, 2016). In fact, conservation efforts involve a high cost of spending. The cost includes hiring experts or consultants and buying related materials (Muhamad, 2009).

At the same time, the lack of public awareness could threaten heritage conservation. This happens when owners of any historic building prefer to demolish their property without realizing the historical value of the building. For example, Runnymede Hotel that was built in 1920 has been demolished for the sake of modernization (Halim & Tambi, 2021). In fact, nearly 39,000 historic buildings built from 1800 to 1948 across the country are worthy for conservation (Sodangi et al., 2014). Neglecting this effort could threaten the identity of the nation as well as it can minimize a potential income revenue for the country.

In this regard, this paper aims to explore the potential of Islamic crowdfunding as an alternative fund to support heritage sites in Malaysia, particularly in covering the cost of conservation. It is learned that crowdfunding has successfully proven in supporting many projects, particularly community-based projects. With the power of the internet coupled with the transparency of campaign process, applying crowdfunding to support heritage conservation could attract modern society. Since heritage manifests the identity of a nation, the public should actively involve in this effort. Thus, crowdfunding seems to be among the practical tool for this purpose. This would reduce the burden of the government as well as to nurture awareness among society regarding their heritage.
To achieve the aim of this study, the library research is applied by utilizing secondary data such as websites, newspapers, related portals, books, articles, theses and conference papers. Despite secondary data is limited in some aspects, it is still sufficient and worth considering to explore the potential of crowdfunding in this area as well as to propose special models to support heritage conservation.

HERITAGE CONSERVATION

It is argued that heritage conservation efforts have started since the 18th century, along with the development of history, archaeology and museology, whereby the century has witnessed many sites, buildings and artefacts were preserved (Sodangi et al., 2013). Eventually, this awareness became a global commitment after the convention concerning the protection of the world cultural and natural heritage organized in 1972. The convention ended with a declaration: “Considering that deterioration or disappearance of any item of the cultural or natural heritage constitutes a harmful impoverishment of the heritage of all the nations of the world (UNESCO, 1972). In fact, the remaining heritage sites reflect the heritage of community and nation. These sites manifest “living past in the present” and preserving it becomes a collective memory as well as protecting their identity. In this regard, heritage conservation is actively carried out for the sake of preserving the past and transmitting its lessons and memories to future generations (Abdul Aziz, 2017).

In Malaysia, all matters related to heritage conservation are under the subject of the Environmental Impact Assessment Act 1974 (EIA 1974), Town and Country Planning 1976 (TCP 1976), and Street Drainage and Building Act 1976 (SDBA 1976) and the most important National Heritage Act 2005 (NHA 2005). In more details, NHA (2005) defines heritage as the generic meaning of a National Heritage, sites, objects and underwater cultural heritage whether they are registered or not. These include sites, structures, buildings, artefacts and human remains. Meanwhile, conservation refers to conservation, restoration, reconstruction, rehabilitation and adaptation. Until 2018, according to National Heritage Department, there are 69 buildings, monuments, and sites have been registered as National Heritage (NHD, n.d.). In fact, nearly 39,000 buildings built between 1800 and 1948 across the country have been listed worthy for conservation (Sodangi et al., 2014). Since 1990, more than 30 buildings and monuments have been preserved by the government through its agencies. Such buildings are Fort Cornwallis, Stadhuys building, Kampung Hulu Mosque, Tengkera Mosque and Kapitan Kling Mosque (S.N Harun 2011).

In fact, economic development and education have created awareness for people to appreciate the value of their heritage. As a result, this eventually could increase the number of tourists in the country (Mohd Ariffin, 2015). It is undeniable that heritage conservation significantly contributes to the country’s economy, particularly when their sites have been globally recognized. Malacca Historical City and the Inner City of George Town could be the best examples to illustrate this point. After been listed as UNESCO World Heritage Sites, both cities have successfully attracted many outside tourists (Omar et al., 2013).

Also, heritage conservation could potentially bring other funds, as in the case of Georgetown. The city has obtained a total of USD 80,000 in the form of a grant by 2002 from The American Express Foundation. The grant was awarded for the city due to its effort in heritage conservation after it had been listed as the 100 most endangered site by the World Monuments Fund (WMF) (Said et al., 2013). As a result, heritage conservation efforts on buildings have received attention from the government since they can support the tourism industry of the country. In fact, if heritage tourism sites are well-managed, it can create multiple benefits such as creating job opportunities, attracting investments and supporting local businesses. (Mahirah et al., 2020).

However, heritage conservation applies several principles to ensure this process achieves its standard. Such principles are conducting research before the process begins, minimizing alteration on historic fabrics, avoiding risks that could lead to damage on heritage materials, distinguishing new and additional materials, and respecting the quality of sites. Since Malaysia is one of UNESCO members in the Convention Concerning the Protection of the World Cultural and Natural Heritage, the country must follow the standard set by the body (S.N Harun 2011). Thus, not surprisingly, this effort needs a vast amount of expenditure: to hire experts and buy materials (Muhamad, 2009).

Heritage sites and all related materials represent a sentimental value for society and nation regarding their past (S.N Harun, 2011). In fact, conservation efforts should not be limited to the government; instead, these efforts must involve public participants. In this case, they should support costs that are needed for heritage conservation. In this regard, crowdfunding could be among the best tool to link between heritage and society.

CROWDFUNDING AND ISLAMIC CROWDFUNDING: CONCEPT AND MODELS

To begin with, the term crowdfunding comes from crowdsourcing (Mollick 2014). In fact, both terms share similar practices to reach the target by receiving small contributions from individuals (Zhang, 2012). Nevertheless, the two are different in terms of the role of funders towards the project (Muliawati & Masya, 2019). In fact, crowdfunding links between funders and fundraisers in order to obtain the return of their project (Hendratmi et al., 2019). This fundraising has become a new trend for individuals to obtain funds for their projects through an online website. In more details, crowdfunding facilitates mutual cooperation among people, particularly those who have a relationship with fundraisers (Mollick, 2014).

In fact, modern crowdfunding is characterized by the three following elements: Firstly, the fund comes from various individuals. In practice, the fund is obtained from a group called funders or backers or investors. This group has financially supported the project initiated by fundraisers. At the same time, funders play roles in market testing for the project or product initiated by fundraisers (Beaulieu et al., 2015). Secondly, the fund collected from funders aims to support a group of fundraisers. They can be individuals or teams. They need the fund to realize their idea into a project.
and seeking who are willing to finance them (Beaulieu et al., 2015). Thirdly, the internet platform links between funders and fundraisers. What make the modern crowdfunding different than traditional crowdsourcing, the former utilizes the internet as an intermediary platform to transfer the fund from funders and fundraisers (Hendratmi, Sukmaningrum, Ryandono, & Ratnasari, 2019).

In general, there are four models of crowdfunding that are widely practiced as the following:

1. **Donation-based crowdfunding**

Donation-based crowdfunding is the simplest practice as funders are considered to contribute without expecting any return. Their effort is because of social contribution or personal motive. Thus, this model is also known as contribution-based crowdfunding, or community-based crowdfunding where funders support a certain social project with their money (Marzban, Asutay, & Boseli, 2014). Usually, fundraisers are individuals, small business, artist, and NGO (Salido-Andrés, Rey-García, Álvarez-González, & Vázquez-Casielles, 2019). The main difference between donation-based crowdfunding and traditional donation carried out by certain bodies, the former is designed for a particular project (Hiller, 2017). In Malaysia, Skolafund, Kitafund and Arba Foundation used donation-based crowdfunding to raise funds for their projects.

2. **Reward-based crowdfunding**

The second model is reward-based crowdfunding, which is slightly different from the previous model as fundraisers provide an initiative token such as album covers, tickets, t-shirts, mugs and key chains as a reward for their funders (Kraus et al., 2016). Like donation-based crowdfunding, the motive of funders for reward-based are because of social contribution or personal interest. In practice, platforms that offer reward-based crowdfunding have applied the concept of “All or Nothing”. This concept requires all fundraisers must achieve their target, otherwise, the fund would be returned to the original funders (Kamaruddin & Ishak, 2020).

3. **Equity-based crowdfunding**

The third model is equity-based, in which it is practiced when fundraisers sell the share of their project or business in the form of equity to the public via a crowdfunding platform (Pierrakis and Collins 2014). Unlike the donation and reward, equity-based crowdfunding offers funders a financial return from the income generated by the project (Collins & Pierrakis, 2012). From a legal perspective, equity-based crowdfunding is the most complex crowdfunding models (Wilson and Testoni 2014). Nevertheless, this crowdfunding model has been as the fastest-growing model that has gained more attention across the world. Furthermore, equity-based crowdfunding is encouraged by the government because of its significant role in financing start-up businesses whose experienced difficulties to obtain financial aid from mainstream financial institutions (Biancone & Secinaro, 2016).

4. **Lending-based crowdfunding**

The last model of crowdfunding is lending-based crowdfunding. This model seems to be similar to banking institutions in terms of offering a loan with interest to their borrowers on one side, while investors deposit their money on the other side (Ramos & Stewart, 2014). In other words, lending-based crowdfunding platforms manifest a banking practice into a fundraising practice and utilizing the fund as loans with a lower interest rate set by the platform. Nevertheless, lending-based crowdfunding provides an option for their investors to choose any business launched by fundraisers.

In terms of benefits, crowdfunding offers multiple advantages for involving parties such as providing fund and creating job particularly when fundraisers begin to run its project (Bale 2018 & Abdullah, 2016). Therefore, crowdfunding promotes a win-win situation for both fundraisers, particularly entrepreneurs as well as society in generating economic growth and creating jobs in areas where financial aids are restricted (Ramos and Stewart, 2014). Nevertheless, crowdfunding has a limitation in terms of achieving the big-scale project target, even though fundraisers may attract many funders since their contribution is small (Ramos and Stewart, 2014). Also, the protection of ideas from imitation and delay, even the failure of campaign could be the main disadvantages of crowdfunding (Manchanda and Muralidharan 2014).

In general, the practice of crowdfunding seems to be in line with Islam in terms of promoting cooperation and providing financial aids for the needy. Some crowdfunding models particularly donation and reward-based, have no Shari’ah issues in terms of financial practices. Nevertheless, for both equity and lending-based, some of their instruments may need to be modified so as they are complying with Shari’ah (Ishak & Rahman, 2021). For instance, lending-based crowdfunding platforms have imposed interest-based loans, which are clearly prohibited by Shari’ah. Alternatively, various Shari’ah instruments can be adopted in crowdfunding like murabahah (mark-up sale), istisna’ (manufacturing contract) and salam (forward sale). All of them are designed as financing for future projects (Hendratmi et al., 2019). Meanwhile, Shari’ah profit and loss sharing instruments like mudharabah and musharakah (full partnership) can be practical alternative instruments to create a partnership relationship between funders and fundraisers (Ishak et al., 2021).

Another aspect that distinguishes Islamic crowdfunding from original crowdfunding, the former can be applied to manage Islamic funds like waqf, sadaqah and zakat. Cash waqf (Islamic endowment) for example has become popular nowadays as a vital tool to for charitable purpose. In fact, Islamic crowdfunding can overcome the issues of liquidity in waqf management (Mohd Thas Thaker, 2018). As for sadaqah and zakat, Islamic crowdfunding can be an internet platform established by religious institutions as an instrument to collect the fund optimally and to channel it effectively (Mohd Thas Thaker et al., 2019).
ISLAMIC CROWDFUNDING AS A FINANCIAL TOOL FOR HERITAGE CONSERVATION

It is clear that crowdfunding aims to gather fund from the public and then channel it for projects initiated by fundraisers. Since campaigns through crowdfunding require high transparency in terms of fund management, this effort has huge potential in convincing many funders. In regards to Islamic crowdfunding, if this practice is motivated by the spiritual aspect, it can attract more Muslim funders. Nevertheless, proposing Islamic crowdfunding in heritage conservation must begin with analyzing this effort based on the Islamic perspective.

Firstly, exploring Islamic sources, the Qur’an encourages people to travel and observing the ancient remains of bygone civilizations as a means to learn from their history. In the chapter of al-Rum, God says: “Do they not travel in the land, and see what was the end of those before them?” (al-Rum 30:9). This verse clearly requires people to learn from previous nations through visiting their sites, and thus implicitly can be understood that conserving these sites is necessary so that people can visit and learn from them (Bani Ahmad & Al-Zuqaili, 2010).

Secondly, Shari’ah rulings are revealed to promote the well-being of all humankind. This well-being lies in protecting din (wealth) for worshipping purposes. Therefore, texts in Shari’ah should not be literally understood; instead, the high perspective of Islam must be considered too. To harmonize both, heritage conservation efforts must be carried out under Shari’ah principles.

Even though Shari’ah sources do not mention heritage conservation in details, they tend to generalise directives toward life concerns, particularly to increase environmental protection awareness, one of them is preserving heritage (Gharib, 2017). Also, looking at the history of early generations in Islam, the companions of the Prophet never demolished ancient sites when they conquered new territories like in Egypt and Syria (Al-Qardawi, 2005).

Therefore, it can be concluded that heritage conservation should be in line with Islam. Even though several texts indicate statues must be demolished, heritage conservation is different as the latter is preserved as a means of learning, not for worshipping purposes. Therefore, texts in Shari’ah should not be literally understood; instead, the high perspective of Islam must be considered too. To harmonize both, heritage conservation efforts must be carried out under Shari’ah principles.

In regards with crowdfunding, it is found that crowdfunding has been applied as an alternative fund for heritage conservation. Examples would be the crowdfunding project for Museum of Games in Finland, the PreserVanice project in Italy and Dartagnans website in France (Jelinčić & Šveb, 2021). Moreover, many ‘save heritage’ campaigns have been launched through popular crowdfunding platforms like Kickstarter, Gogetfund and Gofundme. All of them have proven that crowdfunding is applicable in supporting heritage sites or its materials.

In regards with Islamic crowdfunding, two models can be suggested as instruments to manage the fund.

The first model: Infaq-based model

1. The cost of heritage conservation is identified
2. The campaign is launched to support the conservation project
3. Funders contribute the money under the name of infaq to the project

Figure 1: Infaq-based model
Explanation:

1. Heritage sites are identified.

In this case, any abandoned site may be suggested as a conservation project. After the site is identified, special research needs to be carried out to ensure the conservation process meets the standard of WCH, particularly in terms of determining the budget. In terms of management, this project can be conducted by NGO related to heritage.

2. The campaign is then launched through a platform.

Subsequently, the project campaign is launched through a crowdfunding platform. As usual, the project campaign must be transparent in terms of the costs involved. Also, it must provide a timeframe with a specific target. At the same time, the fundraiser must motivate funders among internet users to contribute to this project. Furthermore, it is suggested that the fundraiser that the fundraiser offer souvenirs or mention the name of funders in a special plat built on the site later.

3. Funders fund the project

Funders contribute their money to this project under the name of infaq. In more details it is likely a usual donation without expecting any financial return. This is the simplest model that can be applied. Even though it seems no different from regular donations, infaq requires two elements: intention for God and the project campaign must be Shari‘ah compliant.

Technically speaking, infaq is a spontaneous voluntary charity that can be either in tangible form or in intangible form (Faisal et al., 2014). In other words, its practice is similar to a general donation. Infaq based model can be a simple and practical model as Islamic crowdfunding in preserving heritage including old mosques and ancient palaces. Nevertheless, this practice must not be applied to heritages against Shari‘ah doctrine like temples and old churches. Another issue would be the status of old graves that are related to prominent Muslim figures. On the one hand, some Shari‘ah texts have specifically warned any effort to build unnecessary things or decorate graves that are against Islamic principles. This is the reason why some Muslim countries like Saudi have destroyed many additional buildings on graves. Nevertheless, looking at the wisdom behind this prohibition, it is learned that Shari‘ah attempts to close any route for superstition or matters against Islamic doctrine.

On the other hand, preserving these graveyards that belong to previous important figures are vital to preserving the history itself. For example, graves related to independent fighters, prominent scholars, and pious leaders could bring awareness in terms of making contributions to society and the country. To harmonize this situation, conservation must be related to matters indirectly to graves like to provide signboard or to build a special house as an exhibition related to the figure.

The second model: Waqf-Based model for heritage conservations

The waqf Institution needs to raise the fund through its own internet-based platform to ensure its management is efficient. This project has to be funded within a specific timeframe.

3. The fund is invested.

As required by Shari‘ah, the subject matter of waqf must be perpetual which means the property must not be constrained by time. This will ensure sustainable and continuous support

<table>
<thead>
<tr>
<th>The waqf institution provides a special fund for heritage sites</th>
<th>Campaign is launched</th>
<th>Funders fund the project under the name of waqf</th>
</tr>
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<tr>
<td>4. The fund is invested and the profit is channeled for heritage conservation</td>
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Figure 2: Waqf-based model
from the revenue generated from the *waqf* towards Muslim societies.

4. The profit would be channeled for beneficiaries

The profit from this investment would be channeled to sites.

*Waqf* can be defined as holding individual properties including cash or land for sake of other benefit (Abu Talib et al., 2020). Since its founding, *waqf* has contributed to the advancement of national well-being and social development. It was very prosperous during Islam’s golden age. It was previously considered one of the most influential third-sector institutions in the world. It is possible to classify it as an instrument for financing Islam as a society (Sulaiman et al., 2019). *Waqf* is a powerful and efficient instrument for raising sufficient wealth that may be used to fund various economic and social activities sustainably. In reality, with the founding of world-famous educational endowments such as Merton College, University of Oxford, a paradigm akin to *waqf* was adopted in Europe (Sulaiman et al., 2019). The act of doing good and spreading the word about a worthy cause through crowdfunding can have an impact on the *waqf* landscape. In many aspects, crowdfunding exemplifies the act of philanthropy for the Muslim brotherhood (Suhaili & Palil, 2017). With the recent increase in public awareness of *waqf*-based charities, internet crowdfunding is positioned to play a key role in raising funds for a variety of new *waqf* needs both inside and beyond countries. In this regard, crowdfunding can be a useful instrument for connecting individuals with the purpose of performing *waqf* (Suhaili & Palil, 2017).

**Challenges for both models**

Nevertheless, practicing crowdfunding is not easy in reality. Several challenges need to be considered before crowdfunding could be applied for heritage conservation. Firstly, failure to reach the campaign target. Even though crowdfunding is widely recognized for its power to create a large pool of money from many funders, not all campaigns are able to achieve their target. Since heritage conservation may need a tremendous amount of money, it is not easy to achieve its target. Despite having a large number of funders, their contribution in fact, is relatively small (Ramos and Stewart, 2014).

Secondly, the public awareness on heritage conservation. It is widely understood by many people that financial matters related to heritage sites should be under government commitment. This is untrue since heritage conservation would become unsustainable without local community participation. In fact, heritage conservation is mutual responsibility between the government and its people. Involving society in heritage conservation could provide them with information so as they can understand issues and values of heritage. Furthermore, their participation could be the best opportunity to raise their opinion on the heritage conservation process (Md Dian, 2013).

Finally, Muslim perception on Islamic crowdfunding. In this regard, the effort must begin to convince Muslim society that supporting heritage sites is part of Islam. Another challenge would be this effort may be seen as less priority in comparison with other philanthropic aspects like helping the poor, building new mosques and supporting Islamic centres. Therefore, it is vital to begin this effort by promoting heritage conservation from the perspective of Islam.

**CONCLUSION**

This study aims to explore the applicability of Islamic crowdfunding as a source of funds for heritage conservation in Malaysia. It is learned that the tourism sector has significantly contributed to the country’s economy, a part of them is heritage sites. Nevertheless, these sites have been threatened over the years due to various factors, mainly insufficient funds. While heritage sites reflect the identity of a nation and society, they need financial aids for their sustainability. In fact, heritage conservation efforts could not solely rely on the government budget, rather it should be mutual responsibility with society. Through library research, this study proposes two Islamic crowdfunding models: *inafaq*-based and *waqf*-based. While both models have a great potential to be applied in real practice, several challenges like failure of a campaign, public awareness and Muslim perception need to be considered. While the contribution of this study may be limited since it is a conceptual paper, future studies are encouraged to involve the empirical side either by applying qualitative or quantitative approaches.

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**Reference**


