

Pentahelix Model in the Development of Islamic Social Finance at Amil Zakat Institutions

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Abstract

This research aims to offer the concept of pentahelix in the management and development of modern Islamic social finance. This research is a qualitative research with a library study approach that seeks to explore and develop the concept of pentahelix that has not been applied to the management and development of Islamic-based social finance activities. The results of this discussion found a new concept related to the pentahelix concept in the management and development of Islamic social finance. What can be done is starting from the activeness of academics, business people, government, communities and the media. The five elements have an interrelated relationship and support each other in the concept of developing Islamic social finance. Academics play a role through education, service and research tasks that will prepare and equip knowledge to human resources who have managerial skills and mastery of the knowledge needed in the management of Islamic social institutions. The government also has a role in the development of Islamic social finance in the form of support by publishing the Sharia Economic Master Plan by the National Development Planning Agency (BAPENAS). These activities require community support, and the role of mass media is needed in order to provide information or education. The effectiveness of using mass media is considered to have more continuity and durability of information and accuracy in reporting.

Keywords: Pentahelix; Development; Islamic Social Finance

A. Introduction

Islamic social finance brings a new necessity as an alternative to pressing economic problems, especially those related to sources of capital or funding for social interests. Islamic social finance sources have great potential both in terms of the number and activity of collection units. The potential of Islamic social finance does not have a certain limit and amount, but Islamic social finance is built on the value of awareness, willingness and confidence of Muslims to participate and donate in social activities. Participation or donation of Islamic social finance does not come from one activity, but Islamic social finance comes from various activities, namely zakat, waqf (Wahfiudin Sakam, 2022), infaq, sadaqah, compensation, voluntary giving or grants (Anisah, 2022).

Islamic social finance has a unique concept. Because it comes from the value of sincerity and willingness to share and relieve each other and raise human degrees from economic downturns. Although the potential of Islamic social finance is so great in solving

funding and economic problems, this potential has not been utilised properly starting from promotion, data collection, management, policy or social financial governance. One form of promotion, management, policy and governance of Islamic social finance has not been done optimally, namely not modernising the concept of Islamic social finance which is interconnected between various stakeholders. Islamic social finance management tends to be partial both in terms of collection or management and distribution. In the management and development of modern Islamic social finance, emphasises the connection between the stakeholders involved, including: management and development of Islamic social finance with the academic world, namely studying, exploring various views of understanding and practice of current Islamic social financial management that are not found in the past, but are needed today. Academics play an important role in simplifying knowledge and understanding for various groups with modern Islamic financial practices based on digital (Ahmad Juwani et al, 2022). The purpose of this research is to offer the concept of pentahelix in the management and development of modern Islamic social finance through digitalisation.

B. Literature Review

Islamic Social Finance

Islamic social finance is an alternative to religion-based social financial management that is intended for social or religious activities. Islamic social finance is also a financing distribution activity with contracts in accordance with Islamic principles with the aim of helping the poor and economically weak in achieving their welfare (Cattelan Valentino, 2019). The financial system used in order to solve economic problems to realise community welfare using zakat, infaq, sadaqah, waqf, and Islamic microfinance instruments (Widiastuti et al., 2022). The provision of this platform is intended for people who need assistance in running their business which comes from three main sources namely zakat/sadaqah, waqf and Islamic microfinance (Hamed, 2020); (Lawal & Ajayi, 2019). This financial sector must fulfil Islamic principles and be developed for economic and social development (Adjar, et al., 2020). This financial management system is used for social interests by managing it in accordance with sharia principles (Siswantoro, 2022).

Based on various sources that explain related to Islamic social finance, it can be understood that what is meant by Islamic social finance is Islamic finance obtained and used for economic and social activities or community welfare sourced from zakat, infaq, waqf, alms, grants, and so on. Although there are several items of social finance sources that can be used for social and economic activities, in general these sources can be grouped in two ways, namely: a) donations in the form of an obligatory tax in Islam called zakat which is bound by nisab, haul and designation (Umara and Umar, 2022), and b) voluntary donations in the form of sunnah practices that are not bound by nisab, haul and designation such as: waqf, infaq, sadaqoh, grants and also not an obligation but only based on willingness and sincerity to spend the wealth he has for economic or social needs and activities for those who need it.

Pentahelix

The concept of Pentahelix is derived from the words penta and helix. The word penta means five and helix is a braid. In simple terms, the concept of the Pentahelix Model is a relationship between one another that is intertwined and needs each other. The Pentahelix component consists of five elements, namely: academics, entrepreneurs, community groups, government, and mass media. Pentahelix in the view of Lindmark et al is a form of continuation or development of integrated relationships and synergy between government, business, and academia. In this model, the role of the private sector tends to be in producing activities (producers), the government is in making regulations and policies that seek to ensure the stability of activities. Meanwhile, academics play a role in the improvement and development of science and technology. The management and implementation of Pentahelix is done with a more collaborative approach to the roles of the five contributing stakeholders and synergistic Penta-Helix links (Lindmark et al., 2009).

The elements or components contained in the Pentahelix model can be summarised in the acronym ABGCM (Academician, Business, Government, Community, and Media). The role of each stakeholder is as follows:

- a. Academics act as potential identifiers, designers, inventors and developers of science and technology. Academics are more likely to be the source of diggers, discoverers of relevant new concepts and theories.

- b. Business actors have a role as developers and managers to realise added value in a product and maintain sustainable growth.
- c. The government acts as a regulator and policy in planning, implementing, licensing, public services, and support that builds relationships between the general public and entrepreneurs.
- d. The community contained in society is an important element in the Pentahelix concept and has a role to accelerate or inhibit other components contained in Pentahelix (Yuningsih et al., 2019).
- e. Conventional or modern media has an important role in the Pentahelix concept as an independent element that is not affected by other components, but colours the Pentahelix model. In addition, the media is utilised for disclosure and delivery through publications (Setya Yunas, 2019).

The relationship between the roles of each Pentahelix component can be illustrated in the following figure:

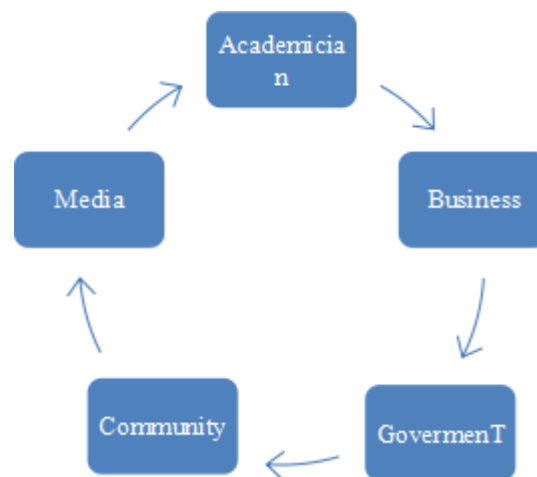


Figure 1. Pentahelix Relationships and Roles (Rochaeni et al., 2022)

C. Research Methods

This research is a qualitative research with a study library approach that seeks to explore and develop the Pentahelix concept that has not been applied to the management and development of Islamic social finance activities. The study library analogy is developed with inductive analogy as a knife for data analysis and discussion.

D. Result and Discussion

The results of the review of some literature related to the penthalix concept developed in various activities involving at least five main components, namely academics, business people, government, community and media. These elements are interrelated components in building integration and synergy between each element. This model (pentahelix) in the development of Islamic social finance requires adoption and adaptation in accordance with the behaviour of the activities. Therefore, the main emphasis needs to be on:

1. Development of Islamic Social Finance Concept

The development of Islamic social finance has undergone significant and positive changes in various forms. These developments are not just designations but apply to their treatment. Changes in the treatment of Islamic social financial activities can be seen in various forms of activities including zakat, waqf, infaq, sedakah and so on. The classical change of zakat from zakat that only applies to consumptive activities has developed into productive zakat, as applied by Lembaga Amil Zakat Muhammadiyah (LAZISMU) East Java. The distribution of zakat funds is intended for productive activities, namely: capital assistance by providing soft loans for mustahik business development, building facilities and creating jobs for mustahik who do not have jobs, providing training facilities in the form of coaching programmes for MSME actors and providing skills and educational facilities to improve the quality of mustahik (Anisah, 2022).

The management of waqf has also developed, from classical waqf in the form of fixed goods such as land for tombs, mosques and madrasas, now waqf has been managed productively, namely by processing paddy fields in Miftahul Jannah Islamic Boarding School in Karawang by the foundation management as nazhir, the results of which will be distributed for the operation of the boarding school, including for repairs and renovations of the boarding school building, besides that it is also distributed for the honorarium of the teachers, and the rest for the purchase of office stationery (Komarudin et al., 2020).

Waqf that is widely discussed today is cash waqf. The concept of cash waqf makes money as a waqf asset that will be able to generate profits from the management

of assets (money) through productive activities, such as the concept that has been implemented by the Rotte Indonesia Mulia Foundation in Pekanbaru City. The money that has been endowed by the waqif is produced by setting up bread outlets through the production and sale of bread to consumers. Part of the profits from the sales will be channelled to mauquf 'alaih, including in the form of economic, social, health, education and da'wah assistance (Nuryanti et al., 2022). Likewise, infaq, sedakah and grants have also undergone changes. This change is fundamentally a change in the paradigm in viewing the concept of Islamic social finance contextually based on textual and historical buildings.

2. Governance of Islamic Social Finance

The management or governance of Islamic social finance, whether managed by individuals or institutions, has actually existed for a long time, even starting during the leadership of Caliph Umar Ibn Khattab through an institution called Baitul Maal. The Baitul Maal institution managed during the time of Caliph Umar Ibn Khattab, its form and activities adjusted to the text and context at that time where the management of Islamic social finance was sufficiently managed only in one institution, namely Baitul Maal. The management of Islamic social finance at this time has developed and is divided into more contemporary fields and names, including the amil zakat institution or amil zakat agency, which is an institution that manages the collection or distribution of zakat. Waqf institutions or waqf agencies specialise in the management of waqf activities both consumptive and productive waqf.

The management of Islamic social finance in terms of waqf, zakat, infaq, and alms by amil zakat institutions requires accounting records and information systems so that interested parties obtain accurate information in the form of financial reports. Management is carried out professionally, because it is related to the interests of the people and is social in nature. The professional management of Islamic social finance includes three basic philosophies, namely; first, the management pattern must be in the form of integrated projects. Second, paying attention to the welfare of the manager, in this case the amil zakat institution, namely the balance between obligations and rights that must be done and received by the amil zakat institution. Third, transparency and

accountability. Transparency, namely in the management of Islamic social finance, must prioritise openness regarding information, financial reports and developments in the management of social funds. The information is reported using digital technology. Especially for waqf management, the Indonesian Waqf Board (BWI) has made a data-based waqf development programme and digital transformation. Meanwhile, accountability is the existence of accountability for the performance of Islamic social financial managers in a transparent and reasonable manner, so that it will gain the trust of the community.

Professionally managed Islamic social finance management can be seen from the application of good management, so that the realisation of an Islamic social finance management institution that fulfils the principles of Good Governance (GG). There are 4 pillars in GG, namely: First, transparency, namely amil zakat institutions as managers must provide relevant information, in a way that is easily accessible and understood by stakeholders. Second, accountability, which means that the company must be able to account for its performance transparently and fairly. Corporate responsibility, which is not only returned to shareholders, but also to stakeholders. Third, Fairness, namely the manager must always pay attention to the interests of the people. Fourth, independence (Independency), namely the institution must be managed independently, so that each organ in the institution does not influence each other and cannot be intervened by other parties (Huda, et al., 2014).

3. Linked to Pentahelix System in Islamic Social Finance

The development of the concept and governance of Islamic social finance requires the establishment of a system that is realised or not the concept is needed in the current managerial development. The system is a series or components or elements that are interrelated between each while connecting them to Islamic social finance. The linkage of these components or elements is adjusted to their functions and roles. The components or elements consist of five, which is a development based on the tripelhelix concept. This concept is better known as pentahelik, which consists of academics, business people, government, community and media.

The first element in the pentahelix concept is academia. Academics have a role

through education, service, and research. The role of academics in the development of Islamic Social Finance can be done mainly in education and community service activities in the form of education and literacy activities (Haniah Lubis, Tun Rustam, Nuryanti, 2023). In addition, through research activities academics play a role in finding modern methods or management patterns in the management of Islamic Social Finance.

Business actors or managers at Islamic Social Finance institutions cannot be separated from the existence of academics. Managers are born from the hard work of academics by preparing and equipping knowledge to human resources who have managerial skills and mastery of strategic knowledge and understand the digitalisation technology needed in the management of Islamic social institutions today which can be used in fundraising activities through digitalisation-based media, one of which can use the Quick Response Code (QR Code), digital payments through LinkAja Syariah, OVO, and also mobile banking. Through the use of digital technology, it is considered strategic in increasing awareness of donations through zakat, waqf, infaq, sadaqah, and grants by the community.

In addition to academics and business people, the government also has a role in the development of Islamic social finance in the form of support by issuing the Sharia Economic Master Plan by the National Development Planning Agency (BAPENAS). One of the focuses of the Indonesian Sharia Economic Master Plan, namely: strengthening the Islamic financial sector, namely Islamic social finance including zakat and waqf. This is a positive national support. Another form of government support is the establishment of Regional Committees for Islamic Finance Economy (KDEKS) in various provinces in Indonesia. KDEKS itself has an Islamic social finance directorate that will be able to provide support for the development of Islamic social finance in Indonesia (Nuryanti et al., 2022). This is a motivation for Islamic Social Finance managers because they have full support from the government. The encouragement and enthusiasm of the manager of Islamic social finance will lead to ease of management, namely fundraising and lending (distribution) activities.

In this case, the community also has a very important role. Indonesian society

with the majority of Muslims, who have awareness in practicing religious teachings kaffah is an extraordinary potential factor. However, the problem is the lack of public understanding about zakat and productive waqf. Most Muslims still think that waqf assets can only be used for worship purposes. This understanding actually narrows the use of waqf objects for the benefit of the ummah. Moreover, many Muslims believe that objects that can be waqfed are limited to immovable objects, such as land. Whereas waqf can also be in the form of movable objects, including money, precious metals, securities, vehicles, intellectual property rights, and lease rights. One of the solutions to this problem is to increase the intensity and frequency of socialisation, education, and promotion by interested stakeholders.

A consideration in increasing the intensity and frequency of socialisation, education and promotion is the use of the most appropriate media, namely the use of mass media. Mass media is an access to information or education without space and time limits. The effectiveness of using mass media is considered to have more continuity and durability of information and accuracy in reporting. The news is in the form of seminars related to zakat, waqf, workshops, training, literacy and education, FGDs, information related to policies, socialisation of laws and regulations.

E. Conclusion

The development of Islamic social finance has undergone significant and positive changes in various forms. These developments are not just designations but apply to their treatment. Changes in the treatment of Islamic social financial activities can be seen in various forms of activities including zakat, waqf, infaq, sedakah and so on. Professionally managed Islamic social finance management can be seen from the application of good management, so that Islamic social finance management institutions that fulfil the principles of Good Governance (GG) are realised. There are 4 pillars in GG, namely: First, transparency. Second, accountability. Third, Fairness, namely the manager must always pay attention to the interests of the people. Fourth, independence. The development of the concept and governance of Islamic social finance requires the establishment of a system that is realised or not the concept is needed in current managerial developments. The system is a series or components or elements

that are interrelated between each while connecting them to Islamic social finance. The linkage of these components or elements is adjusted to their functions and roles. The components or elements consist of five, which is a development based on the tripelhelix concept. This concept is better known as pentahelik, which consists of elements of academia, government, and the private sector.

The interrelationship of these components or elements is adjusted to their functions and roles. The components or elements consist of five which are developments based on the triple helix concept. This concept is better known as pentahelik, which consists of academics, business people, government, community and media.

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