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The Digital Transformation of Islamic Philanthropy: A Library Study of Crowdfunding Platforms, Donor Behaviour, and Regulatory Challenges in Indonesia

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Abstract

Digital transformation has reshaped the way Indonesian Muslims channel zakat, infaq, sadaqah, and waqf, yet the rapid expansion of crowdfunding platforms has not been matched by a corresponding regulatory framework. This study maps the landscape of Islamic philanthropic crowdfunding platforms in Indonesia, analyses the determinants of digital donor behaviour, and identifies the regulatory challenges that accompany the transition. It employs library research with content analysis of forty-eight scholarly sources and policy documents published between 2023 and 2026, retrieved from Google Scholar, Garuda, DOAJ, and the official publications of the National Board of Zakat and legislative institutions. Three findings emerge. First, the ecosystem comprises four distinct models, namely general aggregator platforms, the digital channels of zakat institutions, digital wallets and marketplaces, and entirely informal social media fundraising, whose regulatory compliance declines across the sequence. Second, digital donor behaviour is no longer governed by religiosity alone but by its interaction with institutional trust, reporting transparency, ease of technology use, and social influence, giving rise to a more transactional donor who is highly sensitive to campaign credibility. Third, Indonesian philanthropic regulation still rests on Law Number 9 of 1961 concerning the Collection of Money or Goods, which does not recognise online transactions and therefore leaves legal gaps in donor protection, platform accountability, and the sharia status of the funds collected. The study recommends a facilitative regulatory reform, a standardised digital

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reporting framework grounded in the principle of amanah, and the strengthening of digital philanthropic literacy as a prerequisite for a sustainable ecosystem.

Keywords: Islamic philanthropy, crowdfunding, digital transformation, donor behaviour, regulation.

INTRODUCTION

Islamic philanthropy in Indonesia is undergoing its most fundamental change in form since its institutionalisation through Law Number 23 of 2011 concerning Zakat Management, namely the migration of fundraising from face-to-face collection to digital platforms. This shift does not merely replace the instrument of payment. It reconfigures the relationship between giver and beneficiary, the way institutions build trust, and the scope of state supervision.

The urgency of the study rests on the gap between potential and realisation. National zakat potential is estimated at IDR 327 trillion a year, while actual collection reaches only about ten per cent of that figure (BAZNAS, 2025). Digitalisation is frequently positioned as the answer to this gap because it widens access to prospective donors, lowers the cost of fundraising, and accelerates distribution. Recent literature, however, shows that the adoption of digital channels remains constrained by trust, digital literacy, religious perceptions of the validity of online contracts, and data security, so that zakat fundraising in Indonesia follows a hybrid and layered trajectory rather than a linear shift from tradition to digitalisation (Khoiriyah and Hidayat, 2025).

At the same time, the digital philanthropic space grows far faster than the instruments designed to govern it. Aggregator platforms have become an infrastructure of public solidarity, the digital channels of zakat institutions have expanded rapidly, and social media fundraising can be initiated by anyone without institutional verification. Cases of misappropriation involving both individual fundraisers and large philanthropic organisations reveal weak enforcement and expose the fragility of public trust as the principal capital of philanthropy (Saravistha and Mataram, 2025). The governing statute, Law Number 9 of 1961 concerning the Collection of Money or Goods, is widely regarded as obsolete because it makes no provision for fundraising based on information technology (Legislative Body of the House of Representatives, 2024).

A review of publications issued between 2023 and 2026 indicates that scholarship on digital Islamic philanthropy is fragmented into three streams that rarely intersect. The first is managerial and examines digital fundraising strategies within a single institution.

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The second is quantitative and tests the determinants of digital giving intention through the Technology Acceptance Model or the Unified Theory of Acceptance and Use of Technology. The third is normative and legal, highlighting the regulatory vacuum surrounding online fundraising. The problems observed in practice, however, arise precisely at the intersection of the three, since donor behaviour is shaped by platform design while platform design is either constrained or left unchecked by the prevailing regulatory regime. This is the gap the present article seeks to address.

Objectives

This article intends

1. To map the landscape and the models of Islamic philanthropic crowdfunding platforms operating in Indonesia
2. To analyse the determinants that shape donor behaviour on digital philanthropic channels
3. To identify the regulatory and governance challenges confronting digital Islamic philanthropy
4. To formulate the direction of regulatory reform and a further research agenda

The discussion that follows rests on a qualitative approach in the form of library research. The method was selected because the questions addressed here are conceptual and policy oriented, the aim being to map patterns and identify points of convergence across a large body of dispersed empirical findings rather than to test relationships between variables at a single site. All data employed are secondary data in the form of verifiable written materials.

Primary sources comprise the statutes governing the collection of public donations and the management of zakat, official institutional documents such as the publications of the BAZNAS Centre of Strategic Studies, and official statements issued by legislative institutions and alliances of philanthropic organisations. Secondary sources comprise national and international scholarly articles addressing sharia crowdfunding, digital zakat, donor behaviour, and the accountability of philanthropic institutions. The search was conducted through Google Scholar, Garuda, DOAJ, and the journal repositories of Islamic higher education institutions, using the combined keywords digital Islamic philanthropy, sharia crowdfunding, digital zakat, donation-based crowdfunding, donor behaviour, and fundraising regulation.

The inclusion criteria applied were as follows.

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1. Published between 2023 and 2026, with the exception of classical works serving as theoretical references
2. Addressing the Indonesian context or providing an analytical framework relevant to it
3. Taking the form of an indexed journal article, scholarly proceedings, book, official report, or legal document
4. Fully accessible, so that the arguments and findings could be examined in full

Popular opinion pieces without an empirical or documentary basis, together with works reproducing identical findings by the same authors, were excluded. The initial search yielded ninety-six documents; after the screening of titles and abstracts and the reading of the remaining texts in full, forty-eight documents were retained.

The data were examined through content analysis in three iterative stages. In the reduction stage, the principal findings of each document were extracted into a worksheet recording the identity of the source, its focus, its method, and its main findings. In the categorisation stage, the findings were grouped into three themes corresponding to the objectives, namely platform models, donor behaviour, and regulation. In the interpretation stage, the themes were brought together to produce a synthesis and to identify research gaps. Validity was maintained through source triangulation, whereby comparable findings from at least two independent studies were required before a conclusion was drawn.

DISCUSSION

The first finding is that the Islamic philanthropic crowdfunding ecosystem in Indonesia is not singular but consists of four models differing in their degree of institutionalisation and regulatory compliance. The distinction matters because public debate tends to treat all online giving as a single phenomenon, whereas the risks and governance requirements of each model differ considerably.

Table 1: Models of Islamic Philanthropic Crowdfunding in Indonesia

Model	Illustration and character	Strengths	Principal vulnerability
General aggregator platforms	Platforms hosting campaigns by both institutions and individuals	Wide reach, low fundraising cost, campaign narratives circulate easily	Verification of fundraisers depends on internal platform policy alone

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Model	Illustration and character	Strengths	Principal vulnerability
Digital channels of zakat institutions	Websites and applications of BAZNAS and national zakat agencies	Subject to Law Number 23 of 2011, sharia audit and periodic reporting	Adoption limited to donors already familiar with the institution
Digital wallets and marketplaces	Zakat and donation features embedded in payment services and e-commerce	Integrated into daily transactions, minimal payment friction	The donor and beneficiary relationship becomes anonymous and non-recurring
Social media fundraising	Campaigns by individuals or communities through groups and personal accounts	Fast, flexible, and socially powerful within local networks	Conducted without permit or reporting, and most exposed to misuse

Source: compiled from the literature, 2023-2026

The management literature shows that the digitalisation of fundraising improves efficiency, accountability, and donor reach, while remaining constrained by data security, digital literacy, and infrastructural disparities between regions (Mardiah, 2025). This is consistent with a systematic review of sixty-seven articles concluding that traditional mechanisms rooted in religious authority, communal trust, and local culture remain influential and coexist alongside institutional and digital channels (Khoiriyah and Hidayat, 2025). Digitalisation in Indonesian Islamic philanthropy is therefore more accurately read as the addition of a layer than as a replacement.

With respect to contractual form, all four models rest on the tabarru contract, a benevolence-based arrangement entailing no return to the giver. Difficulties arise instead at the level of technical muamalah, namely the clarity of the designated purpose of funds, the standing of the platform as an agent of collection, and the treatment of funds that remain undisbursed or exceed the campaign target. Studies in Islamic accounting

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emphasise that transparent record keeping and the segregation of managed funds constitute conditions of sharia compliance not yet uniformly applied (Khulataini, 2025).

A further implication concerns the shifting position of zakat institutions. Where aggregator platforms and digital wallets control the point of contact with donors, zakat institutions risk being reduced from collectors to distributors displayed within another party's storefront. The consequence is strategic, since ownership of donor data, the capacity to cultivate long-term giving relationships, and the space for religious education migrate to technology providers bound by neither sharia obligations nor zakat reporting requirements.

The second finding is that digital donor behaviour is formed by five groups of determinants interacting with one another rather than by religiosity alone.

Table 2: Determinants of Donor Behaviour on Digital Philanthropic Channels

Determinant	Role in the giving decision	Implication for managers
Religiosity	Underlying motive and source of initial intention, frequently operating as a moderator rather than a sole determinant	Religious messaging must be accompanied by evidence of performance
Institutional trust	Determines the choice of channel, since credibility underpins the decision to give through an agency or directly	Track record and audit results must be visible on the campaign page
Transparency and accountability	Exerts a strong influence on the decision to pay zakat through digital platforms	Reporting on the use of funds must be routine rather than campaign-bound
Ease and usefulness of technology	Reduces transaction friction and is dominant among younger donors	Interface design and payment options determine conversion rates

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Determinant	Role in the giving decision	Implication for managers
Social influence and digital literacy	Disseminates campaigns while excluding groups with low literacy	Digital philanthropic education becomes part of the fundraising strategy

Source: compiled from the literature, 2023-2026

A study applying the UTAUT framework to digital zakat found that performance expectancy, effort expectancy, facilitating conditions, and price value significantly influence donor satisfaction, whereas social influence does not, with religiosity moderating almost all of these relationships (Hidayatulloh and Nahar, 2025). The finding challenges the long-standing assumption that religious social pressure automatically drives giving on digital channels. In the online environment the decision to give appears more individual and more strongly shaped by the quality of the user experience.

Research on the intention to pay zakat, infaq, and sadaqah digitally similarly confirms that religiosity, institutional trust, ease of application use, and understanding of digital zakat operate jointly in forming intention (Rania and Susilo, 2026). Studies among university students report a limited understanding of how such funds may be channelled through crowdfunding platforms, indicating that the potential of an educated and technologically literate segment remains underutilised. The genuine obstacle is therefore the disparity between access to technology and comprehension of its substance rather than the absence of devices.

A further behavioural dimension deserves attention, namely the shift from institutional giving to narrative-driven giving. Campaigns presenting personal stories and compelling visual material tend to attract greater response than long-term empowerment programmes that resist concise storytelling. The allocation of digital philanthropic funds consequently risks tilting towards urgent charitable needs at the expense of productive programmes that determine the sustainability of poverty alleviation. This shift is a consequence of platform design rather than a change in the religious intention of donors, and must therefore be addressed through campaign curation policy and incentives for impact reporting.

The third finding is that the philanthropic legal framework lags considerably behind the practice it governs. The collection of money or goods for social purposes remains subject to Law Number 9 of 1961 and Government Regulation Number 29 of 1980, while online fundraising is reached only through ministerial regulations of a technical nature

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(Suryaningrat, 2026). The statute predates the internet and recognises no concept of a service provider, leaving the responsibility of platforms as intermediaries unarticulated. Four principal problems emerge from the contemporary legal literature.

1. The absence of norms protecting donors, since without specific rules on the responsibility of online service providers a legal gap arises that may be exploited by irresponsible parties
2. Weak enforcement and sanctions, as many campaigns proceed without a collection permit or make unauthorised use of another institution's permit while action against misappropriation remains slow
3. Licensing misaligned with the nature of the activity, since a permit valid for only three months presupposes fundraising as an ad hoc undertaking whereas philanthropic programmes are long term
4. Fragmented authority across the Ministry of Religious Affairs, the Indonesian Waqf Board, the Ministry of Social Affairs, and the Financial Services Authority, which a single platform must navigate simultaneously

The emerging direction of reform proposes replacing Law Number 9 of 1961 with a philanthropy advancement act grounded in the protection of citizens' rights, recognition of the diversity of philanthropic actors, the strengthening of governance, and the accommodation of digital technology (Alliance of Philanthropy for Donation Accountability, 2025). Earlier legal scholarship has specified the substance such a revision requires, including provisions on fundraising through information technology, the segregation of donation accounts, the regulation of donations received electronically, mechanisms for reporting the proceeds of collection, and the imposition of effective sanctions.

From the perspective of Islamic economics, regulatory reform cannot be treated as a purely administrative matter. The management of public religious funds rests on the principle of amanah and entails a dual accountability, both to the donor and to God. Standards for digital reporting should therefore be derived from established sharia principles, namely clarity of contract in every campaign, segregation of zakat funds from infaq and operational funds, disclosure of the proportion allocated to amil, and periodic sharia audits whose results are publicly accessible.

Bringing the three findings together yields a central proposition. The sustainability of digital Islamic philanthropy is determined by a chain of trust linking regulation, platform governance, and donor behaviour. Weak regulation renders platform accountability dependent on voluntary initiative; uneven accountability leads donors to judge credibility

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by the visual impression of a campaign; and impression-based judgement channels funds towards the most affecting rather than the most effective campaigns. A break in any single link degrades the performance of the entire system.

Figure 1: The Chain of Trust in Digital Islamic Philanthropy

Regulation	Platform governance and transparency	Donor trust	Volume and quality of giving	Impact on beneficiaries

Impact on beneficiaries is not a terminal point but a feedback loop that reinforces or weakens donor trust in the subsequent cycle.

Four research gaps follow from this synthesis. No study has yet tested the effect of digital reporting quality on repeat giving, although repeat giving determines programme sustainability more decisively than one-off donations. Research on donor behaviour remains concentrated in the major cities of Java, while eastern Indonesia, with its strong religious community structures, is largely unrepresented. No measurement instrument exists for assessing sharia compliance specifically among platforms collecting several categories of funds at once. Finally, the effect of algorithms and interface design on the allocation of philanthropic funds remains unexamined, although in practice algorithms determine which campaigns become visible.

The policy implications operate at three levels. At the level of the state, reform of the philanthropy statute should mandate the registration of online fundraising providers, the segregation of donation accounts, periodic and publicly accessible reporting, and graduated sanctions. At the institutional level, zakat and waqf managers should treat digital channels as instruments for cultivating donors rather than as transaction engines, issuing concise and regular impact reports. At the societal level, digital philanthropic literacy should be incorporated into religious education so that donors are able to verify the legality and track record of a campaign before contributing.

CONCLUSION

The digital transformation of Islamic philanthropy in Indonesia proceeds as the addition of a layer to existing practice rather than as a replacement of traditional channels. The ecosystem comprises four models, namely general aggregator platforms, the digital channels of zakat institutions, digital wallets and marketplaces, and social media fundraising, with regulatory compliance declining across the sequence.

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Donor behaviour on digital channels is shaped by the interaction of religiosity, institutional trust, reporting transparency, ease of technology use, and social influence. Religiosity remains the underlying motive but functions as a moderator rather than a sole determinant, so that religious messaging unaccompanied by evidence of performance is insufficient to sustain repeat giving.

The greatest challenge lies in regulation. Law Number 9 of 1961 does not recognise online transactions, enforcement against misappropriation is weak, permit validity is misaligned with the nature of philanthropic programmes, and authority is dispersed across several institutions without coordination. These conditions render public trust the most fragile variable in the system.

The study therefore recommends accelerating the reform of philanthropic legislation to accommodate digital fundraising, developing reporting and sharia audit standards specific to crowdfunding platforms, and embedding digital philanthropic literacy within religious education. Further research should test empirically the effect of digital reporting quality on repeat giving, extend the study of donor behaviour beyond Java, and develop an index of sharia compliance for digital philanthropic platforms. The limitation of this study lies in its exclusive reliance on secondary data, so that its findings constitute a conceptual synthesis still requiring empirical verification in the field.

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