

The Role of Sharia Equity Crowdfunding Business Model in Improving Employee Welfare Based on Maqashid Shari'ah Perspective: Case Study of SMEs Listed in Santara Platform

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Abstract

SMEs have a big role in the country's economy. However, during the COVID-19 pandemic, the condition of SMEs declined and needed solutions, especially related to funding. Equity crowdfunding for SMEs is a breakthrough business model that has begun to be studied by many researchers. However, research on equity crowdfunding in SMEs is still rarely done. Moreover, researchers have not specifically analyzed employee welfare in the Maqasid Shariah perspective which is a research gap. This study aims to analyze the concept of equity crowdfunding management and its impact on employee welfare referring to the maqashid shari'ah perspective which consists of 5 aspects, namely religious protection, protection of life, protection of mind, protection of offspring, and protection of property. This research is qualitative research with a descriptive analysis method. The data in this study are primary and secondary data, Primary data was obtained through in-depth interviews with 5 SMEs from the food and beverage industry that had been registered at PT Santara Daya Inspiratama for the 2019-2021 period, which were randomly selected. And secondary data in this study is literature related to crowdfunding equity and Maqasid Shariah. This research shows that the equity crowdfunding business model is a business model that overshadows the cooperation between investors and SMEs in capital. It is evident that in general crowdfunding has an important role in improving the welfare of SME employees. Specifically, from the 5 aspects of welfare based on maqasid shari'ah, it was found that 2 aspects had not been achieved, namely the protection of the soul and the protection of offspring. As for the protection of religion, protection of reason, and protection of property, SMEs have been able to carry out well with the encouragement of crowdfunding.

Keywords: Equity crowdfunding; SME; employee welfare; maqasid shari'ah

Abstrak

PT Santara Daya Inspiratama merupakan platform equity crowdfunding yang memberikan solusi bagi terwujudnya peningkatan kesejahteraan karyawan di perusahaan setelah banyak pelaku usaha terdampak pandemi covid-19. Penelitian ini bertujuan untuk mengetahui tingkat kesejahteraan karyawan di UKM yang telah listing di platform Santara berdasarkan ukuran perspektif maqashid syari'ah. Penelitian ini menggunakan pendekatan analisis kualitatif untuk mengkaji data yang didapatkan dari proses wawancara dan kunjungan lapangan untuk mencapai tujuan penelitian. Temuan dalam skripsi ini menyoroti tingkat kesejahteraan karyawan di UKM yang meningkat setelah melakukan kerjasama pengalangan modal dengan pihak PT Santara Daya Inspiratama. Metode analisis kualitatif dengan tingkat ukuran kesejahteraan menggunakan perspektif maqashid syari'ah memungkinkan penulis mengetahui secara mendalam namun memiliki generalisasi yang terbatas. Dalam penelitian ini keterbatasan tersebut diharapkan dapat memberikan ruang bagi penelitian selanjutnya untuk melakukan penelitian di berbagai industri dan menguji lebih dalam secara teoritis.

Kata kunci : Equity crowdfunding, UMKM, Kesejahteraan, Maqashid Syariah

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1. INTRODUCTION

Small and Medium Enterprises (SMEs) have an important role in the Indonesian economy. Small and Medium Enterprises contribute fully to the expansion of job opportunities and employment (Maksum et al., 2020). Quantitatively, the number of Small and Medium Enterprises (SMEs) in Indonesia shows a continuous increase to reach 26.26 million businesses and can absorb a workforce of 98.33% in 2015-2019 (BPS, 2021). This business group has proven to be resistant to all kinds of economic shocks, but the story is different in the case of the COVID-19 pandemic. Research from BPS also states that SMEs are in dire need of venture capital to resume operations. This statement shows that the development of SMEs in Indonesia still requires capital assistance from various parties (Athief, 2019; Herlita & Fawaiq, 2019; Maksum et al., 2020).

One of the new solutions offered in SME funding is equity crowdfunding (Hanif et al., 2023; Md Husin & Haron, 2020; Pekmezovic & Walker, 2016). Equity crowdfunding is a forum for crowdfunding or joint venture activities that refer to shared ownership based on the capital provided by investors for the SME business industry. Equity crowdfunding for SMEs is a new concept in the business world. Various literatures began to examine the impact and role in improving the performance of SMEs as well as an investment option. The emergence of fintech companies in the field of capital raising or equity crowdfunding, especially sharia, should be one of the solutions for accessing capital for SMEs in Indonesia.

Eldridge et al. (Eldridge et al., 2019) analyzed the impact of equity crowdfunding on SMEs and found that equity crowdfunding can increase SME innovation and increase SME growth. Another study by Husin & Haron (Md Husin & Haron, 2020) also found that the financial sustainability of SMEs can be optimized with Islamic Crowdfunding. Beier et al. (Beier et al., 2019) stated in the results of their analysis that the involvement of SMEs in equity crowdfunding can be a promising marketing tool and increase the sustainability of SMEs. Some of these studies show the important role of equity crowdfunding for SMEs (Mustafida et al., 2021).

There are only 2 equity crowdfunding companies that have officially obtained permission from OJK in Indonesia (Otoritas Jasa Keuangan, n.d.), one of which is PT Santara Daya Inspiratama (santara). PT Santara currently has 230,600 member investors who

are ready to invest their funds in businesses listed on Santara. 5,920 businesses registered in between and 90 were successful in listing. Santara's achievement in numbers is manifested in the number of Santara investor members amounting to more than 208,898 investors. The average investor who invests in between invests with a nominal value of 5.79 million rupiah. Santara is an intermediary between investors and issuers in developing business (Octaviani et al., 2021) (Aji & Priyono, 2021) with the concept of sharia providing profits in the form of dividends or profit sharing from business profits which are distributed every 6 months. The system in between does not apply any interest payments. Access to capital is an investment, not a loan, and Santara provides open access to investors regarding the distribution of capital funds for small and medium business units (SMEs) (Santara, 2020). PT Santara Daya Inspiratama can contribute to improving the welfare of small and medium enterprises (SMEs) in Indonesia. Currently, the development of many small and medium enterprises has received capital funding, which will help the smooth running of SME businesses in Indonesia.

Several studies related to equity crowdfunding are still dominated by the impact on SMEs both from the aspect of SME performance (Md Husin & Haron, 2020), SME innovation (Eldridge et al., 2019), and SME growth (Ibrahim & Verliyantina, 2012) (Eldridge et al., 2019). This study provides a novelty in the topic of equity crowdfunding for SMEs by analyzing the role of equity crowdfunding in improving the welfare of SME employees in collaboration with equity crowdfunding. Employee welfare is a social issue that is much considered by the government and the social community. So the analysis related to employee welfare in SMEs registered in equity crowdfunding becomes a new and interesting topic.

In analyzing the welfare of employees, Pusparini (Pramana et al., 2017; Yudha et al., n.d.); recommends that the concept of welfare can be measured using the maqashid syariah concept. Maqashid al-Sharia welfare is a comprehensive concept (Soleh, 2016). According to (Setiyawati & Oktafia, 2021), the development of MSME businesses or the economy of a village can change the economic conditions of a country for the better and improve people's welfare. This finding is to the principles of the Maqashid Syariah concept. The level of welfare measure in

Islamic economics is not only realized with material but also the ability to meet spiritual needs which are closely related to socioeconomic interests. The success of the company should consider the balance or harmony between the material needs and the spiritual needs of the people involved in it. This goal is what is meant by *maqashid shari'ah* (Izadi et al., 2022).

The development of a technology-based equity crowdfunding business model will make it easier for the business industry to improve welfare for all levels of society. However, the results of previous studies conducted by Apriliani (Apriliani et al., 2019) show that around 60.6% of SMEs have never heard of and know the concept of an equity crowdfunding business model that is by sharia principles. If you look at previous research, researchers see that there are limitations in Islamic financial literacy and the accessibility of Islamic funding institutions for SMEs in Indonesia. This has become the focus of researchers to explore more about the Santara equity crowdfunding business model to be able to improve the welfare of SMEs in Indonesia.

LITERATURE REVIEW

Equity Crowdfunding

Fintech equity crowdfunding is an activity that controls and raises funds for venture capital. According (Mcgrail, 2013) explains that the focus of equity crowdfunding is to raise many small donations from an organizing agency. This activity involves three parties, namely the project proponent or entrepreneur who needs funds, investors who are interested in supporting the project, and the organizer who facilitates the activity. This organizer functions to make it easier for investors to access information related to funding opportunities in product/service development efforts (Lee & Shin, 2018). According to (Mcgrail, 2013) Equity crowdfunding is described in three processes, namely each project sets a funding deadline goal, If the general public is interested, they will donate money to help the project and if the project has received sufficient funding, the donation money can be withdrawn by the project maker from the donor. If the project funding fails, the donor's money will not be withdrawn.

According to Massolution, (Massolution, 2013) there are several types of crowdfunding based on publications in industry reports:

- a. Equity-based crowdfunding: Receiving compensation in the form of equity or share

income from the proceeds of a capital-raising project.

- b. Lending-based crowdfunding: Receive compensation regularly and expect a refund after the project is successful
- c. Reward-based crowdfunding: Giving money to get benefits and compensation other than money
- d. Donation-based crowdfunding: Donate without expecting compensation from the project

The type of equity crowdfunding that is used effectively to help business actors is the type of equity-based crowdfunding (Z. Abdullah & Susanto, 2019; Sari et al., 2020). It's also the type of crowdfunding that has been applied in this research. Sharia equity crowdfunding is highly recommended as a financing solution for start-ups (Ishak & Rahman, 2021; Masrifah, 2021). Business actors can easily get start-up capital from investors who are interested in investing in the company. Equity crowdfunding is expected to help business development achieve comprehensive prosperity through Islamic law or Sharia equity crowdfunding. Sharia equity crowdfunding is a concept of helping people who do not have business capital with people who have excess funds (Tripalupi, 2019). Fundraising can help business people who want to develop their business (Salam, 2020).

In general, the management of equity crowdfunding must comply with Sharia principles (S. Abdullah & Oseni, 2017). There are 2 parties involved in activities based on the Sharia equity crowdfunding business model, namely the issuer of shares and the owner of the capital. There are three parties to the equity crowdfunding business model, namely crowdfunding organizers, share issuers (*mudharib*), and capital owners (*shahibul maal*). The party organizing the crowdfunding service (equity crowdfunding) is the party given the power of attorney, which in the contract appoints another person as a substitute to act (*bertasharruf*). In fiqh theory, *muamalah* is known as *wakalah* (Huda & Heykal, 2010).

Islam regulates all *muamalah* activities on the stock investment transaction model using the *mudharabah* and *musyarakah* theory contracts. *Mudharabah* contract is a contract between the owner of capital and the manager of capital, namely the business actor on the condition that the profits are divided by both parties according to the amount of the

agreement. (Sahani & Abdullah, 2011). Musyarakah contract is also used if the contract is a profit-sharing agreement. Musyarakah contract is a contract between people who bind themselves to cooperate where each has the right to take legal action on the managed capital. (Afandi, 2009).

Fatwa Number 117/DSN-MUI/II/2018 concerning information technology-based financing services based on Sharia principles is the provision of financial services that bring together and connect financiers with financing recipients to carry out financing contracts with Sharia principles through internet network media. According to (Salam, 2020) there are three parties involved in this type of service transaction:

- a. Operators are legal entities that provide, manage, and operate information technology-based financing services
- b. The owner of the fund, namely the financier, namely the party who has the funds to invest the funds for the recipient of the financing
- c. Recipients of financing who use funds sourced from fund owners from information technology-based financing services

Small Medium Enterprise (SME)

In the Law of the Republic of Indonesia Number 20 of 2008 concerning SMEs Article 1 states that Micro, Small, and Medium Enterprises micro-enterprises are productive businesses owned by individuals and or individual business entities that fulfill micro-enterprises, as regulated in the law. Meanwhile, in Article 1 paragraph (3) of Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises the criteria for SMEs according to Law Number 20 of 2008 concerning SMEs are:

- a. Micro-enterprises are businesses carried out by individuals or business entities that are owned, controlled, or become an indirect part of a medium-sized or large-scale business that meets the criteria for assets of Rp. 50 million – Rp. 300 million, turnover criteria of Rp. 300 million – Rp. 2.5 billion. rupiah. Assets do not include land and buildings for business premises.
- b. Small businesses, namely businesses carried out by individuals or business entities that are owned, controlled, or become an indirect part of a medium or large business that meets the criteria for assets of more than Rp. 50 million - 500 million, excluding land and buildings for business

premises. The turnover reaches 300 million – 2.5 billion every year.

- c. Medium business is a business carried out by individuals or business entities that are owned, controlled, or become an indirect part of a medium or large business that meets the criteria for assets of more than Rp 500 million – Rp 10 billion, turnover criteria of more than Rp 2.5 billion – IDR 50 billion rupiah, excluding land and building for business premises.

According to Tanjung (2016), the difference between SMEs and other large business units can be distinguished based on the characteristics of SMEs which include financial management that is still very simple, has not made financial records and made business balances, the average education of entrepreneurs is still low and has an adequate entrepreneurial spirit, then do not know to bank, have a workforce in general less than 4 people, business turnover is fast, in the economic crisis business activities continue to run and develop because management costs are still relatively low, do not have a business license and legal requirements including NPWP and the last is micro business actors has a diligent nature, and is simple and easy to accept guidance.

Based on the Decree of the Minister of Finance Number 40/KMK.06/2003 dated January 29, 2003, concerning the development of Small and Medium Enterprises (SMEs). With the first classification, namely Livelihood activities, SMEs are used to earn a living or as job opportunities in the informal sector. Furthermore, the second classification is Microenterprise, namely SMEs that have the nature of craftsmen but do not yet have entrepreneurial characteristics. The third classification is Small dynamic enterprises, namely SMEs that have an entrepreneurial spirit and can accept work subcontracts and export-import activities. The fourth application is a fast-moving enterprise, where SMEs have an entrepreneurial spirit and can transform into big businesses. Small and medium enterprises have the main objective of growing and developing their business both for business welfare and in the context of building a national economy based on a just economy.

Maqasid Shariah as Employee Welfare Measurement

Etymologically, maqashid sharia consists of two words, namely maqashid and sharia. Maqashid is the

plural form of *maqshud* which means intention or purpose. As for *sharia*, it means the road to water or it can be said to be the road to the source of life. In terms of *maqashid sharia* is the decree of Allah SWT to make *maslahah* in humans (Fauzia, 2014; Shehu et al., 2015). In Law Number 11 of 2009, welfare is a condition of meeting material, spiritual, and social needs for humans to be able to develop themselves and live decently.

In the view of Islamic economics, the *maqashid* commandment is to provide some benefits to the *ummah* or to protect the *ummah* from any harm (Fauzia, 2014). This is the main goal of the concept of *maslahah* in the view of *sharia*. According to (Zahra, 2014), a well-known cleric from Egypt views *Maqasid Al-Shariah* as a "grace for humanity" in his book *Proposal Al-Fiqh*. Imam Abu Zahra categorizes *maqashid al-syariah* into three categories, namely: Educating individuals (*tahdhib al-fard*), upholding justice (*iqamah al-adl*) and public interest (*al-maslahah*).

Welfare according to (Ghazali, nd) is the "attainment of benefit". In his book *Al Ghazali* perfects *Al Juwayni's* theory of *maqashid al-syariah* and categorizes *Maslahah* into three: necessities (*daruriyat*), complements (*hajiyaat*), and decorations (*tahsiniyah*). According to (Al-Ghazali, 1985) Needs are the most important element in a nation because they will cause chaos if not fulfilled, complement becomes an element that facilitates human life, and decoration or tertiary are items related to ethics and morals. According to (Ghazali, nd) *daruriyat* is reduced to five points that must be known as *al-dharuriyat al-khamsah*, namely guarding against religion (*hifz al-din*), guarding against the soul (*hifz nafs*), guarding against reason (*hifz al-aql*), Protection of offspring (*hifz al-nasal*) and protection of offspring (*hifz al-mal*). These five elements form the framework of *Al-Ghazali's* *maqashid al-Sharia* which is illustrated as follows:

a. Protection of Religion (*hifz al-din*)

The form of protection for religion can be carried out at the *daruriyyat* level, namely carrying out Allah's commands, prayer, zakat, fasting, *infaq*, *shadaqah*, and so on. At the *hajiyyat* level, namely carrying out religious provisions by avoiding difficulties such as congregating or *qasar* prayer. At the *tahini* level, namely following religious instructions to uphold human dignity, such as covering the genitals. (Rohman, 2010).

Religious protection at this level can be concluded as the ability of a Muslim to carry out the commands of Allah SWT so that a sense of well-being arises within himself.

b. Protection of Life (*hifz nafs*)

The protection of the human soul is divided into three levels, namely *daruriyat*, *hajiyyat*, and *tashiniyat*. At the *daruriyat* level, it is exemplified in meeting the basic needs of life such as consuming food. At the level of *hajiyyat* needs, that is, every human being can consume *halal* and delicious food. Meanwhile at the *tahsiniyyat* level is the relationship between consumption ethics and individual consumption. (Rohman, 2010). In the level of mental protection, it can be concluded that welfare can be measured through a person's ability to meet the needs of life and take care of the physical (physical) as a whole.

c. Protection of Intellect (*hifz al - 'aql*)

According to *Al Ghazali*, reason is the most important element in humans. Islam requires every human being to keep his mind. On the other hand, humans are also required to continue to study to develop their minds. Intellectual protection (*hifz al-'aql*) is divided into three levels. *Daruriyyat* level, Islam forbids drinking *khamr*, drugs that damage the mind. At the *Hajiniyyat* level, Islam encourages every human being to get a proper education. Meanwhile, at the *tahsiniyyat* level, humans should accept something beneficial for their lives and leave something bad. (Al-Ghazali, 1985). At this level, self-welfare can be measured through a person's ability to seek knowledge in both religion and science so that it can improve a person's standard of living and benefit others.

d. Protection of Lineage (*hifz an-nasl*)

Humans must take care of their families and descendants, therefore one of the basic needs of having offspring and maintaining a family must be fulfilled. The protection of offspring is a guarantee of the sustainability of the human population on Earth. This can be done by giving love and education to children so that they have adequate character and intelligence. In Islam, protecting offspring is recommended for marriage and forbids adultery. At the *daruriyyat* level, Islam recommends getting married to avoid adultery. In *hajiyyat* mentioned dowry for the husband at the time of the marriage contract. At the *tahsiniyat*

level, there is a sermon in marriage. Protection of offspring can include other things, namely education, inheritance, and others. (Al-Ghazali, 1985). At this level, it can be concluded that a person's ability to ensure the continuity of heredity and culture brought from birth from the family can be used as a measure of welfare.

e. Protection of Wealth (*hifz al-mal*)

In protecting property, it can be done by preventing acts that tarnish the property, namely ghashab or theft. The basis of the muamalah system is justice and willingness to regulate various economic transactions to increase wealth proportionally in a lawful way and not in a fraudulent way or dominate economic life. Wealth is one of the means to achieve prosperity. According to Al Ghazali, faith and property are indispensable for human happiness. In maqashid al-Shariah put the fifth pirotitas order. But in this case, it is faith that will help discipline and give meaning to the assets owned for sharia purposes. (Al-Ghazali, 1985). In the level of property protection, it can be concluded that a person's welfare can be measured by the level of property that can be owned without dropping and harming others.

Maqashid Shari'ah perspective on assessing welfare is an essential way to ensure that the economic and social systems in place align with Islamic principles. Within the framework of human welfare resources based on the concept of maqashid al sharia and the general framework of public welfare (stakeholders), there is a logical relationship. The following is the maqashid al-shariah model and stakeholder well-being by Source: (Siddiqui et al., 2019) a continuation of the maqashid shariah welfare framework model from (Mohammad & Shahwan, 2013).

Table 1. Welfare Framework in Maqashid Shariah

Model of Abu Zaharah	Model of Al Ghazali	Welfare Dimensions
Tahdhib al-fard		
Iqamah al-adl		
Al Maslahah Daruriyyat	Al-Din	Spiritual Welfare

Model of Abu Zaharah	Model of Al Ghazali	Welfare Dimensions
	Hajiyyat Al Nafs	a. Physical well-being b. Social welfare c. Cultural well-being
	Tahsiniyyat Al Aql	Intellectual Welfare
	Al Mal	a. Economic well-being b. Work welfare
	Al Nasl	Psychological well-being

2. RESEARCH METHOD

The method in this study the author uses a qualitative research design with a descriptive method. Qualitative research can be defined as a research method that has a naturalistic paradigm and is based on a post-positivistic perspective, used to examine a natural object and construct reality, to produce research that emphasizes deep meaning. (Somantri & Gumilar, 2005). The qualitative approach with descriptive method is a research method based on the philosophy of post-positivism which is used in conditions of natural objects, the researcher is the key to data collection which is carried out by triangulation (combined), data analysis is inductive and the results of qualitative research are more meaningful than generalizations.

This method is carried out by using a literature study of documentation studies and conducting interviews with the parties concerned. From the results of the literature study, documentation, and interviews, the results of the research will be presented in the form of a description of the equity crowdfunding business model at PT Santara Daya Inspiratama in improving the welfare of SMEs based on the maqashid sharia perspective.

The population used in this study is the population of respondents from all companies in the food and beverage industry that have been listed in Santara in the 2019-2021 time period and are located in the Jogja-Central Java area. The following data has been published by Santara, there are 26 companies in the food and beverage industry spread throughout Indonesia.

Table 2. Population

No	Nama perusahaan	Wilayah	Industri
1	Yamie Panda	DI Yogyakarta	Restaurant
2	PT Kembar Cipta Rasa	DI Yogyakarta	Restaurant
3	PT Piring Baja Sinar Anugrah	DI Yogyakarta	Restaurant
4	Cakeinian Yogyakarta	DI Yogyakarta	Store cake
5	PT Kembar Cipta Boga	DI Yogyakarta	Restaurant
6	PT Taman Boga Sejahtera	DI Yogyakarta	Restaurant
7	PT Buma Ciptra Rasa Otamah	DI Yogyakarta	Restaurant
8	PT Aldan Sembada Rasa	DI Yogyakarta	Restaurant
9	PT Teto Cita Rasa Otamah	DI Yogyakarta	Restaurant
10	PT Harum Prasama Kopi	Jawa Tengah	Coffe bar
11	PT Kenyang Puas Selalu	DI Yogyakarta	Restaurant
12	PT Sinar Palagan Baru	DI Yogyakarta	Restaurant
13	PT Ramen Hits Kekinian	Jawa Tengah	Restaurant
14	PT Felice Gelato Nusantara	Jawa Tengah	F&B
15	PT Moment Jaya Abadi	Jawa Tengah	Coffe bar
16	PT Muda Bangun Semesta	DI Yogyakarta	F&B
17	PT Oasis Laju Sentosa	Jawa Tengah	F&B
18	PT Maha Karya Sinergi Indonesia	DI Yogyakarta	Restaurant
19	PT Salad Nyoo Indonesia	DI Yogyakarta	F&B
20	PT Layar Sentuh Lestari	DI Yogyakarta	F&B
21	PT Sintesa Karya Boga Sejahtera	Jawa Tengah	F&B
22	PT Kalis Damai Sejahtera	DI Yogyakarta	F&B

No	Nama perusahaan	Wilayah	Industri
23	PT Inovasi Makanan Indonesia	DI Yogyakarta	Restaurant
24	PT Milenial Kolaborasi Bisnis	DI Yogyakarta	Coffe bar
25	PT Sei sapi kana	Jawa Tengah	Restaurant
26	PT Persada Pangan Prakasa	Jawa Tengah	Coffe bar

Source: (Santara Equity Crowdfunding platform, 2020)

Table 2. provides information about the geographical location, namely in the provinces of Central Java and DI Yogyakarta of each company. There are 8 companies based in Java province, namely PT Harum Prasama Kopi, PT Ramen Hits Kekinian, PT Felice Gelato Nusantara, PT Momen Jaya, PT Oasis Laju Sentosa, PT Sintesa Karya Boga Sejahtera, PT Sei Sapi Kana, and PT Persada Pangan Prakasa. While the other 18 companies are based in the province of Yogyakarta. This reflects that the geographical spread of companies can have an impact on company conditions and available infrastructure. In this table, 26 companies fall into the MSME category. This shows that there are variations in the number of employees in the industry among these MSME companies. Meanwhile, the type of industry shows the industry in which each company operates. This difference in industry illustrates the diversity of business types that can be classified as MSMEs.

3. FINDINGS AND DISCUSSION

Model Business Implementation in PT Santara Daya Inspiratama

The equity crowdfunding business model at PT Santara Daya Inspiratama is a platform that connects SMEs and investors online via the Internet. Through this platform, access to information can be easily reached for SMEs and investors (Aji & Priyono, 2021). Investors can benefit from the dividends given by MSMEs every six months every year (Angela, personal communication, September 17, 2021). From the equity crowdfunding model that has been implemented at Santara, there are several advantages compared to other equity crowdfunding models, namely:

- a. Compliance with Islamic principles: Santara operates with Islamic finance principles, which

may appeal to investors who wish to invest in their religious beliefs.

- b. Risk sharing: Santara's crowdfunding model is based on the concept of risk sharing, where investors share in the profits and losses of the project, rather than just receiving a return on their investment.
- c. Transparency: Santara provides a more transparent investment process as it has a clear and defined structure, where the funds are used for specific projects and the profit and loss sharing is clearly defined.
- d. Access to diverse investment opportunities: As Santara operates in compliance

The following is a schematic of the business model:

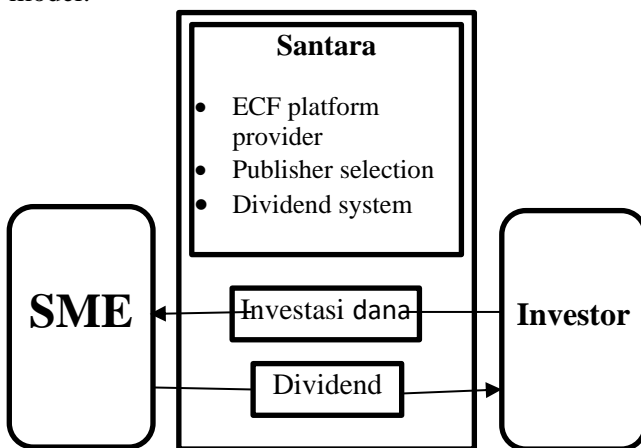


Figure 1. Santara Business Model

In the scheme above, there are three components in the equity crowdfunding business model, namely SMEs (the issuer of shares), investors as the financier, and the capital raising party, namely the equity crowdfunding platform. However, in service, Santara cooperates with KSEI which has a role as a place for registration of equity crowdfunding (EFC) securities which are issued scripless. (Santara, 2020). All equity crowdfunding share ownership will be recorded in a securities account in the name of the equity crowdfunding investor which will be managed by KSEI Account Holders who have collaborated with EFC organizers. KSEI provides collective share custody services (Santara, 2020).

Santara applies a selection process for business partners or SMEs who will register for the Santara marketplace listing. Some of the selection processes at this stage were carried out by Santara's independent team. The following selection stages include pre-screening activities and further analysis for

prospective publishers or MSMEs. This is done following the regulations that apply internally to the company and the regulator. There are three general requirements that the independent team assesses, namely that the publisher must meet the PAS requirements. PAS according to Santara is Profitable, Accountable, and Sustainable. (Santara, 2020) following the meaning of PAS:

- a. Profitable is a company that already generates revenue, has customers, or is already running.
- b. Accountable is a business activity that can be accounted for in terms of transparent governance, open financial reports, clear legality, owner credibility, and having a clear business track record.
- c. Sustainable is a company that has stable growth in the long term and has the potential to develop.

Santara requires that the company that wants to be funded has a legal entity of PT. Santara positioned himself as a companion and taught the four components. How is the correct bookkeeping, correct financial management, correct tax payments, after that a discussion about company assets. If the culinary minimum is timeless food, not hitz at certain times. (Personal interview, 2021).

There are three scopes of EFC, which include organizers, issuers, and investors. Another provision in the Financial Services Authority Regulation Number 57/PJOK.04/2020 is that equity crowdfunding is allowed to help small companies that are issuers with a capital amount of less than IDR 30 billion to raise funds from the public outside the capital market. In this case, the offer may not exceed Rp. 10 billion with a maximum period of 1 year. The offer period is 60 days. Share offerings by the issuer can be made in 1 or more offerings. The maximum number of shareholders does not exceed 300 parties per issuer. (PJOK, Financial Services Authority Regulation Number 57/PJOK.04/2020, 2020).

In an interview with a resource person, Santara explained that the process of handing over funds to the issuer was carried out no later than 21 working days after the share offering ended. In crowdfunding services, the organizer is entitled to a fee from the issuer from the funds that have been collected as marketing and maintenance costs which are paid for each annual dividend distribution. The amount of the annual fee is agreed in writing in the crowdfunding service agreement which is reviewed annually. The

Operator will distribute shares to investors no later than 10 working days. The distribution of dividends at the finale of the issuer may refer to the approval of the General Meeting of Shareholders (GMS) of the issuer (Angela, personal communication, September 17, 2021).

A business wants its maximum shareholder to be 300 people, then sell the shares for 600 million. Currently, there are 2 shareholders in the business, which means that the quota for shareholders is 298 people. Then the minimum purchase at the time of the initial share offering is $600 \text{ million} / 298 = 2,013.00$ (rounded up). The minimum number can also be lowered and more affordable through the Dynamic Minimum Investment feature at Santara. (Santara, 2020).

In the interview, it is also explained if the investor wants to sell shares on the secondary market. Santara only provides openings twice a year. The price offered is the same as the initial purchase price. The difference is that there is no capital gain in the intermediary secondary market, investors will only receive profit sharing from the invested investment. If there is liquidity from SME companies, Santara cannot guarantee that liquidity occurs, but Santara will try to minimize liquidity risk by providing requirements for issuers to buy back a certain percentage of shares outstanding on the secondary market. (Personal interview, 2021) This condition will minimize the discovery of trading terms in stocks, namely scalpers, daily traders, and swing trades.

Next is related to the profit-sharing scheme that is carried out. In an interview (Angela, 2021) explained that the profit sharing scheme for each investor is calculated from the percentage of dividend yield (profit sharing/investor) on average 10% -20% / year, if the investment is IDR 100,000,000 then the dividend will be obtained per year Rp. 10,000,000 - Rp. 20,000,000. On the website (Santara, 2020) it is also explained that the profit sharing/dividend will be given in half every 6 months, as long as the shares have not been sold, the issuer may not make buybacks & profits until the business is sufficient and will continue to receive dividends every 6 months. Not all businesses pay dividends for 6 months. The dividend prospectus can be stated through the dividend yield projection which is an estimate of the dividends that can be obtained by investors. Dividend yield projections are estimates.

Example: Investor A owns 1000 shares of BUMA worth 2% of the total shares owned by shareholders. The decision of the GMS, dividends distributed amounting to Rp 100 million. So, the value of dividends received by investor A is Rp. 2 million. The dividend value is distributed to Investor A of IDR 1.8 million with the calculation of dividend value – Domestic WPOP dividend: $10\% \times \text{IDR } 2 \text{ million} = \text{IDR } 200 \text{ thousand}$.

If the company suffers a loss, Santara as the organizer will bring together the issuer and the investor. If the issuer is unable to survive and must close its business, it is obliged to submit an application to the competent authority to be declared bankrupt or request a suspension of debt repayment (surseance van betaling). Investors can take preventive action by selling shares through the secondary market if the issuer has shown a decline in performance. In this case, Santara does not provide guarantees for liquidation in the secondary market process. For now, Santara is still in the process of being able to buy and sell SME shares on the secondary market. (Angela, 2021).

The Impact of PT Santara Daya Inspiratama in improving employee welfare in SME companies from the perspective of maqashid syariah

Based on the results of interviews with five respondents from food and beverages companies that successfully listed on the Santara platform, the following are the results of the analysis related to the impact of Santara's equity crowdfunding in improving employee welfare in the company based on the maqashid sharia measurement indicators.

Protection of Religion (Ad-din)

The religious protection analyzed from the welfare of employees in SME companies is measured by improving the quality of employees from the religious side and seen from the activities of zakat / infaq / shadaqah issued. Data on zakat/infaq/shadaqah expenditures from companies after getting capital from the Santara platform. Based on the results of interviews with respondents, shows that all respondents from 5 companies have been able to issue zakat/infaq/shadaqah. it can be concluded that 100% of respondents have been able to issue zakat/infak/alms. This shows that the Santara platform can affect UKM income so that they can issue zakat/infak/shadaqah regularly.

Protection of the Life (an-nafs)

Life protection in this study measures the level of welfare of employees in SME companies covering 4 things, namely the ability to meet basic needs, insurance services, social activities, and cultural activities. Life protection for the company's ability to meet the needs of employees after collaborating with the Santara platform shows that of the 5 companies in total, 2 companies have not fully provided basic food allowances or THR for each employee, but 2 of the companies are only able to provide food and transportation allowances as a form of company appreciation to every employee. The other three companies have been able to carry out their obligations for the welfare of their employees by providing additional benefits in the form of THR during Eid al-Fitr.

The benefits are directly related to the well-being and satisfaction of human needs. In Islamic finance, the goal is to ensure that financial transactions and activities are in line with the principles of fairness, justice, and social welfare. By measuring the benefits of a financial transaction or activity, it is possible to determine whether it is in line with the maqasid of Sharia and whether it will contribute to the overall well-being of individuals (Al-Ayubi et al., 2021). Based on the data above, it can be seen that 3 of the companies have been able to meet their food needs or THR after getting additional capital from the Santara platform.

Respondent's data related to life protection for the company's ability to carry out community social activities within the company's environment. The data above shows that after getting additional through the Santara platform there are as many as 4 companies that have been able to carry out social activities for the company environment.

Respondent data related to life protection for the company's ability to provide an opportunity to share culture after getting additional capital through the Santara platform. The data above shows that overall 5 companies have been able to provide freedom to share culture, such as sharing culture in language. This can be seen from the company's business development it opens up many new job opportunities for people throughout Indonesia so that many cultural exchanges occur in it.

Respondents' data on life protection for access to health services provided by the company after obtaining additional capital from the Santara platform

shows that only 1 company has been able to provide access to health services for employees through the BPJS Employment program. The other 4 companies are still unable to participate in the BPJS program, but the four companies will try to register themselves with the BPJS Employment. From the results of the analysis above, it can be explained that the increase in income from the company has not fully provided access to health services for its employees as a form of effort to prosper the company.

Protection of intellect (al-Aql)

In this case, the welfare measure is measured based on the literacy and education obtained by the individual or the company's ability to provide access in the form of increasing employee skills through training in the form of paid online courses or technical training in offline digital systems. The data shows that overall, 5 companies have been able to meet the educational needs and increase employee skills through online course activities and technical training for the transition of offline business activities to digital.

Protection of Lineage (an-nasl)

Protection of lineage is measured by the level of welfare, namely the company can provide both professional counseling facilities. The data shows that as many as 3 companies do not have access to counseling facilities for employees in their companies, and as many as 2 companies have been able to provide professional counseling facilities for company employees. Providing counseling facilities is very important for the company so that it can ensure and maintain the sustainability of every employee in the company. This can be a solution for companies to maintain the loyalty of every employee in the company in the future.

Protection of Wealth (al-mal)

Respondent data is related to assets owned after collaborating and obtaining additional capital with the Santara platform. The data shows that in total 5 companies already have assets from the results of additional capital made on the Santara platform. Based on the analysis of the data on the assets owned by the five companies, it can be seen that after obtaining additional capital the company was able to develop a larger business and the ownership of assets owned by the company increased. This is evidenced by the

increase in operating income so that the assets owned also increase.

This research shows that the crowdfunding service on the Santara platform has been run by Santara's goal of contributing to improving the quality of the company to improve the welfare of SME companies. Company welfare can be measured by Maqashid Shariah through the Santara equity crowdfunding platform. The additional capital used by the company can be used for business development to increase revenue. From this income, it is one indicator of the company's welfare based on the fulfillment of maqashid shariah.

Santana's equity crowdfunding business model will continue to develop and improve because this business model greatly facilitates the public and capital managers to be able to develop digital businesses. The equity crowdfunding business model greatly facilitates unbankable SME entrepreneurs and encourages the development of small and medium enterprises. The results of internal interviews with the owner, director, and section manager are then supported by the results of data processing from secondary data sources, namely observations taken from interviews and observations with company employees. The following are the results of observations in the field as follows:

Table 3. The level of employee welfare from the maqashid sharia perspective

Employee Welfare	Achievement	Explanations
Protection of Religion	Achieved	Able to carry out the obligatory prayers Can carry out zakat, infaq, shadaqah
Protection of Life	Not Reached	The company has been able to meet the needs of employees' families in a balanced way from the income and benefits they get
	Not Reached	The company has not been able to provide access to health services for employees in the form of health insurance
	Achieved	The company and employees have participated in carrying out community social activities within the company

Employee Welfare	Achievement	Explanations
Protection of Intellect	Achieved	The company has been able to provide opportunities for employees in training activities to improve employee knowledge
Protection of Lineage	Not Reached	The company provides health care allowances in the form of childbirth costs for employees' wives
	Not Reached	The company provides access to professional counseling for employees
Protection of Wealth	Achieved	There is an addition to the company's assets and assets after collaborating with Santara
	Achieved	The income received by the company is the result of the resulting performance that does not harm others and is beneficial to others
	Achieved	The company can provide performance benefits such as overtime activities for employees

From the explanation in Table 3, it can be concluded that the indicators used in the research in the five companies that have obtained venture capital from Santara are by the theory obtained from the theory described, there are several things from the 5 indicators of the size of the maqashid shariah perspective that has not been achieved, namely protection heredity and protection of the soul. Three of the indicators for the maqashid shariah perspective from the employer or company have been achieved. but the other two indicators are not reached. This is caused by several things including:

- In the case of protection of life, 4 of the 5 respondent companies have not been able to provide health insurance to employees, this is because 4 of the 5 companies do not yet have BPJS health insurance documents.
- In the case of Protection of Lineage, only 2 companies can provide professional counseling facilities. This is because the 3 companies that

have not provided counseling facilities do not consider this to be important for employees.

4. CONCLUSION

SMEs have a big role in the country's economy. Equity crowdfunding for SMEs is a breakthrough business model that has begun to be studied by many researchers. However, research on equity crowdfunding in SMEs is still rarely done. Moreover, researchers have not specifically analyzed employee welfare in the Maqasid shariah perspective which is a research gap.

This study concludes that in general, the application of the equity crowdfunding model implemented by PT Santara has been successful in increasing the welfare of MSMEs. This can be seen from the fulfillment of the majority of welfare indicators in the maqashid sharia perspective.

The result of this research shows that the crowdfunding business model is a business model that connects investors and SMEs in the capital market. It is evident that in general, crowdfunding has an important role in improving the welfare of SME employees. Specifically, from the 5 aspects of welfare based on maqasid shari'ah, it was found that 2 aspects had not been achieved, namely the protection of the soul and the protection of offspring. As for the protection of religion, protection of reason, and protection of property, SMEs have been able to carry out well with the encouragement of crowdfunding.

Some suggestions that can be considered for further research can be done to understand the factors that influence MSMEs to choose equity crowdfunding to get funding and investors in equity crowdfunding. This can help the government to support MSMEs to get funding more effectively. Further, suggestions the government can provide support to MSMEs in various regions in the form of tax incentives, training, and easy access to regulations for MSME companies. Suggestions for corporate managerial practitioners consider aspects of protection of religion, mind, and property as one of the efforts made to improve the welfare of human resources in the company.

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