

An Integrated Islamic Co-operative as A Housing Solution for China's Housing Affordability Issues

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ABSTRACT

China has witnessed long-term economic growth since 1979, which has caused an increase in the cost of living while improving people's living conditions. The vast amount of fiat money created by commercial banks has driven up housing prices, making it difficult for many middle- and low-income households to own their own homes and producing an array of housing-related socioeconomic problems. Even though the Chinese government has implemented house price control policies for a long time, the outcomes have not been very outstanding. This paper combines best tested and proven examples of housing work elsewhere in the world and proposes a collaborative solution with Islamic finance as the main principle. In order to observe whether Chinese households (minority Muslims and majority non-Muslims) are influenced by their religious beliefs or their perception of the proposed model's fairness and attractiveness, the author conducted a questionnaire. The result shows that most respondents agreed with the model's creative concepts and are prepared to try it. In particular, Muslims, employed, and over 30 years of respondents are more interested. This paper suggests that the model may be piloted in areas where Islamic culture and religion are more prevalent, which may be more successful.

Keywords: Fiat money, Housing affordability, Musharakah Mutanaqisah, Cooperative, Crowdfunding

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